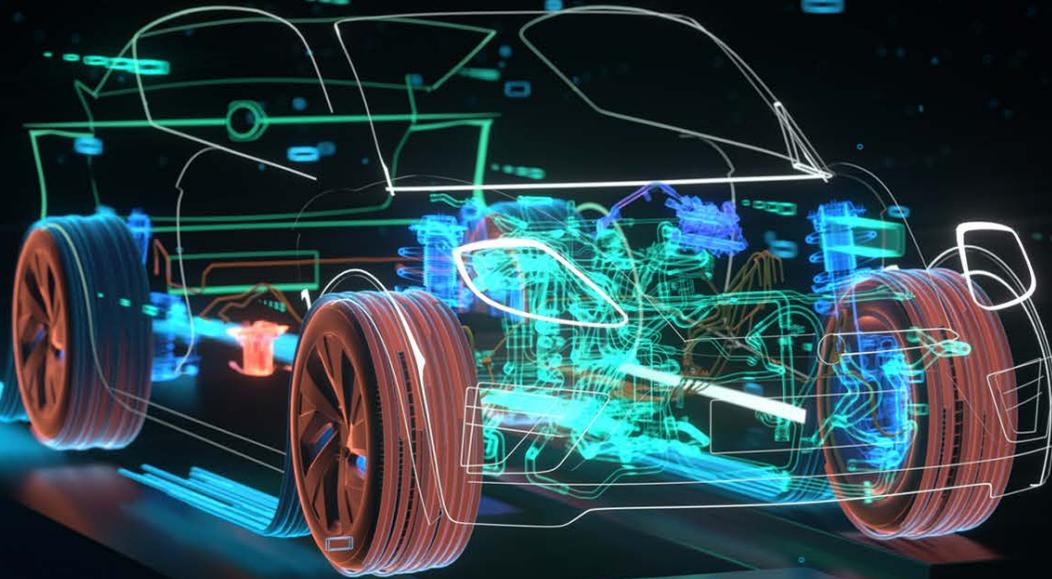


**Greener** technologies.  
**Cleaner** vehicles.  
**A sustainable** future.



# TI Fluid Systems

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Appendix

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

Now we are Taking-the-Turn by using our expertise and technologies 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.

## What's in this Sustainability Report

### Our sustainability framework

The framework is based on Technology, Talent and Transformation

[Read more on pages 12–14](#)

### Engaging with our stakeholders

Engagement is central to our corporate purpose and strategy to achieve long-term success

[Read more on pages 20–21](#)

### Our materiality assessment

Internal and external stakeholder engagement used to access 19 topics across ESG space

[Read more on pages 18–19](#)

### Sustainability performance

Our health and safety focuses on management of workspace hazards potentially affecting employees and on-site contractors

[Read more on pages 55–56](#)

## Highlights

### Reduction in Scope 1 & 2 GHG emissions

**-15%**

2022: -0.3%

### Workforce diversity split (%)

**32%**

2022: 31%

### Waste landfill avoidance (%)

**88.4%**

2022: 81.7%

### Lost time injury frequency

**3.00**

2022: 1.96

# Empowering a more sustainable world



## “ TIFS on Track

In 2023, we achieved double-digit revenue growth at constant currency, a significant increase in Adjusted EBIT margin and strong cash generation. We also made important progress on the execution of our ‘Taking-the-Turn’ strategy, further positioning TI for a successful transition to electrification.”

**Hans Dieltjens**

Chief Executive Officer and President

As the Company transitions past its 100th year of business supplying the automotive market we have embraced changes in the way in which the Company conducts its business with a focus on reducing harm to people, the planet, and safeguarding future business in the process. Reducing greenhouse gas emissions, protecting nature and delivering social governance are all critical focus areas that the Group has made to shift towards sustainability to ensure success in the next 100 years in the ever-changing automotive market.

We remained focused on setting a Science Based Target for our greenhouse gas emissions, following a ‘top-down’ approach focusing on the quantity of emissions that needs to be reduced

in order to meet the targets set out in the Paris Climate Agreement, limiting global warming to 1.5°C. The Group completed its application to SBTi for our near term target approval. SBTi approved our near term targets in Q4 2023.

Prior to approval of the target, the Group committed to a programme to reduce our greenhouse gas emissions from our 2021 baseline resulting with a net decrease in emissions of 15% from the 2021 baseline, and 15% from the previous year on an absolute basis.

Our purchasing team launched a supplier sustainability programme with the aim of driving our commitments to sustainability into the value chain.

The Group continues to look for ways to move away from fossil fuels, greening industrial processes, making sustainable products the norm, and supporting and guiding consumers towards greener development with our eMIC openings. We will continue to drive these programmes forward which will support the Group in achieving our SBTi target.

We remain committed to our support in furthering progress and programmes that support the UN Sustainable Development Goals and partnering with the communities in which we work and live. Our operations will continue to support local charitable organisations and make a positive impact on both social and environmental issues.

## CDP

We maintained our Climate Change CDP score at a B. This score was publicly disclosed in our CDP Climate and Investors reporting.

## UN Global Compact CoP

We completed our UN Global Compact Communication on Progress and remain committed to the ten core principles as well as applicable UN Sustainable Development Goals. We have updated policies to further enforce our commitment to human rights, labour, anti-corruption, and the environment.

## eMIC openings

We opened eMICs in China, South Korea and Japan this year, continuing our commitment to working with our customers to develop innovative greener products to support the decarbonisation of the automotive industry. Next year we will officially open our fifth eMIC located at our corporate offices in Auburn Hills, Michigan in the United States.

# Our purpose framework

## 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 at all of our manufacturing locations in 27 countries.

## Our sustainability mission

As a company, TI Fluid Systems is committed to a sustainable future and improving the environmental and social well being 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 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 worldwide

# Our business at a glance

## About us

In September 2023, the Group announced a change in its organisational structure to ensure it is fully aligned with customers and agile to respond to local differences in the speed of transition to electric vehicles.

Our business model leverages our expertise in fluid handling, market-leading positions in safety and performance critical products, and global footprint to help customers meet their efficiency and emissions challenges. It is driven by our purpose, underpinned by our values and supported by a disciplined financial framework.

### Our key resources

**Product portfolio for all propulsions**

Award-winning product portfolio and technologies with strong market positions, catering to all propulsions and well-aligned with automotive megatrends

#### People

Global workforce of 27,000 employees – committed, resilient and agile

#### Customer relationships

Trusted relationships built on a track record of delivery

#### Global footprint

We support our customers globally with 98 manufacturing locations in 27 countries

#### Financial strength

Track record of profitability, cash conversion and a strong balance sheet

### What we do



We design, develop, manufacture and deliver cost competitive solutions to OEM customers' efficiency and emissions challenges

### Our differentiators

#### Design and development

Deep expertise in highly engineered automotive fluid systems

Knowledge of OEM-specific approach to engineering, design and development built over 100 years and long-term customer relationships

Collaborative, working with customers to innovate

eMICs provide a unique, one-stop shop to work with customers to develop, design, test and prototype innovative products and accelerate development cycles

#### Manufacturing

Global manufacturing capabilities with economies of scale and a low cost footprint

Vertical integration contributes to a cost competitive structure and provides differentiated knowledge of key components

Facilities located close to customers, builds strong relationships at a local level

#### Delivery

Efficient just-in-time delivery

Customer proximity creates significant transportation savings, whilst optimising logistics, reducing supply disruption risk and minimising environmental impacts

### Value created for all stakeholders

#### Customers

We design, develop and deliver high-quality products critical to customers' performance and safety needs. We collaborate with customers to innovate and develop solutions to support cleaner and greener vehicles.

#### Employees

We strive to provide our employees with an inclusive and diverse working environment, as well as opportunities to grow and develop through a culture of collaborative learning.

#### Suppliers

We collaborate and support our supply base so they can provide high-quality products that meet our advanced technology requirements in a cost efficient manner.

#### Communities

We are committed to creating a positive legacy in our communities and for the next generation.

#### Environment

Our products play a key role in cleaner, greener vehicles, enabling our customers' transition to electrification. We are also committed to improving our own environmental footprint.

#### Shareholders

We are focused on creating value for shareholders through our financial performance and returns, including a progressive dividend and share buyback programme.

Underpinned by

Culture and values

Six Mindsets for Success

Financial discipline

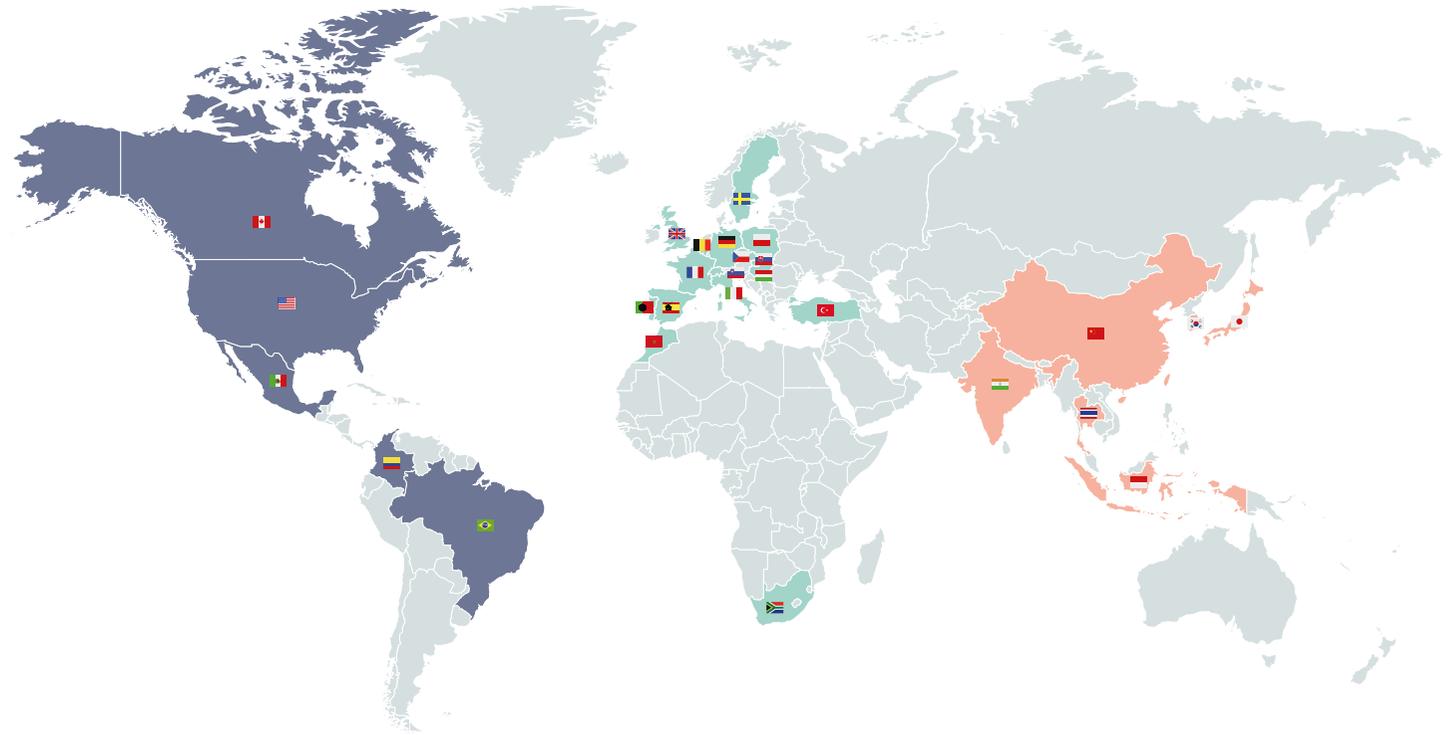
# Our business at a glance

continued

## Future organisational structure

As we move into 2024 TI will complete a regional alignment of the business transitioning from two divisions to three regions: Americas, Asia, and Europe and Africa. We believe that this change will support many of our sustainability efforts.

## Our global reach: a competitive, flexible manufacturing footprint, close to customers.



### KEY

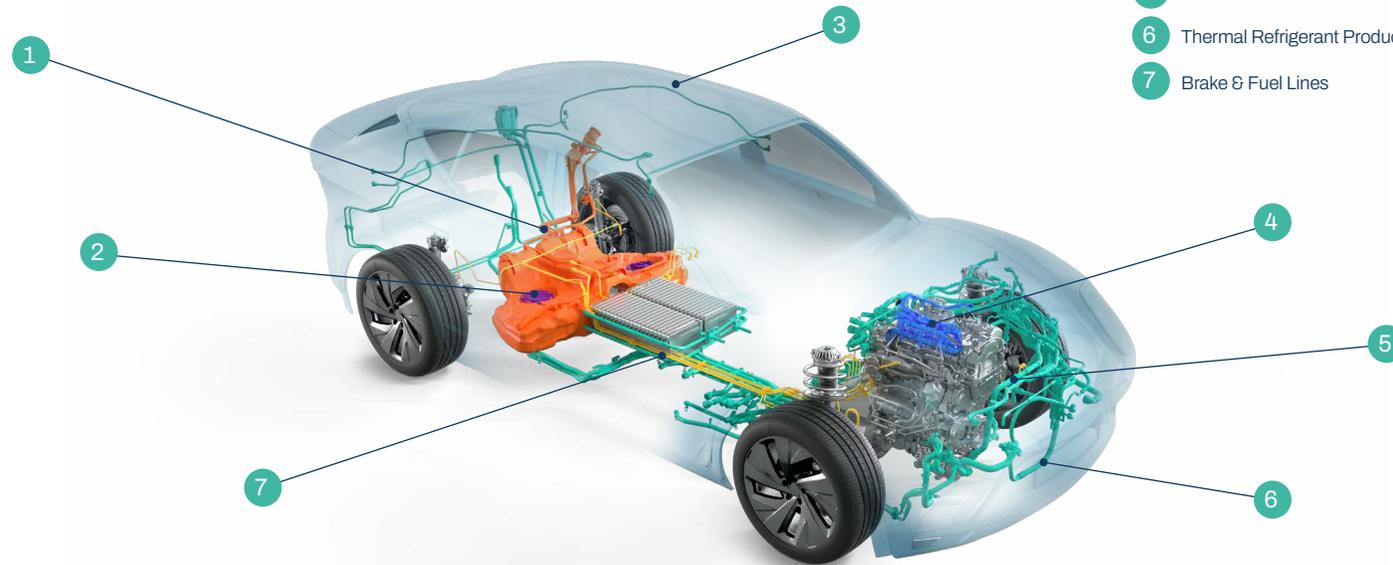
	<span style="color: #003366;">●</span> Americas	<span style="color: #009999;">●</span> Europe and Africa	<span style="color: #FF6600;">●</span> Asia Pacific
Revenue	30%	39%	31%
People	8,600	10,600	7,800
Manufacturing locations	21	49	28
Engineering centres	2	5	6

# Our business at a glance

continued

## A product portfolio catering to all propulsions

We design, engineer, manufacture and supply highly engineered automotive fluid storage, carrying, delivery and thermal management systems for all vehicle architectures, from internal combustion engines (ICE) to battery electric vehicles (BEV).



### KEY

1 Fuel Tank Products	(I) (H)	
2 Fuel Delivery Products	(I) (H)	
3 Autonomous Cooling/Cleaning	(I) (H) (E)	
4 Powertrain Products	(I) (H)	
5 Thermal Coolant Products	(I) (H) (E)	Vehicle Drivetrain Availability:
6 Thermal Refrigerant Products	(I) (H) (E)	(I) ICE
7 Brake & Fuel Lines	(I) (H) (E)	(H) (P)HEV
		(E) BEV

### Fuel Tanks & Delivery Systems

- Industry-leading fuel storage and carrying systems including: fuel tanks, filler pipes, pump modules
- Innovative/lightweight solutions reduce evaporative emissions and meet hybrid standards
- Only supplier with a fully integrated design, development, manufacturing and supply capability for fuel tank system to optimise ICE engine efficiency

### Brake & Fuel Lines

- A range of complete fluid carrying assemblies for brake and fuel lines, that optimise underbody space, cost and installation speed
- Market-leader offering durable, cost-effective solutions in plastic, rubber, aluminium, and steel to cover all systems and vehicle types

### Thermal Management

- Complete range of refrigerant for cabin comfort and coolant lines for battery performance, connectors and components
- Portfolio ranges from traditional to innovative lightweight multi-layer nylon lines, to increase efficiency
- Modules for EVs reduce weight, increase efficiency and reduce installation time. TI has a unique combination of thermal management portfolio and blow moulding capability

# Our business at a glance

continued

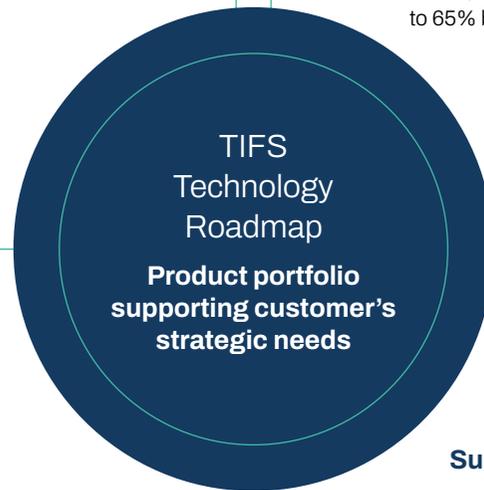
## Product strategy aligned with customer needs

### Reducing emissions for all powertrains

Emissions reduction has been a key driver of product innovation for decades as countries around the world steadily increase legislative requirements for fuel economy and emissions reduction.

### Transition to BEV

Megatrend shaping the industry, aimed at zero emission mobility. The electrification of the powertrain represents a seismic shift, with OEMs committed to transitioning to electric vehicles. In 2023, EVs represented 24% of global automotive production – this is forecast to increase to 65% by 2030.



### BEV efficiency challenges

BEV efficiency is the biggest challenge OEMs face – OEMs need to find ways to increase driving range and reduce charging time, whilst being cost competitive. Weight reduction is a key way of reducing energy consumption and increasing driving range.

### Sustainable materials

Reshaping product design and a shifting to more sustainable materials, including increasing recycled content. Our innovations require less energy to manufacture, supporting our customers' focus on Scope 3 emissions.



# Marketplace

## Our market macro trends

Macro trend	Description	Impact	How we are responding	Link to principal risks
<b>Transition to electric vehicles</b>	In response to climate change and governmental requirements OEMs are increasingly adopting alternative powertrain and propulsion technologies, including HEVs and BEVs	This represents a change opportunity for the Group to develop new and existing products for thermal management needs	We committed to developing eMICs in Asia, Europe, and North America to work with our customers to develop next generation products	The principal risks are product development changes in technology and global light vehicle production volumes
<b>Reducing ICE emissions</b>	Reduction of emissions from ICE engines remains critical to OEMs in order to comply with regulatory requirements and in order to market ICE vehicles	In an effort to address climate change, governments have adopted requirements focused on reducing exhaust emissions from ICE vehicles as well as evaporative emissions	The Group has continued to develop offerings that improve efficiency and reduce emissions. These products include fuel tanks, GDI fuel rails, fuel pumps and turbocharger lines	The principal risks are global light vehicle production volume and regulatory compliance
<b>Lighter EVs</b>	Range extension is a focus of OEMs given battery life and capacity. The simplest way to extend range is to lighten the vehicle	Component weight reduction may be achieved by substituting lighter weight nylon for rubber and aluminium	The Group has extensive expertise in nylon and aims to utilise its existing capacity to leverage nylon usage to reduce vehicle weight and help extend battery life	The principal risk is product development and changes in technology

# Development of our approach

## Our progress

### Environmental

We developed our Science Based Target and submitted the target to the SBTi for approval. SBTi approved our target in Q4 2023.

Prior to acceptance, we initiated programmes to purchase renewable energy and work to establish a team to further develop and strengthen our energy conservation efforts. We were able to reduce over 44,000 tonnes of CO<sub>2</sub>(e) through the procurement of Energy Attribute Certificates (EACs) globally.

We set new waste minimisation targets for landfill avoidance and recycling and are actively reassessing our water consumption targets and goals.

The Group completed a fully compliant TCFD disclosure (see AR23) including two scenarios and modelling of physical risks to our operational locations.

Topics covered include:

- 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

Social sustainability is critical to the success of the business. We focus on improving the lives of the more than 26,000 employees in local communities in the 27 countries where we operate.

We place the safety of our employees first. The Group expanded our Global Health and Safety Management Systems this year which now covers 96 manufacturing locations.

We supported local communities with projects like those completed by our Polish and Czech colleagues who supported Ukrainian relief teams operating at the border by implementing automotive style process efficiency to get resources to those who needed them most.

