



A LEADER IN INTUITIVE MOTION CONTROL

2024

SUSTAINABILITY REPORT

NEXTEER AUTOMOTIVE GROUP LIMITED

耐世特汽車系統集團有限公司

STOCK CODE 1316

Incorporated under the laws of the Cayman Islands with limited liability

OUR STRATEGY FOR PROFITABLE GROWTH



Expand & Diversify
Revenue Base



Strengthen
Technology Leadership



Capitalise on Megatrend &
Portfolio Alignment



Optimise
Cost Structure



Pursue Select
Acquisitions & Alliances



Target China &
Emerging Markets

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About This Report

Thank you for your interest in Nexteer Automotive Group Limited's (the Company, together with its subsidiaries are collectively referred to as we, us, our, Nexteer, Nexteer Automotive or the Group) ninth annual sustainability report. Our sustainability report is an important way in which we communicate progress against our sustainability material topics and goals.

We self-declare that the 2024 Sustainability Report complies with applicable requirements and reporting principles set forth in the Environmental, Social and Governance Reporting Guide (HKEX ESG Reporting Guide), as set out in Appendix C2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the Listing Rules). Effective from 1 January 2025, the Environmental, Social and Governance Reporting Guide is upgraded to the Environmental, Social and Governance Reporting Code (HKEX ESG Reporting Code). We are currently in the transition process to evaluate inclusion of appropriate updates in our 2025 Sustainability Report. Please see pages 10-13 for a detailed description of our materiality process, identified stakeholders, and the results of our 2024 stakeholder engagement. Quantitative data are prepared in accordance with the applicable requirements stated in HKEX ESG Reporting Guide, details of the calculation basis are disclosed in relevant sections of this report. The results of our performance in accordance with the applicable HKEX ESG requirements are presented in this report and are indicated with a green marker as their unique identifier. Nexteer has also reported the information in this report with reference to Global Reporting Initiative's (GRI) standards, Sustainability Accounting Standards Board (SASB) "Auto Parts" sector standards and United Nations Sustainable Development Goals (UNSDGs) if deemed available under HKEX ESG Reporting Guide. See page 65 for our reporting indices.

This sustainability report covers information and shares highlights for fiscal year (FY) 2024, which aligns with the calendar year. Unless otherwise noted, it covers all Nexteer's global operations and the information applies to all full-time and part-time employees working in premises operated by Nexteer, as well as in majority owned joint-venture locations. There is no significant change in the boundary and scope of this sustainability report, compared to FY 2023.

Information about the standards, methodologies, assumptions, calculation references, and source of key conversion factors used for the key performance indicators (KPIs) are stated wherever appropriate. As far as reasonably practicable, consistent methodologies are adopted when calculating the KPIs or any changes that affect a meaningful comparison would be stated. All financial information is reported in US dollars unless otherwise stated.

Before publication, this report was reviewed by Nexteer's Sustainability Work Group, management's Sustainability Steering Committee and Disclosure Committee, as well as the Board of Directors.

In addition to publishing an annual sustainability report, Nexteer provides sustainability-related information to meet specific requests from original equipment manufacturer (OEM). We also provide information to CDP (formerly the Carbon Disclosure Project) and track our sustainability performance through various third-party sustainability rating providers.

For feedback, questions or additional information about this report or our approach to sustainability, please contact us at:

HEADQUARTERS

1272 Doris Road
Auburn Hills, Michigan 48326, USA
nexteer.sustainability@nexteer.com

A Message From **Leadership**

Dear Stakeholders,

At Nexteer, we are driven by purpose. With nearly 120 years of experience and deep technical expertise, we create sustainable mobility solutions that shape the future.

Sustainability is an integral part of our vision to be the global leader in motion control technology, accelerating mobility to be safe, green, and exciting. In 2024, our global OneNexteer team collaborated on sustainability initiatives, engaging stakeholders such as customers, employees, suppliers, investors and communities.

Looking ahead, we remain committed to embrace sustainability and resilience in our business strategies to support us navigating the rapidly evolving global landscape.