We have a significant diversity programme that has involved the assessment of over 350 management members on their propensity to be inclusive and provided resources to help improve inclusiveness:

- 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

The Group continued to improve its governance by utilising our internal audit team to conduct assessments of our ESG programmes. We already have a diverse board of directors, and have continued implementing data protection measures, improving executive accountability for sustainability related matters, and communicating, and training employees on important ESG issues.



# Development of our approach

continued

## Technical definition

A Science-Based Target (SBT) is in line with the level of decarbonisation required to keep global temperature increase below 1.5°C compared to pre-industrial temperatures.

Specific guidelines are set by the Science-Based Targets initiative (SBTi)

## What does this mean?

A global carbon budget is assigned over time based on climate models from the Intergovernmental Panel on Climate Change (IPCC). In general, this means about a 50% reduction by 2030, and net zero carbon emissions by 2050. Some industries need to decarbonise more rapidly than others, which is incorporated in SBTi requirements.

## Overview of Science Based Targets (SBT)



### Ambition

Targets must be in alignment with a 1.5°C scenario for internal operations, and a well below 2°C Degree scenario for value chain emissions. Energy Attribute Certificates (EACs) are permissible, but carbon offsets are not allowed.



### Boundaries

Companies may not exclude more than 5% of emissions from their operations, and all Scope 3 categories must be evaluated.



### Targets

All companies must set a target for their operations and most companies are required to set a target for their value chain.



## APPROVED NEAR-TERM SCIENCE-BASED TARGETS



The Science Based Targets initiative has validated that the science-based greenhouse gas emissions reductions target(s) submitted by TI Fluid Systems plc conform with the SBTi Criteria and Recommendations (Criteria version 5.0).

SBTi has classified your company's scope 1 and 2 target ambition as in line with a 1.5°C trajectory.

The official near-term science-based target language:

TI Fluid Systems commits to reduce absolute scope 1 and 2 GHG emissions 50% by 2030 from a 2021 base year. TI Fluid Systems also commits to reduce absolute scope 3 GHG emissions 30% within the same timeframe.

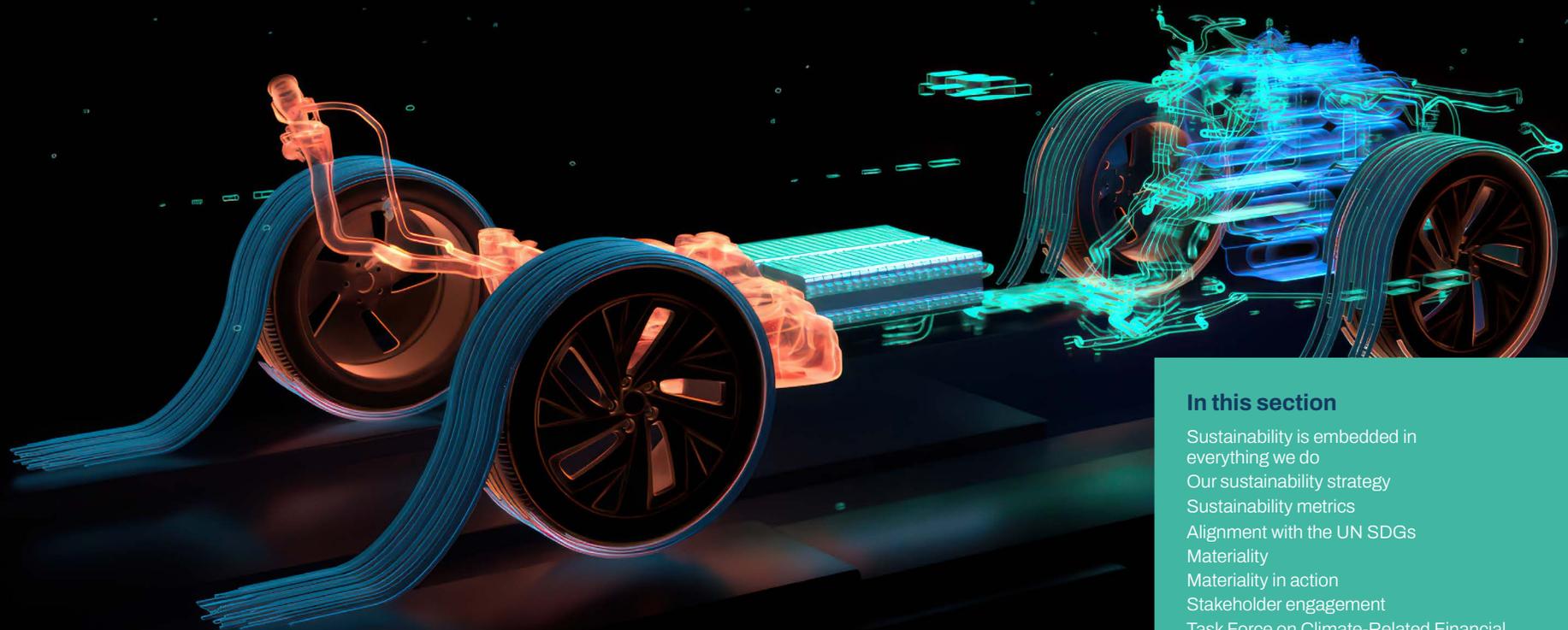
Partner Organizations



In collaboration with



# Sustainability approach



## In this section

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# Sustainability is embedded in everything we do

## Overview

Governance remains a top priority for the Board and the Executive Committee 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 2023 Annual Report and Accounts 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.

## Our approach

Sustainability is integral in propelling the Company towards meeting all its goals. Engineering 'green' products is part of the Company's history and is well integrated into the strategic planning. We are in the business of supporting a cleaner environment. Another key element of our strategy focuses on creating a positive impact on our employee's experience and the communities in which we operate. As a global manufacturer we have the obligation to minimise our impact to the environment and to conserve natural resources.

This strategy is straight forward and simple. It focuses on the areas that are most material to the Group and its stakeholders, and where we can have the greatest impact.

As part of the global automotive supply chain, we have a commercial imperative to ensure that our products help our customers reduce their products' carbon footprint. We are doing this by committing our financial and people resources to our sustainability mission. This can be seen by our investment in research and development along with our investment in our E-mobility innovation centres.

Our people are our greatest asset and ensuring that all of our employees return home each day safe and healthy is paramount to our core values and our sustainability programme. We have and continue to invest heavily in safety and the development of our global third party certified safety management system. We are highly focused on communicating safety related issues and reviewing these incidents with our entire company. One of the ways we do this is by communicating across all our locations, whenever a serious injury occurs. This practice of ensuring similar injuries don't repeat in another location forms part of our Health and Safety policy.

We believe that diversity is the destination and inclusion is the most sustainable way we get to diversity. We are achieving this by ensuring our middle management, not just our senior leadership, is aligned with our inclusion strategy.

We've also established a women's empowerment network, which creates a dedicated environment for women in our organisation to professionally grow.

## Sustainability in action

The Group's commitment to sustainability can be seen in some of the many related accomplishments and day to day operations. Our commitment to the development and engineering of green products resulted in the opening of an additional three eMIC locations in China, Japan, and South Korea. In early 2024 we will open our 5th eMIC in the United States at our Corporate office in Auburn Hills, Michigan.

Our diversity and inclusion programme has completed assessments of more than 350 management members on their propensity to be inclusive and provided them resources to improve. In addition to this we also have regional diversity committees. One of the programmes that the Group established is a women's empowerment network, which creates a dedicated environment for women in our organisation to professionally grow. One of the results of this programme is that women in our organisation are being promoted at a higher rate than men.

We remain highly focused on environmental sustainability and climate related issues. To this end we completed our application to the SBTi and our proposed near term targets were approved by the SBTi for Scope 1, 2, & 3 emissions. We completed the purchase of renewable energy through our EAC procurement programme in Africa, Asia, Europe, and North America. The programme reduced our global Scope 2 emissions by over 44,000 tonnes of CO<sub>2</sub>(e).

# Our sustainability strategy

## Overview

Our Taking-the-Turn strategy addresses the transitional risks and opportunities associated with vehicle electrification, as well as the need to operate the business in a more sustainable manner to address climate change and maintain a diverse and talented workforce. We have further refined our Taking-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	Progress made
 <p><b>Technology</b></p>	<p>At the heart of our Taking-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</li> </ul>	<p>Bookings on lifetime revenue basis in 2023</p> <p>€0.8 billion HEV</p> <p>€1.3 billion BEV</p>	<p>Nylon-based multi-layer refrigerant lines replace much heavier, aluminium and rubber lines, reducing weight as much as 30–60% depending on the application.</p> <p>Commercial success including bookings for our ITMA 1.0 and 1.2 coolant modules for two OEMs for programmes in Europe and China.</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</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 2021–2030 targets</p> <ul style="list-style-type: none"> <li>• 50% reduction of our Scope 1 &amp; 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>Waste reduction targets:</p> <ul style="list-style-type: none"> <li>• 90% landfill avoidance by 2030</li> <li>• 80% recycling rate by 2030</li> </ul>	<p>44K tonnes of Scope 2 CO<sub>2</sub>(e) reduced by EAC purchases.</p> <p>Sustainable Supplier Programme started by our purchasing team.</p> <p>Waste targets set for landfill avoidance and increasing recycling rates.</p>

# Our sustainability strategy

continued

Pillar	Description	Material issues	Our pipeline/targets	Progress made
 <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. Our 'Fluid Learning' employee development initiative provides our workforce with access to a variety of educational and developmental tools to improve their skills and abilities and enable them to be valuable and enthusiastic participants in our collaborative organisation.</p>	<p>Social</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>• Provided inclusivity training linked to above-mentioned assessments to further develop these leadership skills</li> </ul>	<ul style="list-style-type: none"> <li>• In 2023, our global gender split improved to 2.3/1.0 (male to female)</li> </ul>

# Sustainability metrics

2023

**18.7%**  
energy consumed that is from  
renewable sources

**€1.3bn**  
BEV products lifetime revenue

**3.03**  
temporary employee, contractor  
and visitor recordable injury  
frequency

**3.00**  
employee, contractor and visitor  
lost time injury frequency

2022	2021	2020	2019
1.96	1.75	1.67	2.87



## Gender diversity

At 31 December 2023	M	Percent Men	F	Percent Female	Grand Total
CEO	1	100%	-	-	1
Executive Committee	6	86%	1	14%	7
Direct reports to Executive Committee	42	75%	14	25%	56
Other salaried	2,859	68%	1,331	32%	4,190
<b>Grand Total</b>	<b>2,908</b>	<b>68%</b>	<b>1,346</b>	<b>32%</b>	<b>4,254</b>

**73%**  
of our salaried staff  
took voluntary learning  
and completed 5,400  
certifications

# 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
	End poverty in all its forms everywhere	We have engaged with our stakeholders and employees in relation to labour and human rights. We annually complete a pay equity assessment.	
	Ensure healthy lives and promote well-being 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. As of the end of 2023 we have two certified management systems, one for China and one for the rest of the world with 96 of our locations certified.</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>We completed our first global Safety Week campaign targeting reduction of slip trip and fall injuries in the workplace and at our employees' homes.</p>	
	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	We have an active training and education component for our employees. We have committed significant resources to educating our middle management on inclusivity. We are running STEM educational scholarship programmes in several countries resulting in more than 40 scholarship opportunities for women.	
	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 committees in all operational regions to promote diversity and inclusion and have active Women's Empowerment Networks in each region as well.</p> <p>We have a STEM (science, technology, engineering and mathematics) scholarship programme aimed at school-age girls.</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>	

# Alignment with the UN SDGs

continued

SDG	Description	Alignment with our sustainability approach	Link to strategy
	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 MIGreenEnergy 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 begins 1 January 2024. We purchased over 75,000 MWh of renewable electricity via EACs this year reducing our global Scope 1 &amp; 2 emissions by approximately 16%.</p> <p>We have adopted updated GHG reduction targets in line with a 1.5°C model, consistent with, and approved by the SBTi.</p>	
	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	Our Human Rights policy lays out many requirements related to labour and the inclusive and full and productive employment for all people regardless of gender, race, and or sexual orientation. This policy is pushed into the value chain via our sustainable purchasing programme.	
	Ensure sustainable consumption and production patterns	<p>We are tracking water use in our manufacturing locations.</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>	
	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>	
	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>	

# Materiality

## Overview

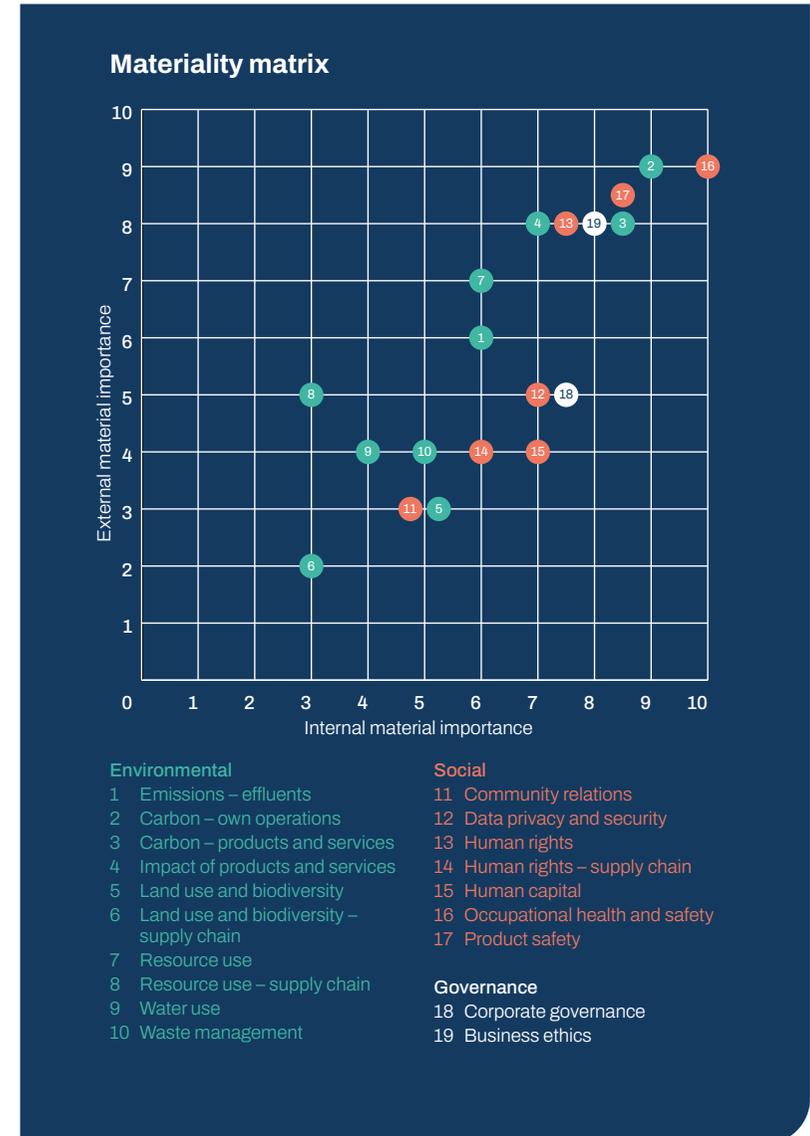
The ESG sub-categories were assigned a score of 1–10 based on our internal assessment of the information we have compiled from various sources, which was then put into a graph. As these results are commercially sensitive, we will not be publishing the results. Here is an exemplar of the graph; the X-axis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

## Our priority material issues

- Occupational health and safety
- Carbon emissions
- Product safety

## How we prioritise

Our materiality assessment is based on identifying internal and external stakeholders. 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. We then identified and prioritised 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. Internal stakeholder outreach. We conducted an employee engagement and culture survey and held all-employee meetings and calls throughout the year. Reviewing external stakeholder ESG requests and expectations. We reviewed the results from shareholder, customer, supplier and community engagement. Creating the materiality matrix. Those items that rated highest for a combined internal and external stakeholders scoring were set as our highest priority issues. Our five highest priority issues are occupational health and safety, carbon – own operations, product safety, carbon – products and services, and business ethics.



# Materiality in action



## Material issue: Occupational health and safety

### How we are working on it

We are developing a much stronger health and safety culture. This is the result of a multi-year effort to improve reporting and communication, and provide better training programmes for our plants to improve health and safety at all our facilities.

In 2023, we significantly expanded our safety management system (a third-party verified system) which now covers 96 of our manufacturing locations including 11 that are now a part of our China specific ISO 45001 Occupational Health and Safety Management System. Better management systems are driving better reporting.

We continue to focus our employees on health and safety by building awareness through events such as our Global Safety Week. This year's global safety week focused on slips, trips, and falls. Safety Week was celebrated at all of our plants.

### Outlook

Our key metric for safety, Lost Time Injury Frequency (LTIF) was up this year compared to previous years. This is in part due to better more focused reporting and a foodborne illness in one of our plants. Even with this increase we outperform the manufacturing sector in Europe and the United States. We actively targeted slips, trips, and falls as we were seeing an increase in these types of injuries in our plants. We have set an aggressive reduction target for our 2024 LTIF, with our overall goal of having zero injuries.

## Material issue: Carbon emissions (own operations and products and services)

### How we are working on it

Carbon emissions efforts have delivered a double-digit emissions reduction for Scope 1 & 2 emissions. Our total Scope 1 & 2 emissions reduction versus plan is broadly in-line with the decarbonisation needed to stay on track to achieve our near term goal of 50% reduction from a 2021 baseline by 2030.

We formed a cross functional team to work on energy efficiency in 2023. This critical foundational work continues into 2024 when we expect to set priorities and establish KPIs for the organisation. We have progressed multiple initiatives that will drive future years' emissions reduction. We are currently considering a target of a 10% increase in energy efficiency by 2030. We are developing our governance around items such as CapEx approvals.

Our purchasing team developed our new Supplier Sustainability Programme. This programme provides important information via our Sustainable Purchases policy and the requirements to follow key policies that we have developed, including our Code of Business Conduct, human rights, occupational health and safety, and our environmental policies.

### Outlook

Most of our projects, including carbon emissions, energy conservation, and the development of a more sustainable supply chain, are all ongoing projects with plans to actively expand on projects and programmes that were started in 2023.

## Material issue: Product safety

### How we are working on it

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 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, through 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.

### Outlook

We make safety critical parts from fuel tanks to brake lines. There is no room for failure and our engineering and quality teams continue to uphold our long history of providing safe high-quality parts to the automotive industry. We have world class quality in terms of defective or rejected parts. Our Quality team continues to improve our quality systems to be best in class.

# Stakeholder engagement

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

Additional information on stakeholder engagement can be found in our Section 172 disclosures in our 2023 Annual Report and Accounts.

## Shareholders

### Why we engage

- Quality of governance
- Effectiveness of the Board and management
- Growth potential and profitability
- Share price appreciation
- Dividends

### Interests of the stakeholder

- Climate technology that limits GHG emissions, GHG emission reductions, net zero, privacy and social impact
- Diversity, inclusion and equity
- Board diversity
- Corporate governance
- Executive compensation

### How we engage

- Investor meetings
- Annual reporting
- Completion of shareholder survey requests
- Capital markets events

### Outcomes

- Adopted updated, science-based GHG emission reduction targets
- Implemented a range of greenhouse gas reduction initiatives in line with stakeholder expectations, including our OEM customers

## Employees

### Why we engage

- Good communications improves motivation, morale and productivity
- Fosters retention and reduces employee turnover
- Identify issues and solutions quickly
- Identify needs for resources and support

### Interests of the stakeholder

- Safe work places
- Commitment to environmental stewardship
- Social concerns
- Diversity and inclusion

### How we engage

- Surveys
- Regular newsletters and bulletins
- All-employee meetings
- Management engagement
- Diversity Committees
- Inclusivity assessments and training

### Outcomes

- TI established programmes to support diverse hiring in line with local graduation rates
- Employee engagement on diversity and inclusion events
- Expanded ISO safety management scheme

## Customers

### Why we engage

- Drive revenue growth and business success
- Identify sourcing opportunities
- Align product and technology development with customer needs
- Effectively and efficiently address any supply or quality issues

### Interests of the stakeholder

- Using partners with good safety records
- GHG emission reduction
- Net zero
- Renewable energy programmes
- Circular economy
- Recycling
- Safe, high-quality parts

### How we engage

- Customer meetings
- Surveys
- CDP
- Ecovadis

### Outcomes

- Opened four of five eMICs to support development of thermal management products in collaboration with our OEM customers to support ongoing transition to more efficient HEVs and BEVs
- Better GHG emission reporting, including CDP reporting
- Adopted updated, science-based GHG emission reduction targets

# Stakeholder engagement

continued

## Community

### Why we engage

- Promote our reputation as a responsible and ethical business
- Attract, motivate and retain employees
- Conserve resources and reduce our impact on the environment to ensure we are a sustainable business

### Interests of the stakeholder

- Clean air, water and land
- Fair and equitable treatment with respect to labour practices
- Community support
- Good corporate citizens

### How we engage

- Our global facilities seek to be a responsible member of its local communities
- Strive to consistently operate our business to minimise our impact on the environment through energy efficiency, waste reduction, and conservation of resources
- Expansion of our Environmental Health and Safety (EHS) Group has improved our processes to measure, report and assess our GHG emissions and the environmental impact our operations have on the wider community
- 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)

### Outcomes

- Provided support for various charitable functions in our communities
- Annual scholarships in each major region to support women in STEM studies as well as local internship opportunities for recipients

## Suppliers

### Why we engage

- Build strong, collaborative and strategic relationships to obtain competitive pricing, quality products, reliability of supply, and logistics efficiency
- Ensure we have access to advanced materials and components that meet our technical requirements
- Ensure responsible sourcing and ethical business practices and conduct by our supply base

### Interests of the stakeholder

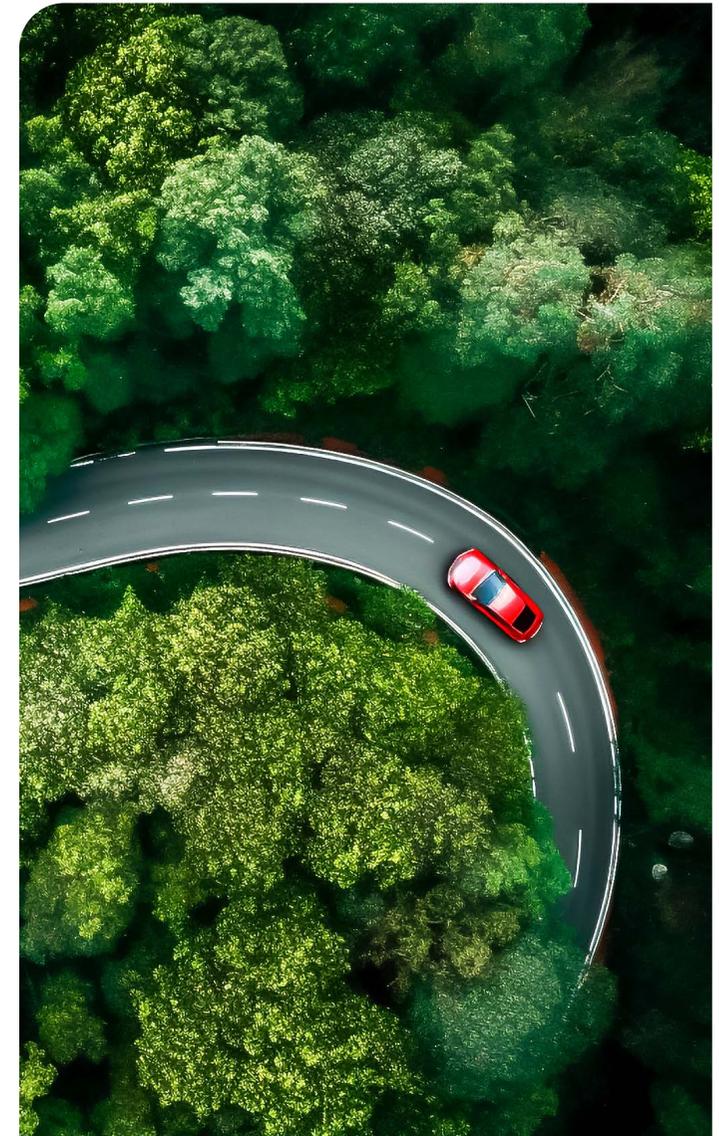
- GHG emissions
- Fair sourcing practices
- Ethical business practices

### How we engage

- Our purchasing organisation has regular, extensive contact with our suppliers regarding 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)
- Our business and compliance expectations are in our global supplier requirements manual, on our dedicated supplier portal, and in our purchasing terms and conditions

### Outcomes

- Produced several global supplier manuals, policies and provisions to ensure fair and ethical business practices



# Task Force on Climate-Related Financial Disclosures (TCFD)

The following pages detail the Group's 2023 annual disclosure with respect to the TCFD.

The Group has complied with the TCFD recommendations and recommendations disclosures around governance, strategy, risk management, and metrics and targets.

In accordance with Listing Rule 9.8.6 R(8), the table maps the Group's climate-related financial disclosures in the following section to the specific recommendations and recommended disclosures of the Task Force on Climate-Related Financial Disclosure. The Group has reviewed the Task Force on Climate-related Financial Disclosures – Implementing the Recommendations of the Task Force on Climate-related Financial Disclosures, published in October 2021. There is specific guidance for the automotive sector, as such, we have reviewed and considered the transportation group and all sector guidance contained in the document as we developed our disclosures.

The Group's disclosures are consistent with the TCFD Recommendations and Recommended Disclosures.

	TCFD recommended disclosures	Reference pages	Consistent
<b>Governance</b>	Describe the Board's oversight of climate-related risks and opportunities	See Governance – Board of Directors on page 29	Consistent
	Describe management's role in assessing and managing climate-related risks and opportunities	See Governance – Management on page 29	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 23–26	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 24–26	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 24–26	Consistent
<b>Risk management</b>	Describe the organisation's processes for identifying and assessing climate-related risks	See Risk Management on pages 29–30	Consistent
	Describe the organisation's processes for managing climate-related risks	See Risk Management on pages 29–30	Consistent
	Describe how processes for managing climate-related risks are integrated into the organisation's overall risk management	See Risk Management on pages 29–30	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 pages 30–31	Consistent
	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	See Metrics and Targets on pages 30–31 and Sustainability on page 41 of the Annual Report	Consistent
	Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	See Metrics and Targets on pages 30–31	Consistent

# Task Force on Climate-Related Financial Disclosures (TCFD) continued

## Climate-related risks, opportunities, and financial impacts

### Background and framework

Governments, investors, and industry have come to realise that urgent and impactful action to address climate change is needed. Automotive manufacturers in every major market have announced ambitious plans to address climate change through the electrification of the vehicle fleet and significant decarbonisation of their own manufacturing operations and supply bases. In addition to public announcements and press coverage, the Group's commercial and engineering teams are in regular contact with our customers. Over the last several years, we have seen, first hand, the growing investment, activity and momentum around both powertrain electrification and supplier sustainability in the form of advanced development activities and quoting for BEV and HEV programmes as well as business awards that include supplier commitments to reduce greenhouse gas emissions. Likewise, investors, regulators and consumers have clearly communicated the expectation that all businesses must take demonstrable actions to improve environmental sustainability as well as climate-related analysis and disclosures.

As a global supplier and leader in the automotive industry, The Group is committed to supporting vehicle electrification with its advanced products and to reducing CO<sub>2</sub>(e) emissions from its operations. The financial impact of climate change on the Group can be viewed as falling into the following broad categories of risks and opportunities:

- **Vehicle electrification.** The Group will have market and technology risks and opportunities as our OEM customers shift to a lower carbon economy by increasing the electrification of vehicles (i.e. HEVs and BEVs replacing ICEs).
- **Changes in operating expenses.** The Group will have operational risks and opportunities highlighted by transitional cost changes for plastics and metals, as it strives to manufacture its products in a more environmentally responsible and sustainable manner.
- **Changes in policy related to carbon price.** The Group may experience operational risks as emerging and expanding carbon price legislation comes into effect. This is likely to represent a risk from increases in energy, raw materials, and operations costs (from GHG emissions). Consequently, costs across the supply chain could be affected (e.g., from increased material and service costs, when carbon price is passed on from suppliers).
- **Direct climate impact.** The Group will have physical risks from climate change. As the world continues to warm up, we will be exposed to increases in heat stress and to a lesser extent other perils, such as flooding, sea level rise, and changing water availability and quality, which could affect some of the Group's global locations.

As part of its overall decarbonisation strategy, the Group is committed to disclosing its potential climate-related risks and opportunities in line with the TCFD recommendations. To enhance this analysis and quantify the financial impacts of its climate risks and opportunities, the Group engaged a global consulting firm that assists companies on their sustainability journeys.

The consultant and its supporting partner who specialises in physical risk modelling assisted the Group in developing two fully compliant scenarios for this report. The data analysis and work completed on the two scenarios was started in early 2023. The Group chose to use the most complete and fully vetted data we had available which was generally from the 2022 calendar year. Using 2022 full year data sets results with many of the data points referenced to calendar year 2022 in this disclosure.

The main objectives of the work that was completed in 2023 for these TCFD disclosures are related to better identifying and quantifying key transition and physical climate risks and opportunities over the short term (until 2025), medium term (2030), and long term (2050), across different climate scenarios. Please note that our TCFD time periods for short, medium and long term do not directly align to our financial time periods. The Group elected to align our timing for TCFD to our SBTi near term dates and a more commonly aligned climate long-term target date of 2050 consistent with the Paris Agreement. Based on the Group's previous sustainability and climate risk initiatives, peer benchmarking, TCFD guidance, and the consultant's expertise, the Group identified a long list of potential climate risks and opportunities and shortlisted the top six based on the Group's vulnerability and exposure to the different risks and opportunities. We addressed these key risks and opportunities using two climate scenarios. The two scenarios selected were the Business As Usual (BAU) and Low Carbon (LC) scenarios. The Group then developed quantification approaches, performed desktop research, and collected the data needed

to estimate the unmitigated potential financial impact of the six key risks and opportunities, across the short, medium and long term in both the BAU and LC scenarios. The six key risks and opportunities fall into the following four groups of risks and opportunities: vehicle electrification, changes in operating expense related to plastic and metal pricing, changes in policy related to carbon pricing, and direct climate impact.

For the purposes of these disclosures the BAU scenario represents a scenario where minimal additional climate action is taken by governments. It incorporates the policies of governments as currently stated. It aligns with ~2.7°C warming by 2100. The LC scenario assumes that governments will meet their announced climate commitments in full and on time. It aligns with <2°C warming by 2100. It should be noted that the quantification of the six key risks across the two scenarios is not a forecast, and is simply an indication of the potential outcome that could occur, based on the available data. These risks and opportunities are modelled as unmitigated elements; once mitigative measures are taken the level of potential risk and/or opportunity would be subject to change. There are many factors that cannot be accurately modelled that could drastically affect these outcomes.

In line with the disclosure framework recommended by the TCFD, the following discussion of climate-related financial impact will be organised around four elements: strategy and financial planning, governance, risk management, and metrics and targets.

# Task Force on Climate-Related Financial Disclosures (TCFD) continued

## Strategy

The impacts of climate-related risks and opportunities on the Group's strategy, business and financial planning

### Vehicle electrification

The automotive industry is responding to climate change, primarily, through the electrification of vehicle powertrains. Over the next decade, HEV and BEV platforms are forecast to grow dramatically, whilst ICE platforms will decline. See our markets on pages 18–19 of the Annual Report. This transition in the market represents the most significant risk and the largest opportunity for the Group.

Electrification is at the heart of the Group's strategy. We recognise the risk of a declining addressable market for our ICE products (primarily the FTDS division) and the opportunity of an increasing addressable market for our thermal products (primarily the FCS division) due to the increased content in EVs. See our strategy on pages 20–21 of the Annual Report for more information.

The Group has modelled the potential financial impact of the expected change in mix between ICE, HEV and BEV platforms over the short, medium, and long term. In 2023, we worked extensively, including with experts to further develop our risks and opportunities related to this transitional market shift.

The transition to a low-carbon economy, including emerging policies and regulations incentivising

low-carbon passenger vehicles and restricting conventional vehicles, will shift demand from components for internal combustion engine vehicles to components for electric vehicles. This transition will provide an opportunity to increase the Group's revenue.

Our analysis is based on current business awards, S&P Global Mobility forecast production volumes and mix, and management estimates, supported by third-party analysis, for longer-term production volumes and mix, as well as International Energy Agency (IEA) data for global Electric Vehicle (EV) sales projections for 2025, 2030 and 2050. The IEA data includes the following vehicles in their Electric Vehicles (EV) sales assumptions: Battery electric vehicles (BEV), Fuel cell electric vehicles (FCEV), and Plug-in hybrid electric vehicles (PHEV). For consistency, these vehicle types were combined as "EV" in the S&P analysis.

For the BAU and LC Scenarios, the Group's revenue related to EVs was modelled to grow at the same rate as the IEA's global EV sales market projections. Note that the change in EV sales includes growth in the overall vehicle market and the shift from other vehicle types to EVs. This assumption implies that the Group's market share remains constant. The Group recognises electrification as an opportunity to grow the business and revenue from the products we currently manufacture and products we are developing.

Electric car sales had a growth record year in 2022, despite supply chain disruptions, macro-economic and geopolitical uncertainty, and high commodity and energy prices; moreover, the global car market contracted with a 3% reduction

in 2022 from 2021. Over 26 million electric cars were on the road in 2022, up 60% relative to 2021 and more than five times the stock in 2018. In 2022, about 70% of the global stock of electric cars were BEVs. Action is now needed to ensure rapid deployment of EV charging facilities and to enhance electricity networks so that inadequate infrastructure does not hold back their expansion.

In the BAU and LC Scenarios, widespread policy support helps sales of EVs worldwide to continue their expansion – today, more than 50 countries, with ~60% of the world population, have policies in place to incentivise the uptake of EVs, with 30 countries having set target dates to phase out ICE vehicles in the next two decades.

China is arguably the most important individual market for EVs as more than half of all the EVs on the road today are in China, which has already exceeded its 2025 target for new energy vehicle sales. Europe has the second largest EV market, where one in every four cars sold was electric in 2022. In the US, EV sales represent around 8% of the market, this is expected to grow to 50% by 2030 due to the Inflation Reduction Act and Bipartisan Infrastructure Law boosting affordability and supporting the development of charging infrastructure.

Currently, the most common policy measures to support EV deployment are fuel-economy and CO<sub>2</sub> emission standards, as well as financial incentives such as purchase subsidies and tax credits that make EVs more cost competitive compared to conventional ICE vehicles. Governments are also supporting the development of EV charging infrastructure, for example by offering financial incentives for

public and private chargers and by stipulating infrastructure requirements in building codes.

At the same time transition to EVs also represents a risk to the Group's manufacturing of ICE related components. This is in large part due to the expected decrease in demand for components specific to conventional fuel automobiles and associated decrease in revenue related to the sale of ICE parts.

This risk was modelled using essentially the same methodology used to model the opportunity. As defined by the IEA, conventional fuel vehicles are defined as vehicles which use an internal combustion engine (ICE), i.e., are powered by fossil fuels. They include HEV, which depend on an ICE.

For the BAU and LC scenarios, the Group's revenue related to ICE vehicles was modelled to decline at the same rate as the IEA's global ICE sales market projections. Note that the change in ICE sales includes growth in the overall vehicle market and the shift from other vehicle types to EVs, assuming that the Group's market share remains constant.

The number of EV models currently available remains much lower than conventional ICE. However, the number of ICE models has dipped across various car markets, more prominently in China, where the number of available ICE options was 8% lower in 2022 than in 2016, versus 3–4% lower in the US and Europe over the same period. This could be driven by contracting car markets and a shift towards EVs from carmakers. It is predicted that the number of ICE models could remain stable, whilst the number of new models shrinks, if carmakers focus on electrification and

# Task Force on Climate-Related Financial Disclosures (TCFD) continued

keep selling existing ICE products rather than increasing budgets to develop new models.

Projections indicate that by 2030, sales of ICE cars will decline from 65 million in 2022, to around 60 million in the BAU scenario and 55 million in the Low Carbon scenario.

Revenue expansion from new thermal products and systems, including opportunities for M&A and/or joint ventures for adjacent thermal products, have not been taken into consideration in the model and would create further revenue growth opportunities.

## Changes in operating expense related to plastic and metal pricing

Plastic and metals are the two largest raw material components that the Group purchases on an annual basis. Both of these materials are expected to see a potential significant change in cost in the future.

Plastic prices will be impacted due to a rise in input costs specifically associated with the change in price of oil due to climate change. The change in plastic cost is likely to be passed from supplier to the Group. Data from IEA was used for the crude oil pricing in 2022 as well as forecast prices for 2025, 2030, and 2050.

For this modelling the changes in plastic prices depend primarily on changes in oil prices. This correlation was tested through a regression analysis, which indicated that the strong historical correlation between plastic and crude oil prices will continue through 2050. The modelling assumes that the Group's revenue will change at the same rate as the S&P market projections up to 2030. From 2030 to 2050, the estimated growth rate was calculated by using the S&P data source for

the years available beyond 2030 (2030–2035) to provide a conservative estimate, and this value was 1.3% p.a.

This modelling is significantly limited by a lack of credible, peer-reviewed data on the forecast price of plastic under the different climate scenarios.

In both scenarios, the 2022 baseline price for crude oil based on the actual price as published by the IEA (98 USD/barrel) was used. From that, oil prices are projected to decrease across the short, medium, and long terms (based on information sourced from the 2023 IEA World Energy Outlook), which indicated a decreasing trend in the price of plastic. However, this assumes that there are no other variables influencing the price of plastic, which is unlikely. Additionally, the analysis does not account for changes to the types of plastic used, or technical enhancements to production and recycling methods (e.g., the possible impact of the prevalence of bioplastics has not been accounted for in this analysis).

Therefore, this estimate could shift based on external factors affecting the price and availability of plastic, and of oil.

Cost increases associated with metals represent another transitional risk to the Group. Increasing pressure to decarbonise metals, such as steel and aluminium, will lead to increase in production costs for manufacturing low carbon alternatives in the medium to long term, resulting in higher prices. Similarly, for metals such as copper, that are critical energy transition materials, a rapid increase in demand is expected to increase prices.

The Group used the same data from our Scope 3 Category 1 calculations, raw material procurement spend and quantity coupled with the following data sets to quantify the transitional risk associated with metal prices:

- data from Mission Possible Partnership: 2022, 2025, 2030 and 2050 global average steel and aluminium prices
- data from International Monetary Fund (IMF): 2022, 2025, 2030 and 2050 global average copper prices

This modelling applies the same assumption for the Group's revenue as that applied for plastic prices (see above). Increase in metal prices includes the impacts from increased demand and higher production costs to produce low-emission materials, and does not include changes in cost of carbon pricing which is modelled separately. For steel and aluminium, the LC scenario is aligned with the Mission Possible Partnership's 2050 Net Zero pathways. Similarly for copper, a Net Zero 2050 scenario was used as the LC scenario.

Metals such as steel and aluminium are highly energy intensive, and current-day manufacturing methods reliant on fossil fuels make them very carbon intensive materials. The energy transition is therefore expected to increase the price of such metals in the LC scenario, due to the adoption of low carbon technologies and fuels (such as green hydrogen, electrification, carbon capture utilisation and storage). Furthermore, prices of energy transition metals such as copper are expected to increase due to high demand in the automotive and renewable electricity sectors. Therefore, it is anticipated that this will lead to higher prices in the medium to long term under the LC scenario.

In the BAU scenario, metal prices are expected to remain relatively flat, as limited investments in greener technologies are assumed, and emphasis is placed on improving energy efficiency.

## Changes in policy related to carbon pricing

The Group is expected to face the transition risks associated with increases in carbon prices and the cost of energy.

Emerging and expanding carbon price increases energy, raw materials, and operations costs (from GHG emissions). Consequently, costs across the supply chain could be affected (e.g., from increased material and service costs, when carbon price is passed on from suppliers).

In modelling this transition risk, the Group's total 2022 Scopes 1 & 2 GHG emissions and proportion allocated to each country of operation were used along with projections for 2023–2030 GHG Emission. Due to a lack of a single data source providing carbon pricing inputs for all geographies and scenario timeframes, a hybrid approach has been used to compile the carbon pricing inputs, using data from the following sources:

- World Bank: Current carbon price by country in 2023
- IEA (International Energy Agency): Projected carbon price by country, for the EU, the US, the UK, Canada, and China, for medium and long term
- NGFS (Network for Greening the Financial System): Current and projected carbon price by country, for all other geographies, for medium and long term

# Task Force on Climate-Related Financial Disclosures (TCFD) continued

This approach estimates the impact of changes in carbon pricing from Scopes 1 & 2 emissions from our own operations only, and does not include carbon pricing impact on purchased goods and services. Carbon pricing levels in 2025 (for quantification of short-term impact) assumed a linear change in carbon prices between 2023 and 2030.

For short and medium term, emissions projections have been developed internally. In the long term, for the BAU scenario, it was assumed that emissions remain constant at 2030 levels between 2030 and 2050. For the LC scenario, it was assumed Net Zero emissions are achieved by 2050 and emissions reduce linearly between 2030 and 2050.

The analysis does not include potential cost impact from applications of carbon price to high-carbon materials such as metals and the increased supplier costs from material carbon tax passed to the Group, due to limited information on the evolution of emission intensity of materials and services currently being purchased.