As concrete evidence of our commitment to sustainability, Nexteer is proud to be recognised by the Hong Kong *Hang Seng Corporate Sustainability Benchmark Index* for the eighth consecutive year and a member of a national list of America's Most Responsible Companies 2024 fourth time in five years. Our workforce's commitment to innovation and value creation, as well as our support of our business partners, earned Nexteer these prestigious distinctions. As the Chair of our Sustainability Steering Committee, I'm honoured to introduce Nexteer's 2024 Sustainability Report and share highlights for reporting year 2024 from our five focus areas: Business Ethics; Value Creation; Environmental, Health and Safety; Supply Chain; and Community.

Business Ethics. At Nexteer, we are dedicated to strong corporate governance and ethical conduct, providing a solid foundation for achieving our vision and serving stakeholders. We follow governance and transparency guidelines, reinforce our culture with the Code of Conduct, and maintain compliance standards. In 2024, we maintained robust governance, upheld human rights, and invested in employee development through technical and leadership training. We also supported our workforce with family-inclusive events and aided



Robin Milavec

for flood-affected employees at our operations in Brazil. We are sincerely grateful to our OneNexteer team, supplier partners and customers who all contributed to the affected families' and business' recovery, including a quick return to production just four months after the catastrophic event. Our consistent dedication, both in significant initiatives and daily efforts, has earned us numerous workplace recognitions, including Great Place to Work[®] certifications and top employer awards.

Value Creation. Nexteer remains dedicated to advancing essential technologies that drive future growth. In such, Nexteer booked its first Rear Wheel Steering program with a leading Chinese OEM. We also announced the modular Single and Dual-Pinion electric power steering (EPS) systems (mPEPS) which completed our full suite of modular EPS architectures. This innovative approach repurposes EPS building blocks for accelerated speed-to-market, scalability and value. The global team collaborated to host its biannual Nexteer Technical Conference. The 1.5-day event included over 100 technological displays and presentations, keynote speeches, and panel discussions. This year's theme, "Shifting Gears," showcased a series of thought-provoking speakers and cutting-edge technologies, reflecting our Company's pride and enthusiasm for our products and our future.

Environmental, Health & Safety (EH&S). Maintaining high standards in EH&S is essential for achieving success and managing global operations. At Nexteer, employee health and safety are prioritised, with the belief that all accidents can be prevented, which is evident in the company's safety culture.

Furthermore, with a "think global and act local" mindset, our regional teams continued to identify initiatives to achieve dual benefits that not only enhance operational efficiency, but also contribute to improving our environmental footprints. Turning vision to actions, we activated a new 25-acre on-site solar field on Earth Day at one of our largest operation footprints in Michigan, USA, exemplifying our cross-functional joint efforts in taking renewable energy initiatives.

Supply Chain. We view our suppliers and business partners as extensions of our company, enabling us to collaboratively embrace sustainability and generate value for our stakeholders. Just as we are committed to operating our business to the highest level of ethical conduct, we expect our partners to hold themselves to these same standards. We continued to review supplier sustainability assessment feedback as part of our supply chain management practices. In addition to supplier engagement through our global supplier conference and sustainability surveys, our cross-functional teams continued to collaborate on incorporating ESG topics to further strengthen our supply chain risk management framework. Anticipating the rapidly evolving global landscape, we believe embracing sustainability with a risk management mindset shall continue to enhance our agility and resilience. Our excellent partnership has earned us many recognitions from customers around the world.

Community. We remain inspired by the dedication, collaboration and teamwork of our Nexteer team. Our Corporate Social Responsibility (CSR) – Nexteer Cares – programme is committed to community involvement. In 2024, our community engagement strategy remained focused on three focus areas: proactive community involvement, Science, Technology, Engineering and Mathematics (STEM), careers and education, and strengthening neighbourhoods. Many colleagues engaged in impactful initiatives throughout the year – our educational initiatives cover all ages, from young learners to retirees, with a strong focus on STEM education. We are also dedicated to community service, providing support to those in need in local community and humanitarian crises support initiatives.

We extend our gratitude to employees, customers, suppliers, communities, and others for their contributions. Please review the results presented in this report as a reflection of our collective efforts. Let this progress motivate us to enhance the resilience of our business and work towards a sustainable future together.

Sincerely,

Robin Milavec
President, Chief Technology Officer (CTO),
Chief Strategy Officer (CSO),
Executive Board Director &
Chair, Sustainability Steering Committee &
Enterprise Risk Management Committee
Nexteer Automotive

About Nexteer

Nexteer Automotive's vision is to be the global leading motion control technology company accelerating mobility to be safe, green and exciting.