80% of the Group's Scope 1 & 2 emissions are from seven geographies: the United States of America, China, Poland, Germany, Mexico, India, and South Korea. Introduction or expansion of carbon pricing legislation in these geographies could pose significant risk of increasing operating expenditure. Existing and scheduled CO<sub>2</sub> pricing schemes are reflected in the BAU scenario, which covers electricity generation, industry, energy production sectors, and other end-use sectors (e.g., aviation, road transport and buildings), where applicable.

In the LC scenario, higher CO<sub>2</sub> prices are assumed across all regions with Net Zero emissions pledges, which represent more aggressive prices than the BAU scenario. In the EU, for example, in the LC scenario, carbon prices are expected to increase by 130% by 2050 (compared to the baseline year), compared to 56% increase during that same period under the BAU scenario.

The Group is currently not covered by existing regulated carbon pricing schemes, even in regions like the EU, as the Group is not a heavy emitter. The Group may or may not be affected by these schemes, as the scope of future carbon pricing schemes evolve. The quantification approach reflects a conservative estimate, assuming the Group is subject to carbon pricing in all geographies of operation.

## Direct climate impacts

The Group may face potential physical risks from climate change, such as increases in heat stress, drought, flooding, sea level rise, and changing water availability and quality, which could affect the Group's locations and operations and the need to re-locate several operations. As part of our effort to better quantify our physical climate risks the Group has improved the robustness of the climate evaluation.

The Group has completed a refresh of its physical modelling. Physical impacts were assessed based on the analysis of climate risks exposure data from an external adviser, for 126 of the Group's sites. For each location, the external adviser provided climate risk metrics for different climate perils than may be expected to be relevant for different points in time for the BAU and LC climate scenarios. The table below describes the metrics used to assess the physical risks of each climate peril.

Peril	Unit	Metric
Heat waves	Events/year	Absolute heat wave: Annual count of three-day periods with high temperature above local historical 95th percentile temperature
Cold waves	Events/year	Days per year with temperature lower than threshold – depending on location this is either 0 or -10 (°C)
Wildfires	Events/1,000 years	Number of wildfires expected in a 1 square km grid cell per 1,000 years
Flooding	% probability	Probability of 0.3m flood occurrence
Severe storms	Days/year	Days per year where environmental conditions are conducive to severe thunderstorms
Wind	% probability	Probability of 119 km/h wind occurrence
Precipitation	% probability	Probability of 150mm precipitation occurrence
Rising mean temperatures	Days/year	Days per year with temperature exceeding the local historical 99th percentile temperature
Sea level rise	% fraction flooded	Fraction of land within the 90m grid cell inundated by high tide
Droughts	Fraction	Total water stress: Human water demand over water supply for the local and upstream watersheds

# Task Force on Climate-Related Financial Disclosures (TCFD) continued

The most significant direct climate impact relates to increasing heat stress potentially leading to decreasing productivity, loss of working hours, impact to employee health, and increased costs related to cooling. The Group gathered data from 126 sites including offices, research and development centres, and manufacturing and assembly sites. These data included site coordinates, site description, building value, inventory value, contents value, site profit, indication of the presence of a basement and cooling system, and an estimation of the physical intensity of the work performed.

Cooling costs due to increased heat stress were modelled using a climate risk analysis model of an external adviser which estimates an asset's annual additional electricity consumption for cooling based on its occupancy, size, and the projected annual number of cooling degree days. The average annual electricity consumption cost for an asset is estimated using the provided electricity price.

Productivity costs due to increased heat stress were modelled using the external adviser's approach which estimates the proportion of annual work hours lost based on the physical intensity of work performed, cooling system prevalence, and projections of wet bulb globe temperature (WBGT) from the external climate risk analysis model. The model is derived from the International Organisation for Standardisation (ISO) guidance on work/rest ratios necessary to keep the internal body temperature of workers within safe limits. The external climate data does not consider any existing adaptation measures currently in place at the Group's site locations (beyond the presence of a cooling system), which might reduce impact.

Exposure to heat stress was also modelled using the external climate risk analysis model, which is most useful for understanding the trend of climate peril metrics over time, and how climate perils differ under three different climate scenarios (i.e., High Carbon, Business as Usual and Low Carbon). A High Carbon scenario is represented by temperatures that are >4°C global mean temperature warming by 2100 and is only used in addressing the physical risk. The high carbon scenario was only completed for physical risks and as such was not used comprehensively in this disclosure. When analysing site exposure to a specific peril metric and time period, we utilised the 5th and 95th percentile results associated with that metric provided in the output data.

The modelling across each scenario for heat stress (and most of the other climate perils analysed) shows similar results through 2050. Beyond 2050, a distinct divergence between the climate impacts on the three scenarios is observed. This trend corresponds to the delay between when policies on climate change are implemented, and when they begin to have an effect on climate.

Exposure to heat stress is measured by the number of heat waves occurring for the particular location, time period, and climate scenario of interest. A heat wave is defined as a three-day consecutive period with the daily high temperature exceeding the local historical 95th percentile temperature.

The Group's exposure to heat stress was significantly higher than other climate perils. In the BAU scenario, 57% of the total number of manufacturing and office locations are expected to be at risk from heat stress in 2050. 'At risk' is defined as at least five heat waves annually. By 2060, this value rises to 90%, and by 2070, 99% are expected to be at risk from heat stress.

Heat stress exposure is high across all of The Group's operating geographies (i.e., at least one site in each country is at high risk). However, sites in South America (e.g., Brazil, Colombia), South Africa, and Indonesia are especially at risk due to the significant increase in risk from 2020 to 2050.

Losses associated with heat stress are predominately from lost worker productivity. These losses could be mitigated through the installation of cooling systems (where none exist currently) or by increasing the cooling load of existing systems. The operational cost of electricity for cooling sites is expected to be significantly less than the loss associated with worker breaks due to heat stress. The analysis focused on the impact on operating costs, and there could be significant capital expenses associated with installing or retrofitting cooling systems, which has not been modelled in this analysis.

The highest total heat stress losses in this model are noted in Mexico, China, India and Thailand, driven by losses in worker productivity. Cooling cost is a relatively small portion of the total heat stress losses. The main sources of cost of cooling are in Mexico, China, Spain and the United States, driven by the higher price of electricity and the number of sites with cooling systems installed.

Where we have identified long-term risks, we expect that our existing business processes will be sufficient to mitigate and manage the risks. For example, we will be able to locate new operations (or relocate existing operations) through our property lease acquisition and renewal procedures, which are being updated to incorporate climate-related issues. As our understanding of the longer-term impacts of climate change are better understood, we will continue to further assess our risks and refine our financial planning, as appropriate.

# Task Force on Climate-Related Financial Disclosures (TCFD) continued

## Summary of key climate risks and opportunities

The table below summarises our assessment of key climate risks and opportunities as discussed above.

### KEY

● Low impact: <€10m    ● Medium impact: €10–50m    ● High impact: >€50m

	Vehicle electrification	Change in plastic price	Change in metal price	Change in carbon price and cost of energy	Increase in heat stress and cooling costs
<b>Type</b>	Transition	Transition	Transition	Transition	Physical
<b>TCFD category</b>	Market	Market	Market	Policy & Legal	Acute
<b>Primary potential financial impact</b>	Change in revenue	Change in operating costs	Change in operating costs	Change in operating costs	Change in operating costs
<b>Unmitigated financial impact:</b>					
<b>BAU scenario</b>					
Short term	●	●	●	●	●
Medium term	●	●	●	●	●
Long term	●	●	●	●	●
<b>LC scenario</b>					
Short term	●	●	●	●	●
Medium term	●	●	●	●	●
Long term	●	●	●	●	●
<b>Mitigation</b>	<ul style="list-style-type: none"> <li>Close monitoring and proactive response to changes in customer demand is actively being completed by our commercial and engineering teams</li> <li>Actively development of new and enhanced products to support electrification</li> <li>Defined strategy to address changes in market dynamics</li> <li>Continued product portfolio that addresses both ICE and EV contents</li> </ul>	<ul style="list-style-type: none"> <li>Close collaboration with supply chain</li> <li>Diversification and location of supplier base to help manage costs</li> <li>Purchasing is monitoring our commodity costs actively</li> <li>Purchasing is engaged with our Engineering teams with respect to looking at LCAs and using this to potentially alter plastic options to lower carbon options</li> </ul>	<ul style="list-style-type: none"> <li>Close collaboration with supply chain</li> <li>Diversification and location of supplier base to help manage costs</li> <li>Purchasing is monitoring our commodity costs actively</li> <li>Purchasing is engaged with our Engineering teams with respect to looking at LCAs and using this to potentially alter recycled metal content</li> <li>The engineering team is looking actively looking at alternative materials that can be substituted for traditional metallic applications</li> </ul>	<ul style="list-style-type: none"> <li>Targets and measures to reduces Scopes 1, 2 &amp; 3 emissions</li> <li>Active evaluation of options for decarbonisation and renewable energy sources</li> <li>Close monitoring of regulatory development and proactively responding to evolving conditions</li> <li>The legal team, sustainability/EHS team is actively engaged in evaluation of legislation through various working groups, list servers, and other publicly available sources of information</li> <li>Assess options and mechanism of passing cost increase through to customers</li> </ul>	<ul style="list-style-type: none"> <li>Annual analysis of physical risks covering all sites</li> <li>Footprint management through lease acquisition and renewal</li> <li>The Group began developing Business continuity and emergency plans over five years ago which are in place and regularly updated for certain key sites</li> <li>In 2024, the Group will evaluate how we can better use the assessment completed for TCFD for climate perils and information provided by our insurer in our site selection process for new locations</li> </ul>

# Task Force on Climate-Related Financial Disclosures (TCFD) continued

## Governance

The Group's governance around climate-related risks and opportunities

### Board of Directors

The Board, directly and through its committees, provides significant governance and oversight of climate-related matters.

Over the course of several years, the Board has reviewed, refined and approved the Group's strategy to address vehicle electrification driven by climate change. The Board provides ongoing oversight and receives regular updates from executive management on relevant metrics in order to assess the execution of the strategy, and whether any changes to the strategy are needed, including engineering and commercial resources, product portfolio and technology roadmap, EV business awards and opportunities, and the status of the inorganic process.

The ESG Committee of the Board provides guidance and oversight on all elements of the Group's sustainability programme, including the scope of environmental initiatives to address the sustainability transition driven by climate change. The ESG Committee meets regularly with senior management throughout the year and reports to the Board on its activities and sustainability progress by the Group. In particular, the ESG Committee reviewed and recommended the adoption of the Group's recently approved Scopes 1, 2 & 3 emissions reduction targets. For more information on the ESG Committee see pages 118–119 of the Annual Report.

The Remuneration Committee of the Board, with input from the ESG Committee, establishes performance targets for the Group's Annual Bonus and Long-Term Incentive Plans, which align with both the Group's electrification strategy and its sustainability transition in order to align senior management with interests of the Group's wider stakeholders. The Remuneration Committee regularly reports to the Board on its activities. See the Statement by the Chair of the Remuneration Committee on pages 94–96 of the Annual Report.

In addition, the Board reviews and approves the Group's annual budget and Medium-Term plan to ensure that the financial and human resources needed to implement the Group's electrification strategy and environmental initiatives are properly contemplated and included in budgets and business planning.

## Management

Within the Group's management, the Executive Committee (CEO and other C-level Executives and Executive Vice Presidents), together with the Global EHS Director and the Vice President Risk & Global Controller, are primarily responsible for identifying and assessing climate-related impacts and leading the implementation of the Group's electrification strategy and sustainability transition.

Several cross-functional teams, led by the Global EHS Director, have been established to manage specific aspects of the Group's environmental initiatives, including arrangements to increase the Group's use of renewable-sourced electricity and identifying capital expenditure and other energy conservation projects to reduce the level of the Group's CO<sub>2</sub>(e) emissions. The Global EHS Director, with support from the Group's Risk & Controls function, is responsible for assessing potential direct physical climate-related impacts.

Budgeting and action plans relating to the Group's electrification strategy and environmental initiatives are communicated to the entire organisation in a top-down manner and are incorporated into the Group's annual budget and the Medium-Term plan.

## Risk management

The processes used by the organisation to identify, assess, and manage climate-related risks

**Generally.** At this stage, most climate-related risks appear to be included within already-identified and assessed risk categories: production volume, technology change, regulation, competition and customer pricing and pressure, and business continuity. In other words, climate change appears to be increasing the pace and intensity of previously-identified risks rather than presenting fundamentally new or different risks to our business. For more information on our process to identify and assess risks, see our principal risks and uncertainties on pages 42–55 of the Annual Report.

The Group will ensure a timely and comprehensive overview of potential disruption and opportunities from climate change to the business. To effectively complete this, it is necessary to regularly (i.e., annually) review the business' vulnerabilities to both physical and transition risks, as well as assess potential opportunities. New information from the latest release of scientific evidence (e.g., climate scenarios, regional projections, and climate modelling of climate perils) could help refine the current risks and opportunities assessment results. Such a regular review should also cover those considered as 'low' risk because some of the impacts of climate change could be non-linear and abrupt.

# Task Force on Climate-Related Financial Disclosures (TCFD) continued

**Vehicle electrification.** We identify, assess, and manage the impact of vehicle electrification through our existing commercial, engineering and purchase processes. For the medium term, we work closely with our customers through the commercial and engineering organisations to understand their fluid system requirements, and to identify advanced engineering and quoting opportunities for upcoming vehicle programmes. For the long term, we not only utilise planning and development information from our customers, but also refer to production volume forecasts from S&P Global Mobility and other industry sources. All quoting and pricing arrangements go through our screening process to ensure that business awards meet expected financial metrics. Necessary capital investments must, depending on magnitude, be approved by various levels of management and, in certain cases, the Board.

**Changes in operating expense.** Environmental initiatives to progress our sustainability transition are identified, assessed and managed by cross functional teams, led by the Global EHS Director, who works with divisional and regional management, including country and plant-level management within our existing operations, manufacturing engineering and capital expenditure processes. The Group's actions, with respect to its sustainability transition, are being transitioned to a 1.5°C scenario in conjunction with the submission of our CO<sub>2</sub>(e) emissions reduction targets.

To better assess plastics prices, we plan to regularly review data and analyses related to the transition away from fossil fuel-based plastics to bio-based plastics. This could have significant impacts on the quantification of the plastic price risk that is presented in this analysis, as the

current quantification approach does not consider the shift from fossil fuel-based to bio-based products. Emerging information related to the projected ratio of bio-based plastics to fossil fuel-based plastics in different climate scenarios and the cost premium of bio-based plastics is likely to be further developed in the coming years, which will bring new insight to quantification analyses. The Group will continue to monitor the availability of low carbon metals and alternatives as well as our metals procurement data. The Group's Purchasing function is actively working on improvements to our supplier sustainability initiatives and we anticipate additional supplier specific data to be more readily available and fully vetted in the coming years.

#### Changes in policy related to carbon price.

For future disclosures, the Group will develop a more robust emissions trajectory beyond 2030, by incorporating a long-term decarbonisation strategy. This will improve the accuracy of long-term (2050) carbon pricing impacts. As our supplier sustainability programme matures, we intend to use that data to include potential impacts of carbon pricing on the price of relevant carbon intensive materials.

Keeping abreast of regulatory change will be critical to the fundamental understanding of policy changes and the effects those changes may have on associated carbon pricing.

**Direct climate impact.** Physical impacts were assessed based on the analysis of climate risk exposure data for 126 of the Group's sites based on an external risk model. For each location, the model provided climate risk metrics for different climate perils, expected for different years for the BAU and LC climate scenarios. The following

physical risk metrics were evaluated in the model: heat waves, cold waves, wildfires, flooding, severe storms, wind, precipitation, rising mean temperatures, sea level rise, and droughts.

The most significant direct climate impact is related to increasing heat stress potentially leading to decreasing productivity, loss of working hours, impact to employee health, and increased costs related to cooling. We will continue to monitor our operations with respect to dealing with elevated temperatures. For example, in India this year several extended periods of elevated temperatures were reported. Our EHS and operations teams are in regular contact with the operations to ensure that employees have a safe and healthy work environment.

#### Metrics and targets

### The metrics and targets used to assess and manage relevant climate-related risks and opportunities

#### Metrics

**Vehicle electrification.** The Group tracks its annual revenue, as well as expected lifetime revenue for new business awards by location, division, country, and region as well as vehicle programme/platform type (ICE, HEV and BEV) in order to monitor progress with respect to our vehicle electrification strategy.

**Sustainability transition.** In 2023, the Group tracked the following metrics to assess risks and opportunities in line with our sustainability transition. We monitor Scope 1 & 2 emissions at the global level with respect to our Targets.

Additionally, we also monitor the Scope 1 & 2, energy consumption, water and waste data as shown below. As we continue to mature our systems we will likely add energy conservation targets and redefine our water conservation metrics.

- Scope 1 CO<sub>2</sub>(e) emissions by location, division, country and region
- Scope 2 CO<sub>2</sub>(e) emissions by location, division, country and region
- Energy consumption including fuel and purchased or acquired electricity
- Energy generated at our locations
- Water withdrawals, discharges and consumption
- Waste generated at our sites

Scopes 1 & 2 emissions are calculated using market and location based GHG Protocol methodology. In our annual reporting, we provide market-based emission reporting that is rolled up for the entire Group. Location based reporting remains publicly available via our CDP disclosure.

Scope 3 CO<sub>2</sub>(e) emissions are relevant to our business. Consistent with the GHG Protocol, we have developed a Scope 3 emissions inventory for 2021 and 2022. Our 2021 baseline year and 2022 Scope 3 emissions are developed according to the GHG Protocol and were revised this year using the US EPA EEIO data base for Spend-based calculations. This was done to provide more transparency with the calculation, and we felt that the EEIO data is better suited for our manufacturing than the CEDA database we formerly used. This recalculation resulted in a downward shift in the overall emissions for Scope 3.

# Task Force on Climate-Related Financial Disclosures (TCFD) continued

Our total 2021 baseline year Scope 3 emissions were 1,051,797 tonnes of CO<sub>2</sub>(e). This represents approximately 81% of our total emissions mass in 2021. In 2022, our Scope 3 emissions were 1,068,073 tonnes of CO<sub>2</sub>(e), representing 81% of our total group-wide emissions. Categories 9 and 10 were added based on dialogue with SBTi as we worked through the approval process. A detailed breakdown of our 2023 Scope 3 emissions is provided below.

No.	Category of Emission	2021	2021 Revised	2022	2022 Revised	2023
1	Purchased Goods & Services	895,021	726,208	934,094	755,386	739,419
2	Capital Goods	187,329	131,027	135,586	98,691	92,662
3	Fuel & Energy-Related Activities	62,969	62,969	66,908	66,908	69,356
4	Upstream Transportation & Distribution	11,159	36,455	39,325	53,478	105,182
5	Waste Generated in Operations	5,660	5,660	4,031	4,031	3,305
6	Business Travel	971	980	2,354	2,376	3,492
7	Employee Commuting	42,206	42,206	43,618	43,618	37,827
8	Upstream Leased Assets	318	318	360	360	370
9	Downstream Transportation & Distribution	-	29,372	-	34,268	34,601
10	Processing of Sold Products	-	15,396	-	7,495	7,087
11	Use of Sold Products	-	-	-	-	-
12	EoL of Sold Products	1,206	1,206	1,462	1,462	1,847
13	Downstream Leased Assets	-	-	-	-	-
14	Franchises	-	-	-	-	-
15	Investments	-	-	-	-	-
<b>Totals</b>		<b>1,206,839</b>	<b>1,051,797</b>	<b>1,227,738</b>	<b>1,068,073</b>	<b>1,095,148</b>

(1) Our products do not directly consume energy and, therefore, no indirect use phase emissions are included in our Scope 3. The Group is working on methodology which may allow us to realistically calculate emissions for this category and may include the Use of Sold Products future Scope 3 reporting.

(2) TIFS has no downstream leased assets, franchises or investments.

**Direct climate impact.** Given the relatively gradual and long-term nature of direct climate impact on our operations (weather, water and flooding), we do not currently have applicable metrics as these risks would be expected to be handled as part of our normal footprint and facility management processes.

## Targets

**Vehicle electrification.** The Group establishes annual booking targets for HEV and BEV programmes, which are incorporated into the Annual Bonus Plan as performance criteria. See the Remuneration report on pages 108–115 of the Annual Report for more information.

**Changes in operating expenses.** Future KPIs for plastics and metals are currently under consideration. See Sustainability on pages 40–41 of the Annual Report for more information.

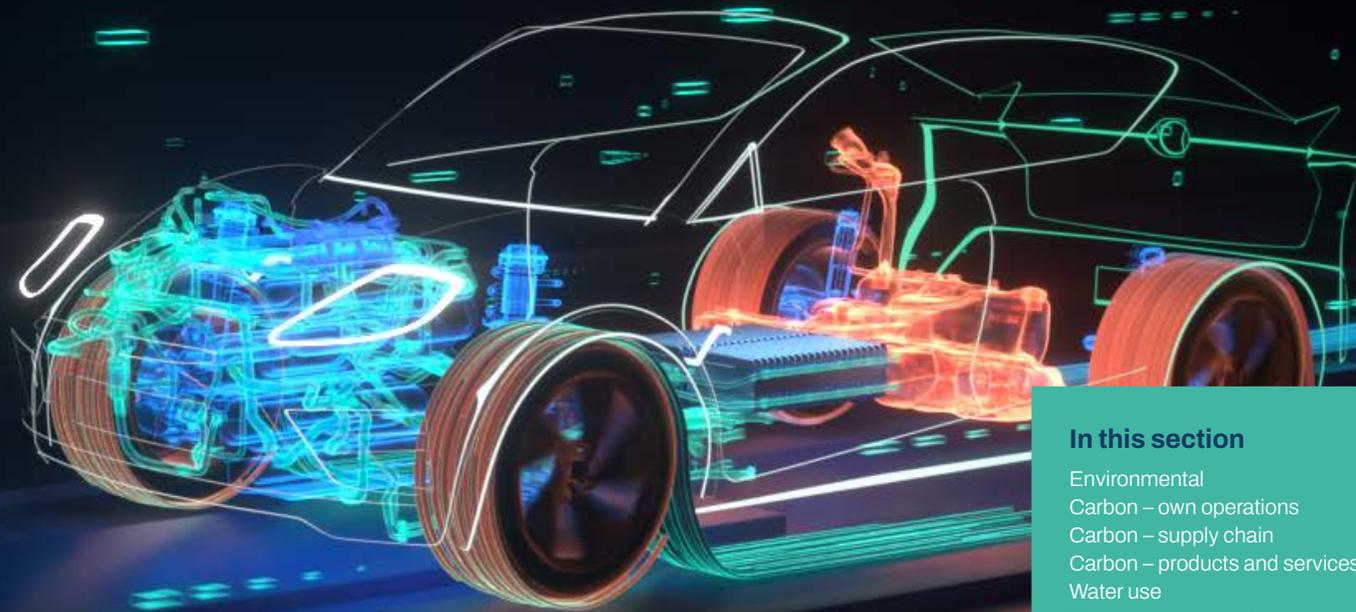
**Changes in policy related to carbon pricing.** The Group updated its targets for the absolute reduction of Scopes 1, 2 & 3 CO<sub>2</sub>(e) emissions and also established water conservation objectives. As legislation changes this will be monitored closely. A longer-term decarbonisation evaluation of our supply chain will be considered as our supplier sustainability programme matures.

**Direct climate impact.** Given the relatively gradual and long-term nature of direct climate impact on our operations (weather, water and flooding), we do not currently have applicable weather-related targets as these risks would be expected to be handled as part of our normal footprint and facility management processes.

We have clearly identified GHG and waste management targets. The Group has committed to reduce absolute Scope 1 & 2 GHG emissions 50% by 2030 from a 2021 baseline year. The Group also committed to reduce absolute Scope 3 GHG emissions 30% within the same timeframe.

In 2023 the Group set waste related targets. A key element of our business's sustainability is built around management of the non-hazardous and hazardous waste that the Group generates. Our focus is based around the following four elements: Reduce, Reuse, Refurbish, Recycle. 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 established we have set a new waste minimisation target and new landfill avoidance target. The targets are 90% landfill avoidance and 80% recycling rate for waste materials by 2030.

# Environment



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# Environment

## Highlights

### Greenhouse gas reduction

-15%

2022: -0.3%

### Landfill avoidance

88.4%

2022: 81.7%

### Waste reduction

79%

2022: 73.5%

## Applicable UN SDGs



## Overview

Our commitment to environmental sustainability is based on our view that we and all multinational companies have a responsibility to our employees, their families, and our communities future to conserve natural resources and protect global ecosystems to support health and well-being, now and in the future. Because so many of the decisions that we make today will not have an immediate impact on the environment or ecosystems we need to maintain forward looking goals and targets. We have embedded environmental sustainability into the fabric of the company as we work towards “meeting today’s needs without compromising the ability of future generations to meet their needs. (US EPA)”.

## Our goals

We have set clear goals and commitments to targets in order to help protect the environment, these include the following:

- SBTi approved GHG reduction targets
  - Scope 1 & 2 50% absolute reduction from a 2021 baseline by 2030
  - Scope 3 30% absolute reduction from a 2021 baseline by 2030
- Landfill avoidance
  - 90% landfill avoidance (i.e., 90% of our waste must not enter landfills) by 2030
- Recycling
  - 80% recycling rate by 2030
- 2024 commitment to reassess and establish energy efficiency and water conservation targets.

## Our progress

We have already starting reducing our greenhouse gas emissions for Scope 1 & 2 emissions with significant reduction of approximately 15% from baseline in 2021.

Our purchasing team is engaging with our suppliers to establish programmes to drastically reduce our Scope 3 emissions. Purchased goods and services represented 80% of our Scope 3 emissions in 2023 and as such is our most critical Scope 3 Category to address.

We completed a fully compliant Task Force on Climate-Related Financial Disclosures (TCFD) disclosure in 2023 and as part of that work we completed extra modelling of the physical effects of potential climate change scenarios on the business.

We began evaluating our global footprint as it relates to Taskforce on Nature-related Financial Disclosures (TNFD) recommendations. The TNFD recommendations provide a way for organisations to disclose their nature-related issues, aligned with the global sustainability reporting baseline, existing and emerging regulatory requirements and in response to growing demands from investors for more information on these issues. Assessing terrestrial ecosystems also helps align the company to the UN SDG goal 15 Life on Land by helping us gain valuable understanding about biodiversity and the sustainable use of land.

# 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 & 2).

## Our ambition

In 2022, we engaged a consultant to assist us to develop updated, GHG emissions reduction targets in line with a 1.5°C model and consistent with the SBTi.

As a result of the work in 2022, and early 2023 we developed targets and submitted our targets for approval to the SBTi. Our 2023 approved SBTi target is a 50% reduction of our Scope 1 & 2 and a 30% reduction of our Scope 3 emissions by 2030 compared to 2021 levels on a like-for-like basis.

## Reduction in energy consumption

One of the pillars of our GHG emission 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 was validated by a selective audit process in 2023. We are developing an energy efficiency steering committee and a playbook for our plants to systematically address energy conservation moving forward based on these assessments.

## Greenhouse gas emissions

Overall we have seen a minor increase in GHG emissions in Scope 1 & 2 categories from 2021 to 2022, 258,042 CO<sub>2</sub>e to 260,709 CO<sub>2</sub>e or approximately 1.03% increase, respectively. This is well below the increase in overall revenue of over 8% from 2021 to 2022, and 11.5% from 2022 to 2023. In 2023, we saw a more significant increase in energy consumption but a net decrease of our Scope 1 & 2 emissions by approximately 15%.



## Scope 1 emissions

Global (Tonnes CO<sub>2</sub>e)

2019	39,170
2020	30,680
2021	27,763
2022	30,383
2023	27,105

## Scope 2 emissions

Global (Tonnes CO<sub>2</sub>e)

2019	267,913
2020	235,947
2021*	231,105
2022	229,185
2023	193,103

\* 2021 global Scope 2 emissions data was adjusted from prior reporting on account of minor corrections made as part of our continued efforts to improve validation and reconciliation of data. Changes in Scope 2 emissions in 2021 were related to a steam reporting error. This resulted in the addition of 826 tonnes of Scope 2 emissions.

# Carbon – own operations

continued



## Case study

### CDP public disclosure

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 began 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.

We received a B rating from CDP for our 2023 disclosures. 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, in 2024, a significant amount of the electricity for our plants and offices in Michigan, USA, 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 – own operations

continued

## Energy Attribute Certificates

Energy Attribute Certificates (EACs), are one of the most commonly used, and widely accepted, forms of renewable electricity purchasing worldwide. EACs represent a key component of our renewable energy purchasing programme around the world. These certificates differ by name depending on the country of origin. In Europe, they are called GOs or GOOs, in the US and Canada they are RECs, and most of the rest of the world they are known as I-RECs.

In 2023, we purchased more than 75,000 MWh or renewable power on a global basis and retired these certificates for operations in countries located on four continents. We purchased GOs for Europe through an Association of Issuing Bodies (AIB) accredited source, RECs in the US, and I-RECs in China, Mexico, Poland, and South Africa.

We are actively engaged with our customers for specific projects to provide renewable energy at certain locations. Most of these projects begin in 2024 or 2025 but we have already started to decarbonise these locations.



# Carbon – own operations

## continued

Region or Country Customer Commitment	Regional or Country Specific EAC MWh Purchase
China	61,843
South Africa	271
USA	5,628
Europe	5,351
Poland	874
Mexico	1,743

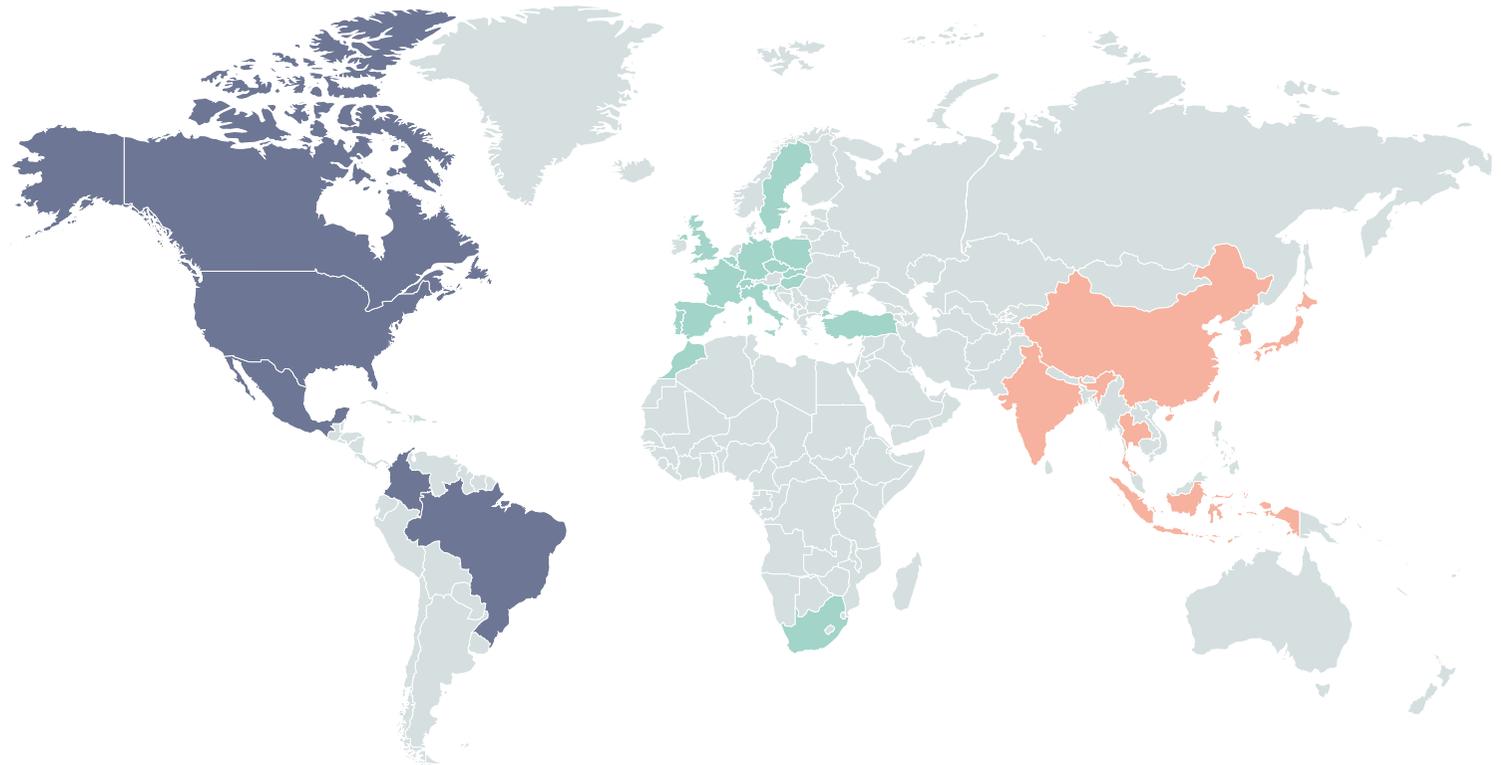
Note that this purchase reduced our global emission of CO<sub>2</sub> by 44,275 tonnes.

### Virtual Power Purchase Agreement (VPPA)

In 2023, we worked very hard and engaged with experts to help us contract a VPPA in Europe. The goal of the VPPA is to provide as much coverage for our operations in Europe for now and the near future. We have evaluated more than 100 projects from developers located in Portugal, Spain, Italy, Germany, Sweden, and Finland.

We are actively evaluating this market for a partner and project that fits our risk tolerance and renewable energy needs and demands. Finding the right project and partner is important as we expect to have a long-term relationship with the provider.

Currently, we view the VPPA project as a solid potential investment for procuring our GOs across our operations located in AIB countries. In 2024, we hope to identify a VPPA that meets our needs and risk profile.



# Carbon – own operations

continued

	GWhr/yr Load (2021 Basis)	AIB Members
Germany	28.2	
Belgium	18.5	
Spain	17.1	
France	15.7	
Italy	14.8	
Czech Republic	14.5	
Hungary	3.7	
Slovakia	1.8	
Sweden	1.8	
<b>AIB Total</b>	<b>116.0</b>	

	GWhr/yr Load (2021 Basis)	Non-AIB Members
Poland	23.5	
UK	6.1	
<b>Non-AIB Total</b>	<b>29.6</b>	

We split AIB Members and Non AIB Members to demonstrate what will be covered by our pan-European VPPA

The VPPA provides the EACs (GOs) for our EU operations that are in AIB countries.

Meets SBTi requirements

Meets our current and future customer requirements for renewable power

## Virtual / Financial PPA



# Carbon – supply chain

Our purchasing team has been working on the development of a Sustainable Procurement programme to engage the supply base.

The concept of sustainable procurement has fast evolved from a programme that is nice to have to one that is a must have in recent years. These requirements are pushed down from our own customers and they represent not just as a means to ensure compliance but as a wider part of ESG and social responsibility. The programme that our purchasing team is developing and putting in place will make sustainability a part of their procurement process and will drive our own sustainability requirements into the value chain.

We believe that this programme will have ongoing benefits for the company across the near term by putting in place an evaluation of suppliers.

This programme will allow us to avoid risks in terms of legal and ethics as well as protect our brand image

- We will have a better understanding of how the supply base complies with local legislations
- Understand what efforts are being undertaken to minimise carbon emissions
- Evaluate what suppliers are doing with respect to protecting human rights, preventing child labour, ensuring health and safety with the organisation and in their own enterprise

Our leadership have a demonstrated commitment to sustainability and have already embraced the Sustainable Purchases policy. The purchasing team is now working on the following elements of the programme:

- Supplier ESG Evaluation – Procurement professionals will evaluate suppliers' environmental and social performance as part of the supplier selection process. Suppliers who do not meet the sustainability criteria may be asked to make changes in their programmes or risk being disqualified
- Supplier Performance Monitoring – Purchasing will monitor suppliers' performance regularly to ensure that they continue to meet sustainability requirements
- Training and Awareness Programmes – Purchasing will create a sustainable procurement training and awareness programme to help the supply base better understand the importance of sustainability, and our requirements for partnering moving forward
- Sustainability Reporting and Communication – Purchasing will develop reporting maintaining transparency on sustainability goals and assessments of the supply base. This will provide clear communication to all stakeholders as well as prospective customers, suppliers, and partners about the company's progress and the impact it's making on the environment and society



# Carbon – products and services

Our OEM customers are focusing on reduction of their CO<sub>2</sub> footprint. Therefore, the Group has developed material optimisation initiatives to support our customers. These initiatives include:

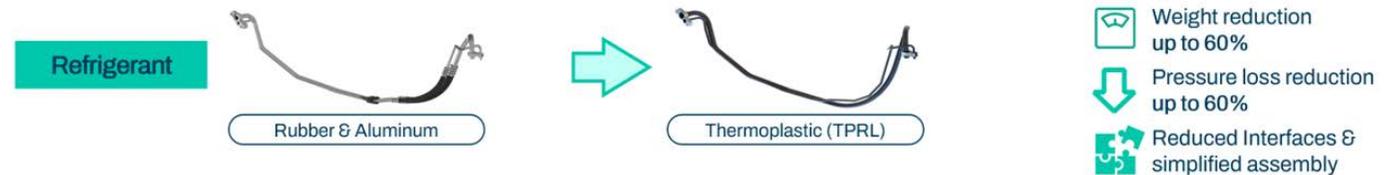
- Thermoplastic refrigerant lines
- Multilayer tubes
- Bio-based rubber
- Quick-Connectors

## Replacement of aluminium and rubber with plastics. Thermoplastic refrigerant lines (TPRL)

The conversion of air conditioning (AC) lines from aluminium to plastic multilayer tubes leads to a significant weight reduction of 40% to 60%. Due to this material change, less CO<sub>2</sub> is needed during the production process.

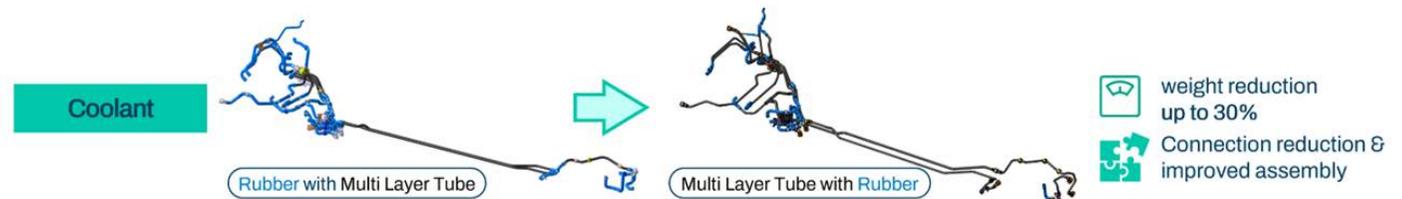
By eliminating the hose couplings, leak paths and the permeation can be reduced, minimising refrigerant losses into the atmosphere. In addition, product efficiency is significantly increased due to lower pressure drops.

The usage of plastics enables us to integrate sensors and valves into the TPRL.



## Material change for reduced rubber content in coolant lines. Multilayer tubes

We have optimised the material usage in our multilayer coolant lines. This leads to a significant reduction of rubber by increasing the usage of plastics. Replacing rubber with plastics reduces our CO<sub>2</sub> footprint by 30% in the production on these products.



# Carbon – products and services

continued

## Sustainable material development. Bio-based ethylene propylene diene monomer (EPDM)

Bio-based materials refer to new materials and chemicals manufactured from renewable biomass such as grains, legumes, stalks and bamboo and wood powders. It also includes bio-based chemicals such as bioalcohols, organic acids, alkanes and olefins obtained from biosynthesis, bio-processing and bio-refining processes. Can also include bio-based plastics, bio-based fibers, sugar, engineered products, bio-based rubber and plastic materials obtained from biomass thermoplastic processing.

Using bio-based materials, we can reduce our dependency on fossil resources as well as our carbon footprint.

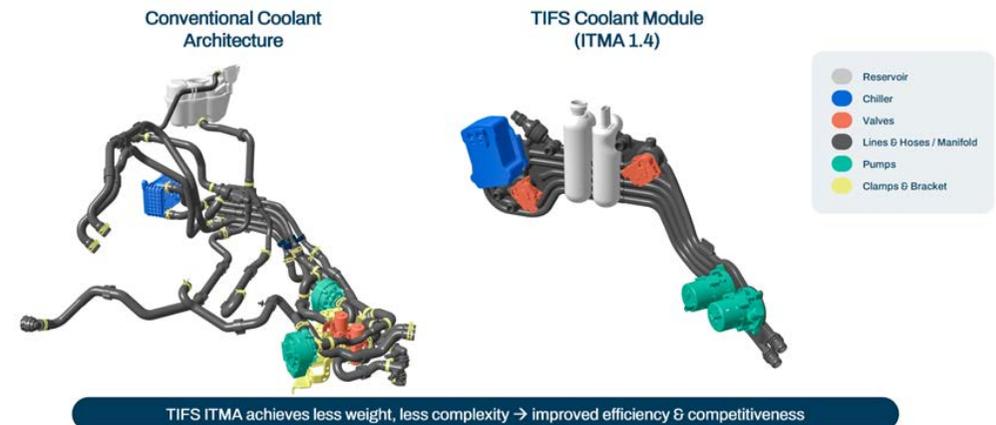
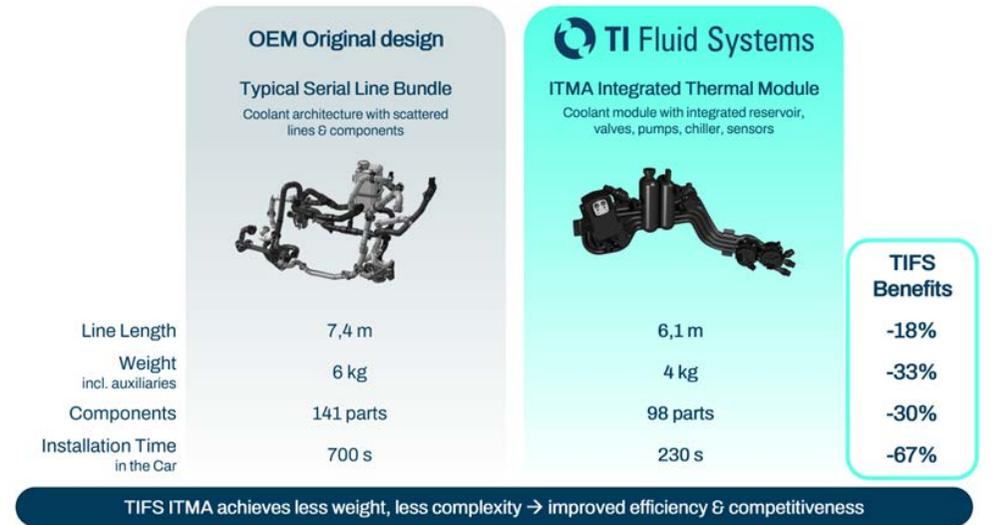
## Material change from Polyamide to Polypropylene (PA to PP). Quick connectors (QCs)

The Group developed and validated QC out of PP material. Before QCs were produced with PA. The usage of PP material lowers the CO<sub>2</sub> footprint by 50% compared to PA.

## Modularisation to maximise the thermal management efficiency. Integrated Thermal Manifold (ITMA)

The classical coolant architecture is a complex system with long line length, high weight, a significant number of components requiring a long installation time. The Group has therefore developed a compact and optimised coolant module, the ITMA. This coolant module integrates the reservoir, valves, pumps, chiller and sensors reducing the line length, connections and components, resulting in weight savings.

As the ITMA is a blow-molded part, 75% of the PP regrind is re-used, which reduces the waste.



# 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 water in the communities where we work and live.

## Water recycled and reused

We are implementing a strategy to reduce the use of water and increase our conservation efforts, particularly in water scarcity areas. In 2023, we looked at the targets that we put in place and have decided to modify these targets in 2024. These targets will focus on operations that use water in production and will be a more robust measure for the Group to track consumption. The majority of our facilities do not use water in conjunction with production of parts. We are establishing better controls on the data for water consumption and ultimately the fate of the water that we use, for example evaporative loss, sewerage.

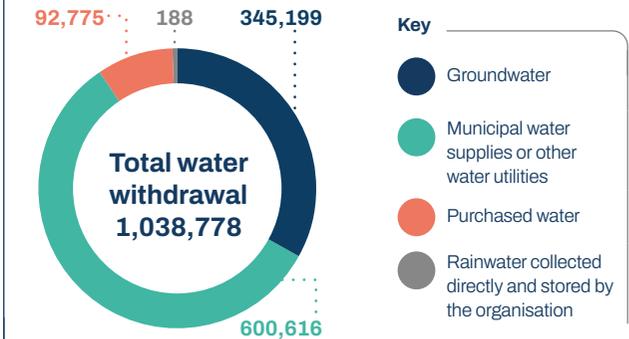
The majority of the water that we use is related to non-contact cooling. As such, much of this water is discharged to local sanitation departments.

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

## Water sources significantly affected by withdrawal of water

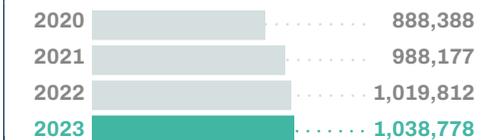
None.

### Water withdrawal by source



### Total water withdrawal

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



# 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 Group 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 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 reduce 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 scrap plastic that has been either blow molded or injection molded that can be mechanically reground and reused in certain products we produce. This 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

The Group 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

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

We have established our target for 2030, which are 90% landfill avoidance and 80% recycling rate for waste materials.

### 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 and other organic waste completely segregated, supporting landfill avoidance. We have many plants that are able to divert certain waste streams to energy facilities. Finding and using responsible and sustainable waste management partners is a key focus for our Board, Executive Committee, and our employees. We are committed to minimising our impact in the communities where we operate and live.

### Waste KPIs



## Hazardous waste generation

(metric ton)	2021	2022	2023
<b>Hazardous Total</b>	<b>2,233.70</b>	<b>2,035.93</b>	<b>2,242.31</b>
(i) Reuse (hazardous)	43.76	43.93	<b>18.03</b>
(ii) Recycling (hazardous)	575.83	738.30	<b>917.08</b>
(iii) Composting (hazardous)	0.00	0.00	<b>1.50</b>
(iv) Recovery, including energy recovery (hazardous)	117.85	329.40	<b>472.93</b>
(v) Incineration (mass burn) (hazardous)	355.46	362.76	<b>216.31</b>
(vi) Deep well injection (hazardous)	0.00	0.00	<b>0.00</b>
(vii) Landfill (hazardous)	225.74	123.20	<b>86.20</b>
(viii) On-site storage (hazardous)	602.50	124.34	<b>88.19</b>
(viii) Others (hazardous)	312.56	313.99	<b>442.06</b>

## Non-hazardous waste generation

(metric ton)	2021	2022	2023
<b>Non-Hazardous Total</b>	<b>31,874.00</b>	<b>31,381.69</b>	<b>29,095.71</b>
(i) Reuse	4,885.48	4,555.77	<b>5,130.82</b>
(ii) Recycling	15,691.10	18,306.67	<b>17,652.05</b>
(iii) Composting	60.81	193.13	<b>227.13</b>
(iv) Recovery, including energy recovery	356.83	389.43	<b>335.90</b>
(v) Incineration (mass burn)	714.02	825.96	<b>855.08</b>
(vi) Deep well injection	0.00	0.00	<b>0.00</b>
(vii) Landfill	8,752.60	5,857.95	<b>3,469.94</b>
(viii) On-site storage	18.51	19.70	<b>0.00</b>
(viii) Others	1,394.65	1,233.06	<b>1,424.79</b>

# Biodiversity

Consistent with the Global Reporting Initiative (GRI) section 304 Biodiversity disclosures we have begun to assess our footprint relative to biodiversity. This data is part of the content that is recommended for disclosure by the Taskforce on Nature-related Financial Disclosures (TNFD).

An initial assessment has been undertaken to evaluate our own sites that are in or adjacent to protected areas and areas of high biodiversity value.

## Methodology

We completed research using publicly available data from [International Union for Conservation of Nature \(IUCN\)](#) and [Keybiodiversityareas.org](#) on Key Biodiversity Areas (KBAs). Based on our current research we have determined that five TI Fluid Systems facilities globally are within or adjacent to a KBA in accordance with the GRI 304 standard on Biodiversity.

KBAs are defined by the IUCN as “sites contributing significantly to the global persistence of biodiversity”, in terrestrial, freshwater and marine ecosystems” as documented through a global standard for the identification of KBAs. The IUCN partners with [keybiodiversityareas.org](#) to publish their KBA data online using a mapping application, with their latest dataset being published in September 2023. A total of 16,333 KBAs are identified covering 20,542,001 square kilometres globally.

Using the information provided by these sources including boundary locations for KBAs and cross referencing to our locations we can determine which locations are within or adjacent to our operations. Whilst no set definition of ‘adjacent to’ has been defined by GRI 304, we have defined adjacent to as any site that is located 1 kilometre or less from a KBA’s edge. We mapped our locations with the current KBAs using ArcGIS.



# Biodiversity

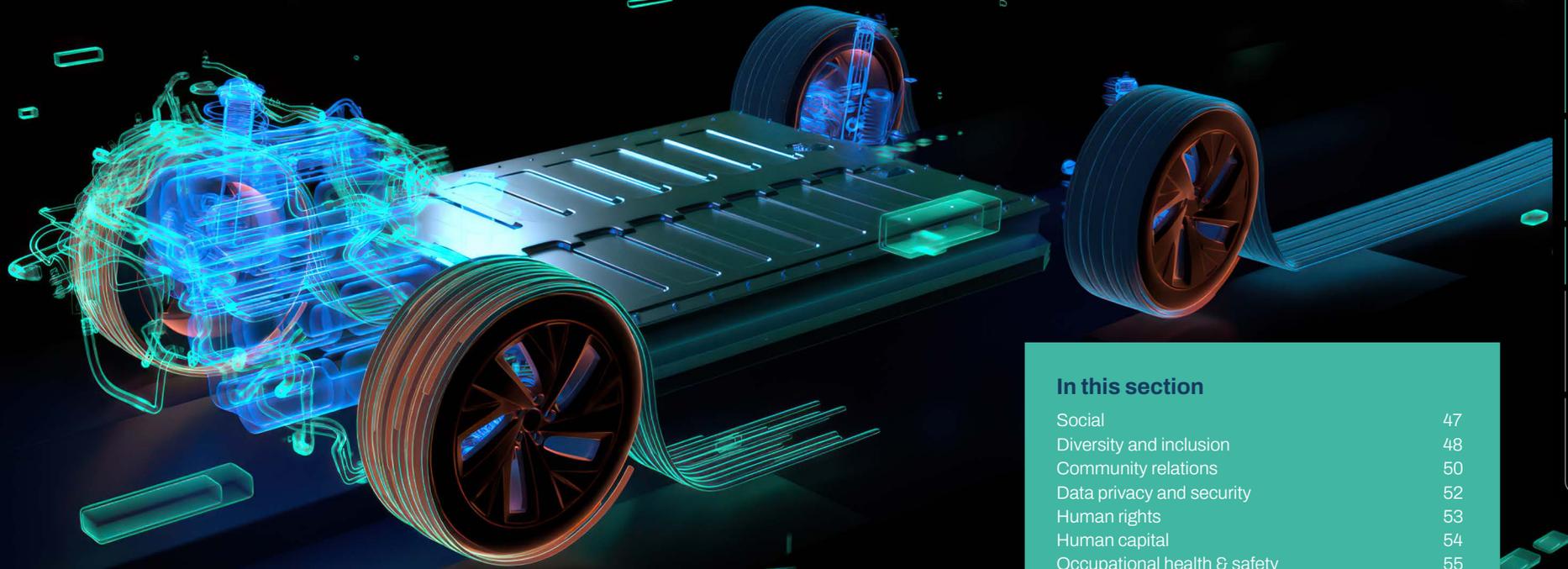
continued

## Results

The table shows the key information developed for each of the five locations within a KBA. This project started our review of Biodiversity impacts in 2023. In the coming years, we will be looking at significant impacts that our operations and activities may have on biodiversity. As part of that assessment we will also consider addressing more of the TNFD recommended disclosure. Given our large global footprint we have a very small impact globally on KBAs with operations located inside four different KBAs. Our operations occupy a minuscule percentage of the KBAs that we are within or adjacent to.

Operations located in or adjacent to KBAs	Area (m <sup>2</sup> )	Biodiversity type	Species listed in the KBA	Percentage of KBA covered by our operations	IUCN red list plant and animal species
<b>Durban, South Africa</b>	266	Terrestrial	Afrivalus spinifrons, Hemisus guttatus, Hyperolius pickersgilli, Natalobatrachus bonebergi, Geronticus calvus, Grus paradisea, Zoothera guttata, Argyrolobium longifolium, Cassipourea gummiflua, Cola natalensis, Fimbristylis aphylla, Hydrostachys polymorpha, Pronium serratum, Siphonochilus aethiopicus, and Stangeria eriopus	0.00000095	0 – Critically endangered 3 – Endangered 4 – Vulnerable 2 – Near threatened 4 – Least concern
<b>Santafe, Colombia</b>	26,082	Terrestrial, Freshwater	Chlorostilbon poortmani, Cistothorus apolinari, Conirostrum rufum, Rallus semiplumbeus, and Synallaxis subpudica	0.00014	0 – Critically endangered 2 – Endangered 0 – Vulnerable 0 – Near threatened 3 – Least concern
<b>Leipzig, Germany</b>	1,812	Terrestrial	None listed	0.00072	0 – Critically endangered 0 – Endangered 0 – Vulnerable 0 – Near threatened 0 – Least concern
<b>Tangier, Morocco B1</b>	3,119	Terrestrial, Freshwater, Marine	Pelobates varaldii, Charadrius alexandrinus, Otis tarda, and Genista ancistrocarpa	0.000014	0 – Critically endangered 2 – Endangered 1 – Vulnerable 0 – Near threatened 0 – Least concern
<b>Tangier, Morocco B3</b>	5,000	Terrestrial, Freshwater, Marine	Pelobates varaldii, Charadrius alexandrinus, Otis tarda, and Genista ancistrocarpa	0.000022	0 – Critically endangered 2 – Endangered 1 – Vulnerable 0 – Near threatened 0 – Least concern

# Social



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# Social

## Highlights

### Lost time injury frequency

3.00

2022: 1.96

### Occupational health and safety management system

96

2022: 69

## Applicable UN SDGs



## Overview

Our strength as a global automotive supplier is directly tied to the talent and perspectives of our staff, management and Board leadership. We are committed to treating every team member with respect and creating a culture that values and promotes ethical business practices, compliance, diversity and inclusion. Our core values promote our social programmes by respecting our employees, creating positive, long-term relationships with our customers, and making constructive contributions to the communities in which we operate. Consistent with our investment in our people, we have continued to develop and improve our global safety and diversity programmes.

## Our goals

We have a strong commitment to the protection of our employees. We continue to provide a safe and inclusive workplace environment with LTIF well below European and US manufacturing average rates. Our LTIF targets aim to reduce lost time injuries across our operational footprint.

Our commitment to inclusivity remains strong and we continue to invest in our diversity and inclusion programmes.

## Our progress

We have expanded our ISO 45001 occupational health and safety management systems to include 96 global locations.

The Group employees have established Women's Empowerment Networks (WEN) in each region. WEN are voluntary, employee-initiated groups of employees who gather socially and share ideas and similar interests outside normal work groups. These groups also help engage, retain and develop employees through personal development activities, peer support and mentorship, and direct interaction with senior leadership.

We have a strong position supporting the communities where we live and operate, highlighted by support for refugees from the Ukraine war and Moroccan and Turkish earthquake relief projects.

# Diversity and inclusion

We recognise the importance of diversity in enhancing our culture and driving strong business performance, and we strive to create an open and inclusive environment where our employees, directors, suppliers, and customers are valued and respected. We believe it's our responsibility to respect and uphold the rights of our people – including women, minorities and other protected groups – and do not tolerate discrimination or harassment. We are committed to creating an inclusive workplace and welcoming ideas and perspectives from all backgrounds and cultures to build better products and enhance the communities we serve. We believe our commitment to human rights and a workforce free from discrimination and harassment is evident in our Human Resources, Safety, and Purchasing policies and practices.

We manage our diversity and inclusion practices with clear objectives from our Board and Executive Committee with alignment and commitment at all levels within the organisation. In addition to our global practices, each region is empowered to implement localised programmes to further drive performance and development in line with the needs of the business and the local labour market.

We have established regional councils to further promote a diverse and inclusive culture locally and establish priorities and initiatives for each region. Each respective council has individuals or sub-committees focused on topics such as training, talent retention, and communications. The D&I Councils receive support through corporate human resources to help guide and inform their initiatives, and every four weeks, representatives from all three councils meet with the Vice President, Human Resources to report on progress, share ideas and resources, identify new goals or focus areas, and plan upcoming initiatives.

In addition to our regional diversity councils, employees have established Women's Empowerment Networks (WEN) in each region. WEN are voluntary, employee-initiated groups of employees who gather socially and share ideas and similar interests outside normal work groups. These groups also help engage, retain and develop employees through personal development activities, peer support and mentorship, and direct interaction with senior leadership. WEN are integral to creating an open and inclusive environment where female employees are supported, and we are committed to expanding this model in 2024 to include other groups of employees who share common interests, issues, backgrounds, characteristics or pursuits.



# Diversity and inclusion

continued

## Case study



### Promoting inclusive leadership

As part of our investment in creating an inclusive environment, we partnered with experts to assess our top 300 leaders on behavioural elements related to developing a culture of safety and belonging, and to drive to inclusion at the individual, team, and cultural level.

Individual leaders completed a multi-rating assessment where they, along with supervisors, peers and team members, evaluated multiple facets of inclusive leadership. Each individual leader received feedback and access to a library of courses designed to further develop inclusive leadership skills. The assessment and related learning activities have become an integral part of our leadership and culture development activities. Going forward we will continue to leverage this process to measure progress and further promote positive inclusive leadership practices.

# Community relations

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 ambition

We operate in 27 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 2023, our employees participated in and contributed to many community and charitable projects across the world.

In 2023, we came together as ONE TI to sponsor aid for natural disasters occurring in locations near our operations. In 2023, we had two such global aid campaigns:

**Turkey:** On 6 February 2023, there was a 7.8 magnitude earthquake in Turkey and Syria, killing over 55,000 people and injuring over 100,000 people. TI Fluid Systems partnered with the US Red Cross for a campaign to raise money for those affected by the earthquake in Turkey. TI Fluid Systems pledged an initial €10,000 and to match an additional €10,000 of employee donations. Employees contributed over €6,800 to the US Red Cross and a little over €3,000 to other local charities raising support for the earthquake in Turkey. In total, TI Fluid Systems and its employees raised €30,000 for Turkey aid initiatives.

**Morocco:** On 8 September 2023, there was a 6.8 magnitude earthquake in Morocco, killing nearly 3,000 people and injuring more than 5,000 people. TI Fluid Systems partnered with the US Red Cross for a campaign to raise money for those affected by the earthquake in Morocco. TIFS pledged an initial €15,000 and matched an additional €3,000. TIFS employees contributed over €2,300 to the US Red Cross raising support for the earthquake in Morocco. In total, TI Fluid Systems and its employees raised over €20,000 for Morocco.

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 and minority students in need to pursue their STEM (science, technology, engineering and mathematics) studies at colleges and universities in countries where we have significant operations. Programmes are currently in place in the United States, China, German, Poland and Mexico.



# Community relations

continued

## Case study



In 2023, the Corporate Office in Auburn Hills, Michigan, USA, participated in various outreach activities to benefit the community where our Corporate offices are located.

Listed below are a few of the initiatives:

- Forgotten Harvest Volunteer Day
  - The U.S. Diversity & Inclusion Committee lead a volunteer opportunity with Forgotten Harvest. Forgotten Harvest is a non-profit food rescue organisation that collects food that would otherwise go to waste and delivers it free of charge to organisations feeding the hungry in Metro Detroit. Volunteers assisted Forgotten Harvest with packing emergency food boxes, re-packing and sorting fresh nutritious food that will be distributed through Wayne, Oakland, and Macomb County.
  - Employees sorted and packed over 6,000 pounds of food.
  - Forgotten Harvest delivers 144,000 pounds of surplus food daily to local charities, providing families in need with fresh and nutritious food free of charge. All of the food and produce Forgotten Harvest rescues is delivered to metro Detroit families who are food-insecure and struggle to cover the cost of basic life necessities.
- October 2023 Life Remodeled.
  - Corporate office employees participated in the Life Remodeled programme in October 2023. Life Remodeled is a wonderful volunteer event focused on the intentional and equitable revitalisation of Detroit neighbourhoods. Employees joined with thousands of individuals helping to clear blight and beautify one of Detroit's local communities!
  - This year's project took place in the community surrounding Cooley High School. Employees cleared and beautified the area.
- Susan G. Komen Race for the Cure®. We had numerous team members participate in runs and fitness walks to raise money and awareness for breast cancer. This event celebrates breast cancer survivors, and honours those who have lost their battle with cancer.
- Toys for Tots. Each year, the Corporate office employees donate new toys to the U S Marine Corps Toys For Tots programme. Toys for Tots is charitable program that support for disadvantaged children during the holiday season. This year close to 100 new toys were donated to needy children to brighten their Christmas morning.

# Data privacy and security

TI Fluid Systems is committed to safeguarding the privacy of our stakeholders and has established a robust Data Protection Programme to ensure compliance with applicable laws.

At the core of this, sitting alongside our Information Security Policy and Record Retention policies, is our Data Protection Policy ("the 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 and all employees annually confirm their ongoing commitment to the policy. The policy is available on the intranet, in our employee HR Gateway and in our facilities. Our privacy notice is available on our website and linked in email footers.

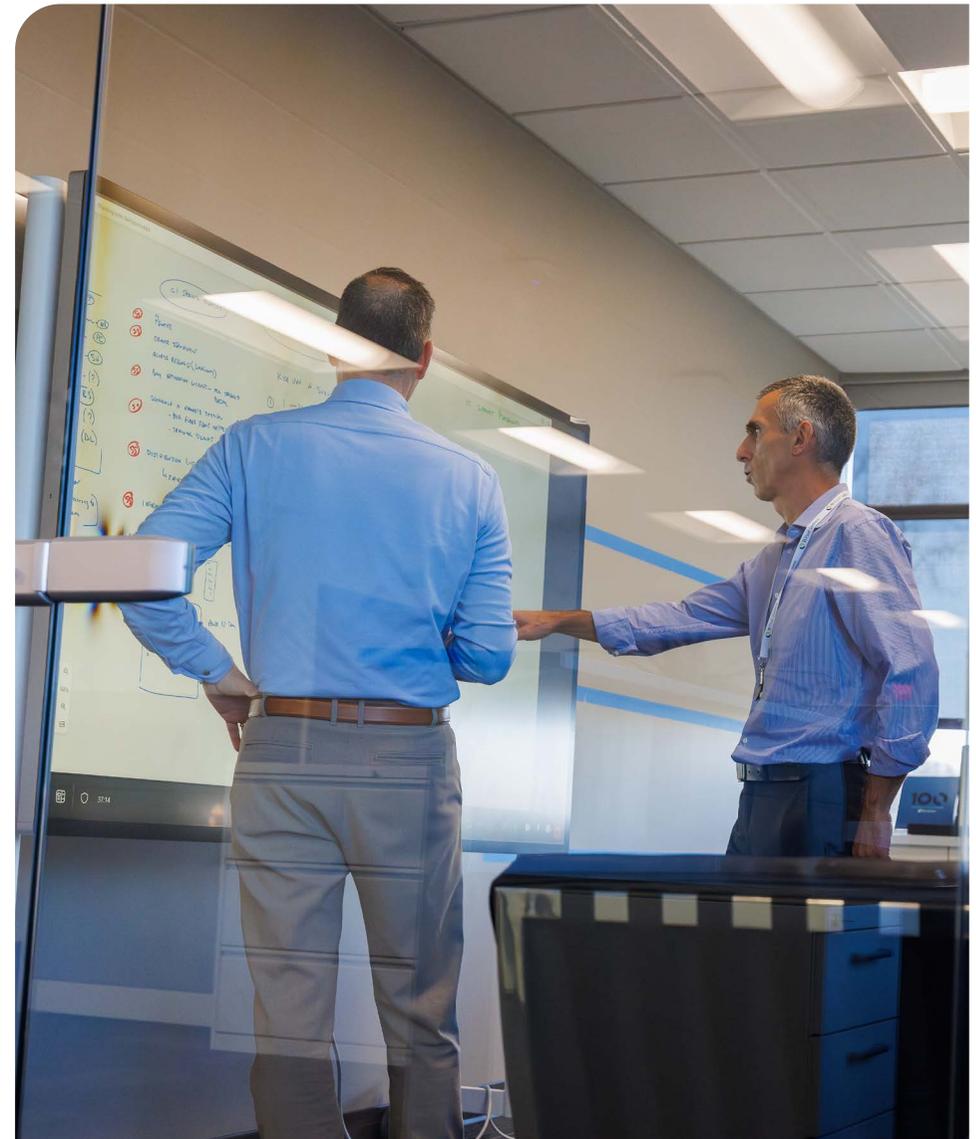
Information audits are performed locally throughout Europe, recording the categories of personal data held, the purpose of the processing, the technical and organisational security measures in place to safeguard such information and the lawful basis of the processing according to the General Data Protection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

Where personal data is required to be transferred between Group entities, this is done so in accordance with the Standard Contractual Clauses incorporated in our international Data Transfer Agreement and updated in line with applicable EU Commission publications.

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.

The establishment of a dedicated email ([privacy@tifs.com](mailto:privacy@tifs.com)) for queries, requests and reporting of potential and actual data breaches, ensures timely management of queries and prompt investigation of reports. We have recently updated our Incident Response Plan to ensure clear direction on incident management to all stakeholders and prompt and thorough investigation of data breaches.

The Group continues to closely monitor developments in the privacy landscape and update our Data Protection Programme as necessary.



# Human rights

Human rights focus us on how we manage and respect fundamental human rights within our 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 Organisation Declaration on Fundamental Principles and Rights at Work. Our Human Rights policy is intended to serve as a supplement to our Code of Business Conduct. Our management team works to eliminate 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 whilst fully complying with any specific human rights regulations applicable to the jurisdictions where we operate.

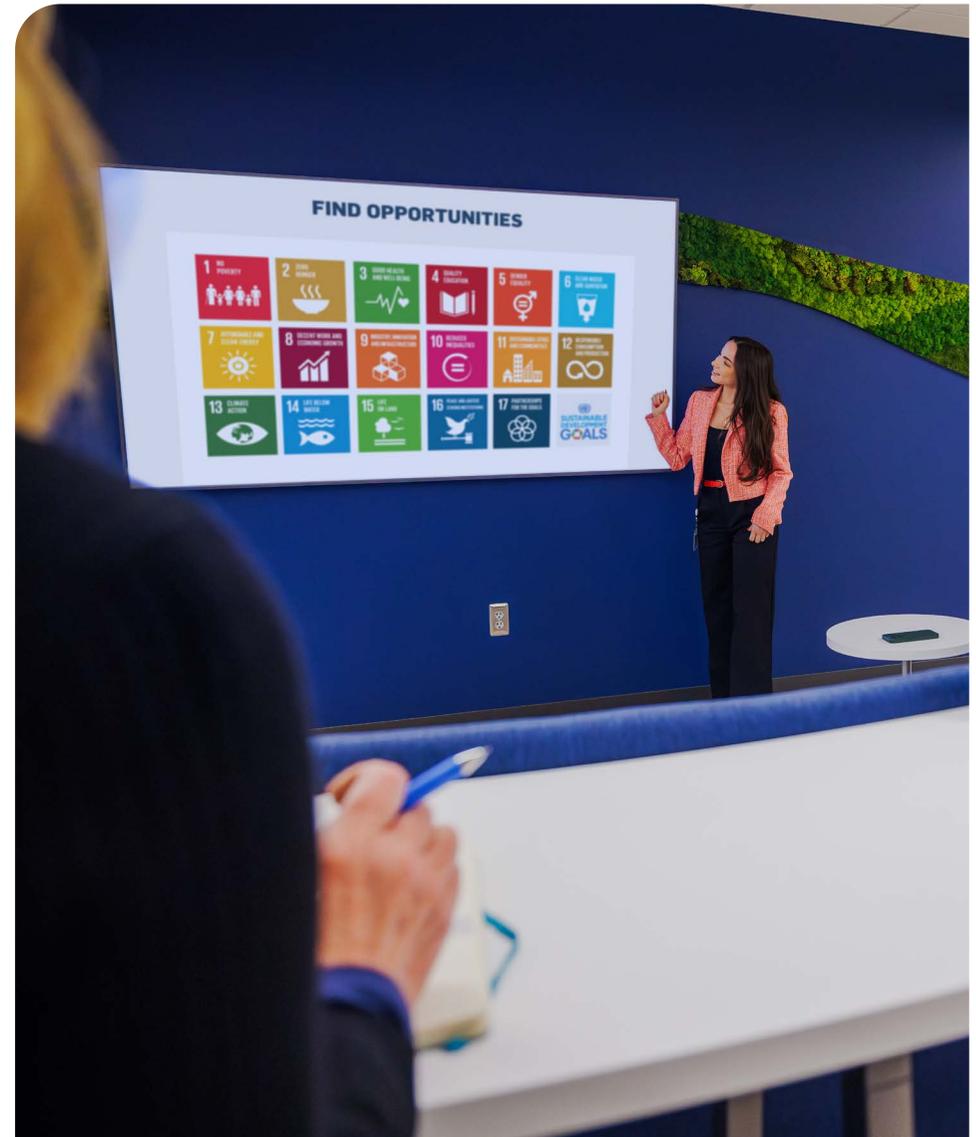
We are a signatory to the UN Global Compact. The UN Global Compact aligns well with our core values.

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.

We had all of our management and staff employees individually commit to our Human Rights policy to reinforce our dedication to human rights at every level of our organisation and continuously strive to create a workplace that not only complies with legal standards but also exemplifies the highest ethical standards.

To reinforce transparency and accountability, we provide a confidential reporting hotline (Vault) for employees to voice concerns about ethical matters or potential compliance issues. This hotline ensures that every employee has a secure channel to contribute to our collective commitment to ethical conduct, fostering an environment built on trust, openness, and adherence to the highest standards of business ethics.



# Human capital

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

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.

In 2023, we introduced our Six Mindsets for Success. Our human capital strategy is built on attracting, developing and retaining the talent required to position for the future of our industry. We provided over 12,000 hours of key product and process knowledge training and over 5,000 hours of skill development training through our Fluid Learning platform, including training on each of the six mindsets.

On an annual basis we collect information on employee performance and potential and use this information to support individualised development and succession planning. We manage succession for executive level leadership positions centrally, reporting plans and actions to our Board of Directors.

In 2023, we again engaged directly with our workforce through our Global Employee Engagement Survey. We use the results of this annual survey to prioritise leadership actions aimed at optimising employee engagement and retaining our talent. In spite of ongoing challenges in our industry and changes in our company, participation in the survey is strong and our scores remain in the top quartile relative to peers in the manufacturing sector.

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 confidential hotline for employees to address potential issues they might have in their location.

					
<b>Embrace Change</b>	<b>Become the Expert</b>	<b>Be a Continuous Learner</b>	<b>Innovate</b>	<b>Win as a Team</b>	<b>Own Inclusion &amp; Engagement</b>
In order to succeed, we can't keep doing things the same way we used to. Change is necessary.	Be dedicated to your own technical and professional development to be the best you can be in your career.	Go out and seek opportunities to learn every day. Do not wait for someone to tell you to learn.	Find ways to be innovative in your work, team, and function.	The only way to win as a company is by winning together. There is no 'us' versus 'them', just WE.	Understand and live the idea that inclusion & engagement 'Starts with Me'.

## Code of Business Conduct

We expect all employees to conduct business in accordance with our Code of Business Conduct (COBC), and all applicable laws, rules, and regulations of the jurisdictions that 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 salaried 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.

# Occupational health & safety

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

## Our ambition

To have world-class safety for all our locations.

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.

All potentially life-threatening incidents and lost time injury frequency (LTIF) rate for the organisation as a whole are reported to the Executive Committee. 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.

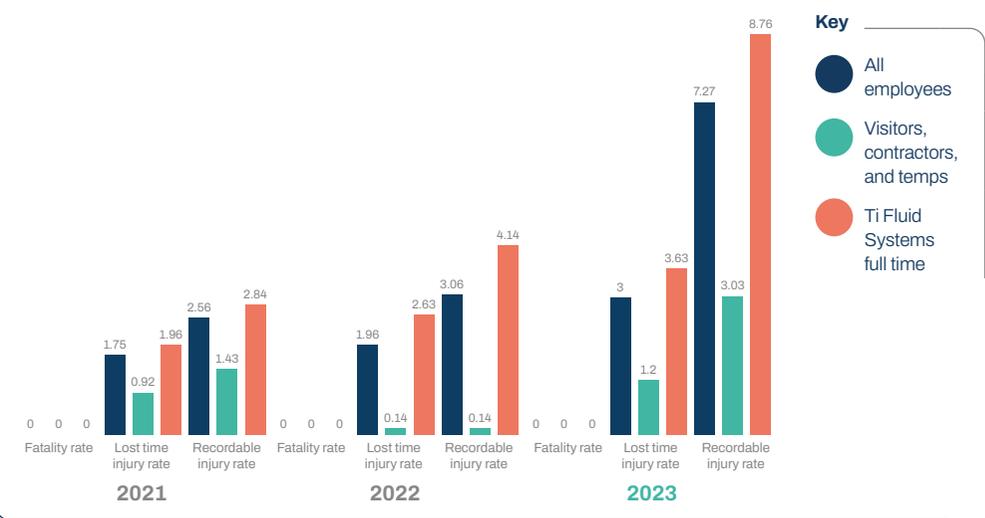
The corporate safety team helps to steer and implement policies and programmes approved by the Corporate Safety Steering Committee.

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 2021 to 2023 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 2021 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 year. In 2023, we had a foodborne illness event at one of our plants that accounted for a large number of Lost Time Injuries (illness). No employee was seriously effected by this single event. We have followed our protocols and we revisited our canteen and food safety processes and procedures with our third party providers.

We track recordable injuries (i.e., injuries that require medical treatment beyond first aid), lost time injuries (i.e. injuries that result in an employee not being able to come to work the day after occurring), and fractures.

**GRI safety reporting for employees, visitors, contractors and temporary employees – injury and illness**



# Occupational health & safety

continued



## Case study

### Global Safety Week – Slip Trip and Fall Campaign

#### Advancing Safety Together: 2023 Global Safety Week

Global Safety Week emphasised the value of safety, health, and well-being among employees. Before the event took place, our Corporate Environmental, Health, and Safety (EHS) teams unveiled the theme for 2023's event – Advancing Safety Together. The specific focus of this global campaign was on reducing the incidence of slip, trip, and fall injuries, which are among the most common workplace injuries worldwide.

We set out on a clear mission to foster a positive safety mindset that would enable us to continually enhance our safety culture. Setting up activities that add real value to our global teams, we helped to raise awareness of the importance of safety and well-being in the workplace and celebrate our existing safety successes.

To ensure that our safety messages reached every corner of our organisation, we translated and distributed training materials and information packs to our global teams. It wasn't all hard work though; we had over 1,700 employees take part in a global safety quiz, with the lucky winners in each region taking home prizes for their engagement and attention to detail.

Safety Week activities were hosted all over the world and included a diverse set of offerings and activities. In Baroda India Safety Week activities included an inaugural speech, igniting the lamp, and a safety oath ceremony. Employees took a hands-on approach throughout the week as they took part in induction training and were rewarded with badges as a symbol of their commitment to safety. Our Bursa Turkey team took on an active role throughout the week, too. The highlight of the team's efforts in Turkey saw them proactively enhance safety awareness by placing warning signs in high-use areas, which emphasized the risks associated with slips, trips, and falls on stairs. In Mexico City, the management team coordinated safety training and drills with a health event designed to bring health services and vendors directly to the plant to make it as easy as possible for employees to access various healthcare options.

Our Safety Week campaign was built around the core principle of Advancing Safety Together, and it provided us with a platform to highlight the vital role of safety, health, and well-being in the workplace. We look forward to continuing our pursuit of safety, health, and well-being together as one global team. We want to thank all those who participated, and we are excited about making Safety Week at TI an annual global event.

# Product safety

TI Fluid Systems Quality Management System (QMS) has been designed and developed to identify, mitigate and control risks associated with product safety, to ensure that our products are consistently reliable and comply with all applicable customer, industry, legal and regulatory requirements.

Our product safety controls start with identifying all emerging requirements, including statutory, regulatory and customer requirements. Once we have identified the relevant product safety characteristics, we assign our Safety, Regulatory and Functional (SRF) process, which flow through design and development, and into our manufacturing processes, including through to our supply chain. Each SRF process has documented controls and detailed action plans to be taken.

Priority is to 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.

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. 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 resolution 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.

Finally, we continuously conduct on-site audits to verify that product safety related practices comply with the latest knowledge and our documented procedures.

**61**  
Facilities with zero defects

---

**15**  
Customer Quality Awards

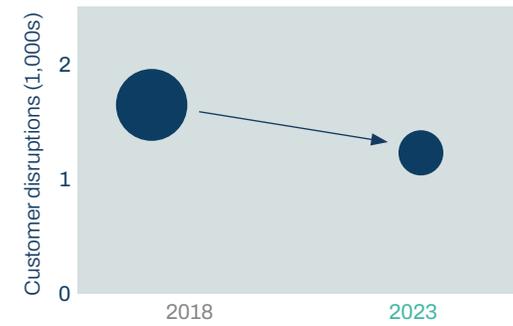
---

**8PPM**  
Globally

## Our QMS is driving continuous Improvement

Despite the challenges post covid, our teams have continued to drive improvements.

### Continuing positive trend over 5 years



NB: Bubble size relates to Overall Severity (P1)

**40%**  
reduction number of issues

**66%**  
reduction severity of issues



# 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

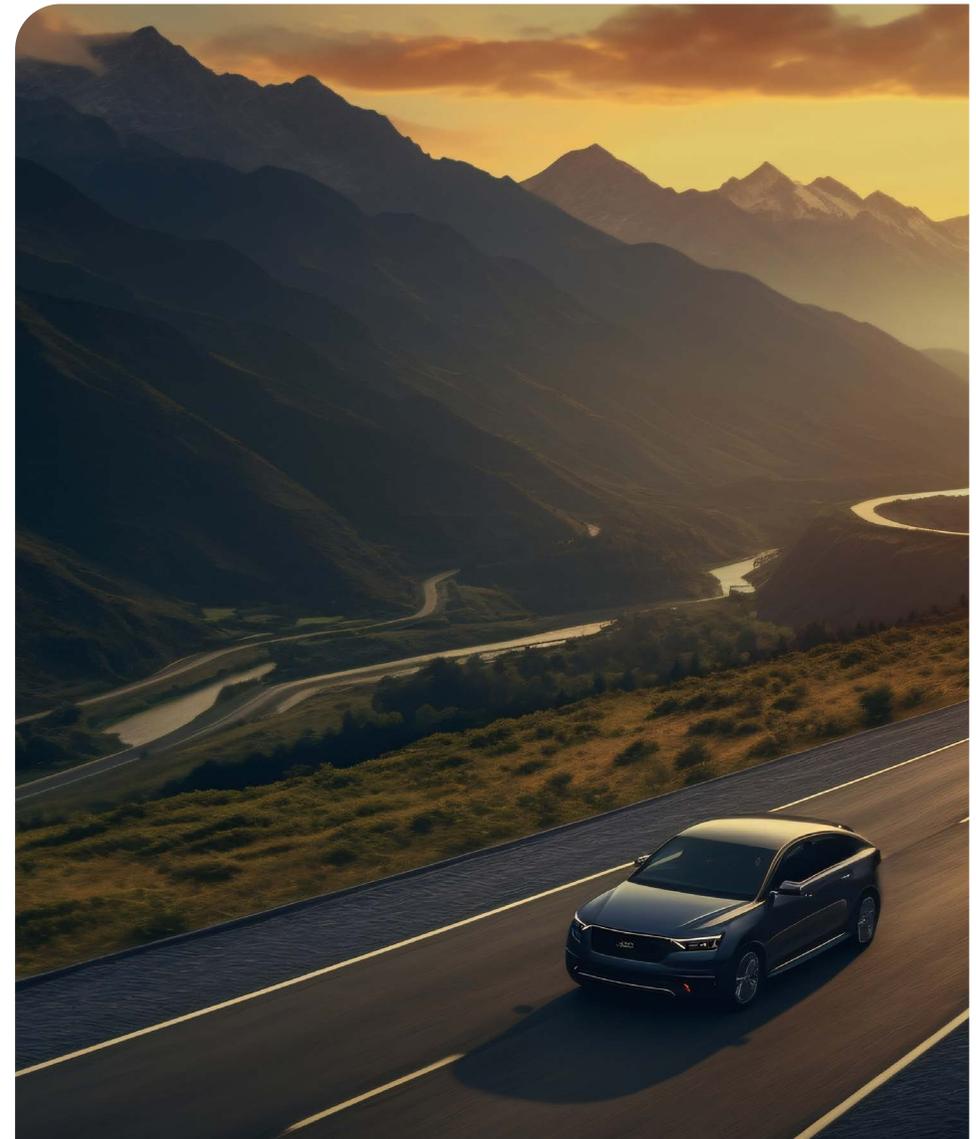
Our purchasing team elected to use ISO 20400 Sustainable procurement guidance as the keystone for developing our sustainable purchasing programme and other ESG improvements within the purchasing function. This work will promote the use of more ESG concepts in both our purchasing strategies and sourcing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

## Assessing suppliers and supplier engagement

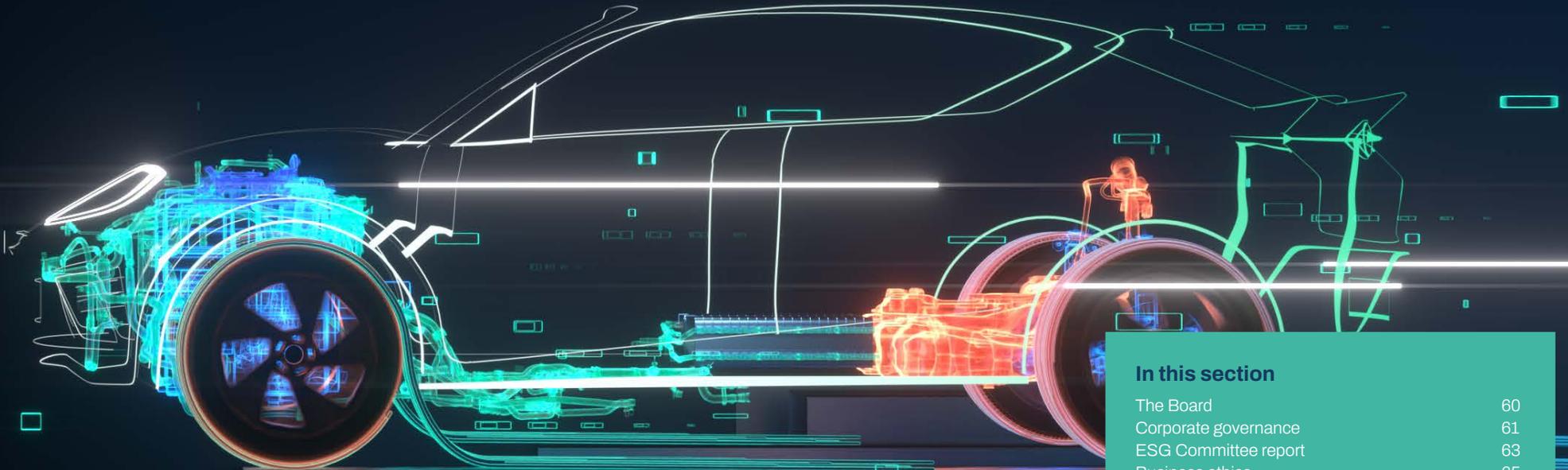
The purchasing team developed a supplier survey in late 2022 to evaluate 44 of our largest suppliers.

## Development of a sustainable purchasing programme

The purchasing team formalised our Global Sustainable Purchasing policy during 2023. This policy established the formal mechanism for compliance with our Safety, Environmental, and Human Rights policies by our supply base. In 2023, we trained our global purchasing team on ESG requirements to properly deploy this policy and updated purchasing guidance. We plan to continue our discussions around the development of internal and external KPIs associated with sustainable purchasing.



# Governance



<b>In this section</b>	
The Board	60
Corporate governance	61
ESG Committee report	63
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# The Board

The Board			Committees			
<p><b>Hans Dieltjens</b> Chief Executive Officer and President</p>	<p><b>Tim Cobbold</b> Independent Non-Executive Chair</p>	<p><b>Elaine Sarsynski</b> Independent Non-Executive Director</p>	<p><b>Nomination Committee</b> Chair Tim Cobbold Members Julie Baddeley Trudy Schoolenberg</p>	<p><b>Audit &amp; Risk Committee</b> Chair Jane Lodge Members Elaine Sarsynski John Smith</p>	<p><b>Remuneration Committee</b> Chair John Smith Members Julie Baddeley Jane Lodge</p>	<p><b>ESG Committee</b> Chair Elaine Sarsynski Members Julie Baddeley Alexander De Bock Hans Dieltjens Susan Levine</p>
<p><b>Alexander De Bock</b> Chief Financial Officer</p>	<p><b>Julie Baddeley</b> Independent Non-Executive Director</p>	<p><b>Trudy Schoolenberg</b> Senior Independent Director</p>	<p><b>Key responsibilities</b> Evaluating the size, structure and composition of the Board Assisting the Board in relation to the composition of the Board, including evaluating the balance of skills, knowledge, experience and diversity Consideration of succession planning</p>	<p><b>Key responsibilities</b> Reviewing and monitoring the integrity of the financial statements. Ensuring effective systems of internal controls, internal audit and risk management are maintained Advising on the appointment of the external auditors and monitoring non-audit work undertaken by the external auditor</p>	<p><b>Key responsibilities</b> Setting the Remuneration policy for all Executive Directors and the Chair Determine remuneration packages, including bonuses and awards, for Executive Directors and Executive Committee in consultation with the Chair and Chief Executive Officer, as appropriate</p>	<p><b>Key responsibilities</b> Recommending the overarching Environmental, Social and Governance (ESG) vision and strategy road map to the Board in order to ensure sustainability priorities are met Monitoring the Group's corporate responsibility, sustainability and stakeholder engagement activities</p>
	<p><b>Susan Levine</b> Non-Executive Director</p>	<p><b>John Smith</b> Independent Non-Executive Director</p>	<p><b>The Executive Committee</b> Not a formal Committee of the Board, the Executive Committee is established and led by the CEO and President is comprised of the principal business and functional leaders, and is responsible for executing strategy and the day-to-day management of the business.</p>			
	<p><b>Jane Lodge</b> Independent Non-Executive Director</p>	<p><b>Stephen Thomas</b> Non-Executive Director</p>				

# Corporate governance

## Our ambition and sustainability governance

### Our ambition

Sustainability governance remains a top priority for the Board and Executive Committee 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 and Accounts covers our governance arrangements in general, 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 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 our VP of Sustainability and EHS acts as a liaison between the Committee, senior management and the wider workforce.

### Sustainability progress

The ESG Committee of the Board 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.

The approved SBTi targets will reduce our Scope 1 & 2 CO<sub>2</sub>(e) emissions by 50% by 2030. We have already begun implementing conservation and renewable energy programmes to achieve these objectives. We have revised our baseline Scope 3 inventory for the 2021 year. In addition, we have also revised the 2022 Scope 3 inventory and we have completed our 2023 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. Other initiatives and educational programmes to promote ethics, diversity and inclusion within our organisation are also underway.

In addition, in 2023, the Board has continued to incorporate environmental 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.

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 Committee

To assist the Board in its oversight of ESG matters, the ESG 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.

# Corporate governance

continued

## 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 Committee. The inclusion of the reduction of Scope 1 & 2 emissions is in line with specific long-term public commitments made to our customers, so this 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

### Board of Directors

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 Committee

To assist the Board in its oversight of ESG matters, the ESG 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.

# ESG Committee report



“ As the Chair of the ESG Committee, I am happy to present the Committee’s 2023 report. The Committee continues to support the management teams strategy and engagement on ESG. I would like to thank the members of the Committee and management team for their commitment, and I look forward to working with the team in 2024.”

**Elaine Sarsynski**  
ESG Committee Chair

## 2023 highlights

- Supported the Group’s TCFD reporting initiative and initial analysis of the procurement of a VPPA for the Group’s operations located in European Association of Issuing Bodies (AIB) countries
- Further developed the Group’s diversity and inclusion programme, including key focus areas and metrics
- Received SBTi-approved science-based CO<sub>2</sub>(e) emissions reduction targets consistent with the 1.5°C scenario
- Progressed data collection for water and waste and new enhanced waste targets established for landfill avoidance and recycling

## Focus for 2024

- 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 the Group’s CO<sub>2</sub>(e) emissions reduction targets
- Support further development of the Group’s Supplier Sustainability policy and engagement process to support Scope 3 reduction

## Committee membership

	Meetings attended
Elaine Sarsynski (Chair)	6/6
Susan Levine	6/6
Julie Baddeley	6/6
Hans Dieltjens	6/6
Alexander De Bock	4/4
Meetings held during the year	6

## Dear shareholder,

I am pleased to present the ESG Committee report for the year ended 31 December 2023.

The Committee supports the Board to fulfil its oversight responsibilities with respect to sustainability matters. The Committee’s Terms of Reference are available on our website and the Terms of Reference were revised in 2023.

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

From an environmental standpoint, it is critical to address climate change not only by supporting vehicle electrification with an expanded product portfolio, but also by decarbonising the Group’s operations, reducing waste, and conserving water. On behalf of the Group, I am pleased to report in 2023 the Group progressed on all fronts.

The Group gained SBTi approval for its CO<sub>2</sub>(e) emissions reduction targets that call for a 50% reduction of Scope 1 & 2 emissions and a 30% reduction of Scope 3 emissions, in each case, by 2030 on an absolute basis from a 2021 baseline. During 2023, the Group implemented elements of its 2022 renewable electricity plan. These elements revolved around energy efficiency programmes to support achievement of the plan’s targets and the procurement of renewable electricity. I am proud to report that the Group has already decreased its CO<sub>2</sub> emissions by 15% compared to the baseline.

The Group was actively engaged in evaluating a Pan European Virtual Power Purchase Agreement (VPPA) for the EU-based manufacturing and office locations. In 2023, we evaluated a large number of photovoltaic and wind projects offered from more than 25 developers. In 2024, the final evaluation will occur on whether one of these VPPA projects is the right fit for the organisation.

I am happy to report that the Group received a B grade for Climate Change and a C score for Water Security from CDP. These scores recognise the Group’s progress, and ability to maintain our ratings for two consecutive years. CDP is the Group’s reporting mechanism for SBTi targets and remains an important transparent disclosure to which we are committed to report. On the social side, the Group has taken a number of steps to support safety, diversity and inclusivity.

The teams have implemented enhanced safety processes to protect our workforce, including expanding our ISO 45001 safety management framework to cover 96 plants in 2023, with a goal of having every manufacturing location included by the end of 2024. The Group has hired additional EHS personnel in every region to assist with the training and implementation of safety programmes. We supported the Global Safety Week campaign to bring awareness to slip, trip and fall accidents in the workplace and at home.

To further support our employees, we have continued diversity and inclusivity training and assessments for the entire senior management team. Progress will be tracked by monitoring against gender diversity targets, which are based on local university graduation rates.

# ESG Committee report

continued



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 2023, the Group awarded more than 43 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.

Environmental 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 the Group 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 progress and ensure accountability at all levels of the organisation.

I look forward to updating you on the Group's continuing sustainability journey.

**Elaine Sarsynski**

ESG Committee Chair

11 March 2024

# 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.

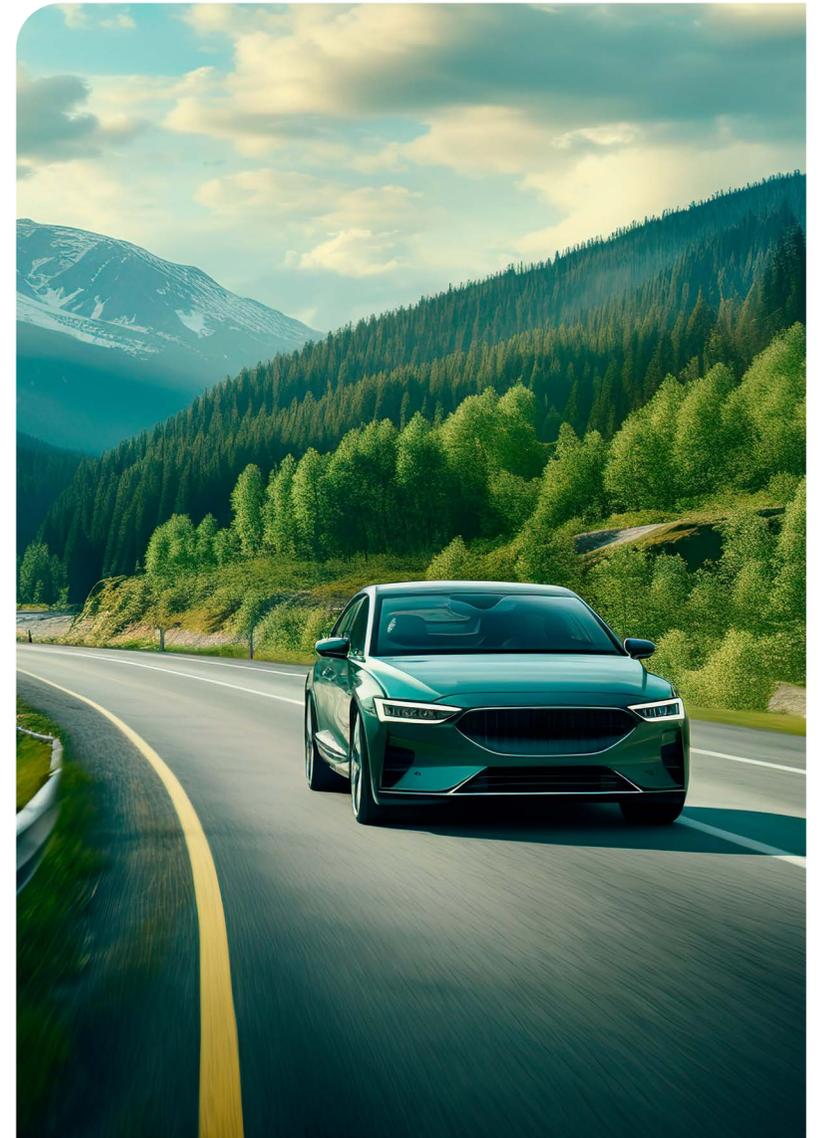
## Education and development

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.

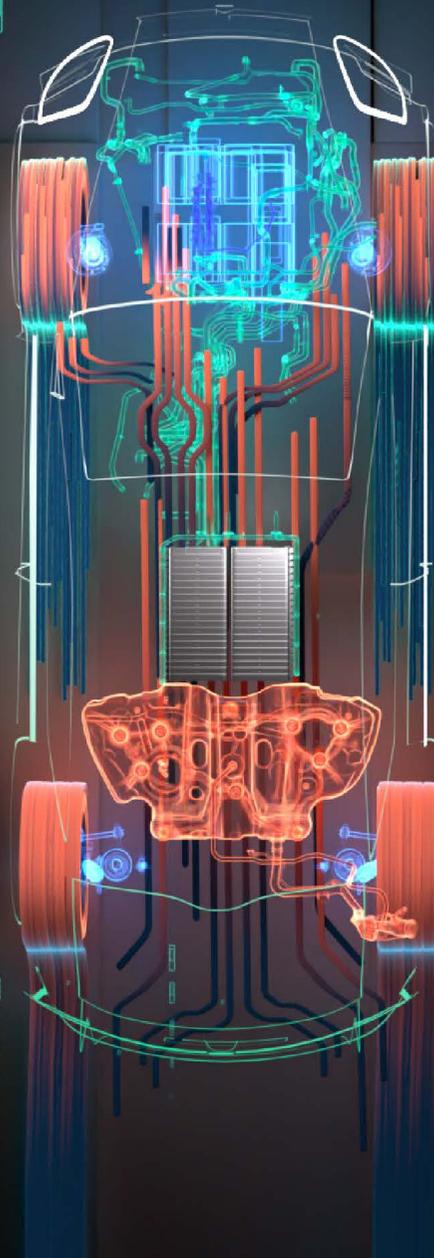
## Moving forward

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, we reviewed and used information collected in this survey to improve our ethics and compliance efforts and hold discussion groups to further integrate the training modules within the organisation. We integrated the COBC into the Sustainable Purchases Programme thereby linking our COBC throughout our supply chain.



# Appendix



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# GRI Content Index

This report was prepared in accordance with the Global Reporting Initiative (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	04–07	Partially reported
2-2	Entities included in the organisation's sustainability reporting	See CDP reporting at <a href="http://www.CDP.net">www.CDP.net</a>	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	02, 04–07	Partially reported
2-7	Employees	05, 15	Partially reported
2-8	Workers who are not employees	N/A	Not reported
<b>3. Governance</b>			
2-9	Governance structure and composition	60–62	Partially reported
2-10	Nomination and selection of the highest governance body	N/A	Not reported
2-11	Chair of the highest governance body	60	Fully reported
2-12	Role of the highest governance body in overseeing the management of impacts	60	Partially reported
2-13	Delegation of responsibility for managing impacts	60	Partially reported
2-14	Role of the highest governance body in sustainability reporting	60	Partially reported
2-15	Conflicts of interest	N/A	Not reported
2-16	Communication of critical concerns	19, 57	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	60, 62	Partially reported

# GRI Content Index

continued

Disclosure	Description	Comments/ page reference	Completeness (self assessment)
2-21	Annual total compensation ratio	N/A	Not reported
<b>4. Strategy, Policies, and Practices</b>			
2-22	Statement on sustainable development strategy	02, 16–17	Partially reported
2-23	Policy commitments	21, 48, 52–53	Partially reported
2-24	Embedding policy commitments	21, 48, 52–53	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	20–21	Fully reported
2-30	Collective bargaining agreements	N/A	Not reported
<b>GRI 3</b>			
<b>Disclosures on Material Topics</b>			
3-1	Process to determine material topics	18	Partially reported
3-2	List of material topics	18	Partially reported
3-3	Management of material topics	18–19	Partially 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
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	21, 65	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

# 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	34–38	Fully reported
302-2	Energy consumption outside of the organisation	39–41	Fully reported
302-3	Energy intensity	26	Fully reported
302-4	Reduction of energy consumption	34	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	42	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	44–45	Fully 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	45	Fully reported
<b>305</b>	<b>Emissions</b>		
305-1	Direct (Scope 1) GHG emissions	31	Partially reported
305-2	Indirect (Scope 2) GHG emissions	31	Partially reported
305-3	Other indirect (Scope 3) GHG emissions	31	Partially reported

# GRI 300: Environment

continued

Disclosure	Description	Comments/ page reference	Completeness (self assessment)
305-4	GHG emissions intensity	26, 31	Partially reported
305-5	Reduction of GHG emissions	01, 31	Partially 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	43	Partially reported
306-2	Management of significant waste-related impacts	N/A	Not reported
306-3	Waste generated	43	Fully reported
306-4	Waste diverted from disposal	43	Fully reported
306-5	Waste directed to disposal	43	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

# 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	47	Partially reported
403-2	Hazard identification, risk assessment, and incident investigation	N/A	Not reported
403-3	Occupational health services	56	Partially reported
403-4	Worker participation, consultation, and communication on occupational health and safety	55–56	Partially reported
403-5	Worker training on occupational health and safety	N/A	Not reported
403-6	Promotion of worker health	54	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	55	Fully reported
403-10	Work-related ill health	55	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	48–49, 54	Partially reported
404-3	Percentage of employees receiving regular performance and career development reviews	N/A	Not reported
<b>405</b>	<b>Diversity and Equal Opportunity</b>		
405-1	Diversity of governance bodies and employees	15, 61	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

# GRI 400: Social

continued

Disclosure	Description	Comments/ page reference	Completeness (self assessment)
<b>407</b>	<b>Freedom of Association and Collective Bargaining</b>	N/A	Not reported
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 programmes	N/A	Not reported
413-2	Operations with significant actual and potential negative impacts on local communities	N/A	Not reported
<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

# GRI 400: Social

continued

Disclosure	Description	Comments/ page reference	Completeness (self assessment)
<b>417</b>	<b>Marketing and Labelling</b>		
417-1	Requirements for product and service information and labelling	N/A	Not reported
417-2	Incidents of non-compliance concerning product and service information labelling	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 Fluid Systems' 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	17, 31, 34	Partially reported
<b>Waste Management</b>			
TR-AP-150a.1	(1) Total amount of waste from manufacturing, (2) percentage hazardous, (3) percentage recycled	43	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	Annual Report page 19	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 Behaviour</b>			
TR-AP-520a.1	Total amount of monetary losses as a result of legal proceedings associated with anticompetitive behaviour 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 2023 Annual Report.

	TCFD recommended disclosures	Reference pages	Compliance
<b>Governance</b>	Describe the Board's oversight of climate-related risks and opportunities	See Governance – Board of Directors on pages 29 and 76–78 of the Annual Report	Consistent
	Describe management's role in assessing and managing climate-related risks and opportunities	See Governance – management on page 29	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 23–26	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 24–26	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 24–26	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 29–30	Consistent
	Describe the organisation's processes for managing climate-related risks	See risk management on pages 29–30	Consistent
	Describe how processes for managing climate-related risks are integrated into the organisation's overall risk management	See risk management on pages 29–30	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 pages 30–31	Consistent
	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	See metrics and targets on pages 30–31 and sustainability on page 41 of the Annual Report	Consistent
	Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	See metrics and targets on pages 30–31	Consistent

# UN Global Compact Index

The following index serves as support for 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
Human rights	1. Businesses should support and respect the protection of internationally proclaimed human rights.	16–17, 53
	2. Make sure that they are not complicit in human rights abuses.	16–17, 53
Labour	3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	N/A
	4. The elimination of all forms of forced and compulsory labour.	53
	5. The effective abolition of child labour.	53
	6. The elimination of discrimination in respect of employment and occupation.	48
Environment	7. Businesses should support a precautionary approach to environmental challenges.	33
	8. Undertake initiatives to promote greater environmental responsibility.	33
	9. Encourage the development and diffusion of environmentally friendly technologies.	13, 40–41
Anti-corruption	10. Businesses should work against corruption in all its forms, including extortion and bribery.	21, 65

# 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>eMIC</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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