Our innovative product and technology portfolio of advanced steering and driveline (DL) systems solves motion control challenges across all megatrends – including electrification, software/connectivity, advanced driver assistance system (ADAS)/automated driving (AD) and shared mobility.

In-house development and full system integration of hardware, software and electronics provides Nexteer a competitive advantage as an agile, full-service supplier to automotive OEMs around the world.

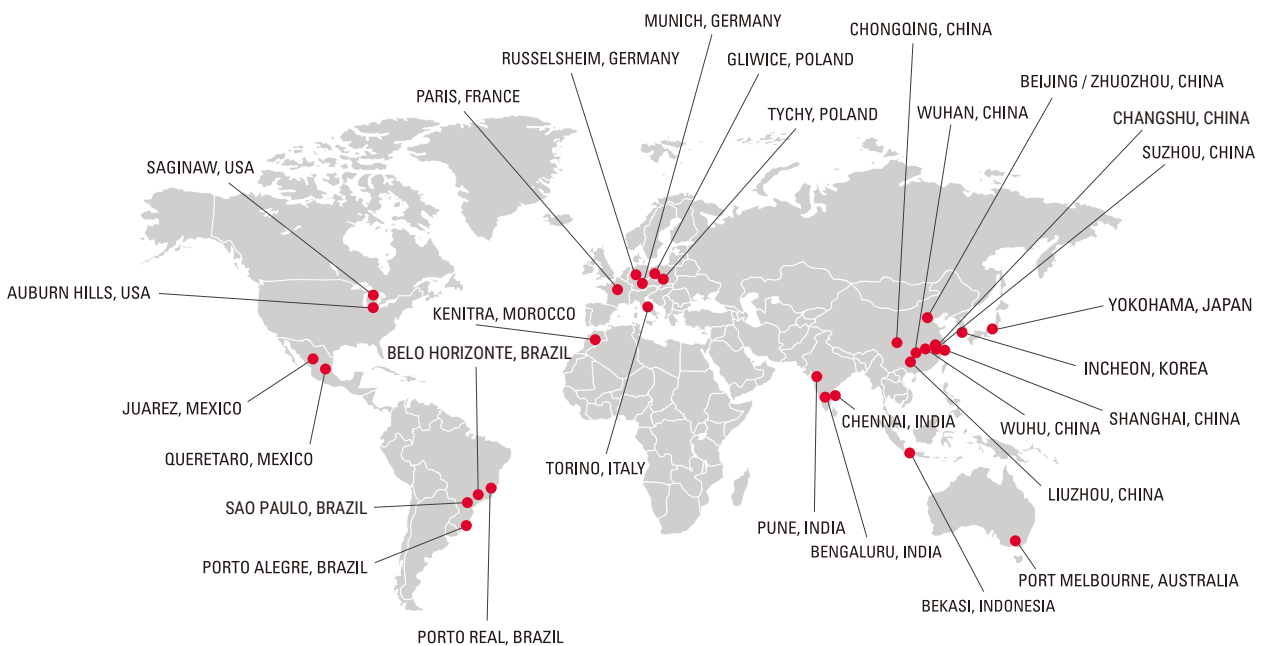
Our ability to seamlessly integrate our systems into OEM vehicles is a testament to our nearly 120 years heritage of vehicle integration expertise and product craftsmanship. Our "One Nexteer" culture inspires employees to achieve personal and corporate growth by focusing on our core values across all aspects of the Company: people first, operational excellence and enterprise growth. As One Nexteer, our vision guides us every day, and we're making it a reality by challenging the impossible and making tomorrow better than today.

We strive to be the partner of choice for our customers and suppliers by delivering highly engineered, safety-critical products and building enduring relationships.

Nexteer provides real-world, vehicle-level solutions by being:

- **Customer Focused:** Respected and trusted for delivering on commitments
- **Proactive:** We listen carefully to understand customer needs, requirements and aspirations
- **Innovative:** A market leader in steering and DL system innovation and value-added service
- **Agile:** Able to respond quickly with high-quality, cost-effective solutions
- **Global:** Committed to exceeding customer and vehicle needs every time, in every customer-targeted market

GLOBAL FOOTPRINT



2024 HIGHLIGHTS

US\$ 4.3B
REVENUE



NEXTEER RECORD HIGH
Revenue increased by 1.6% compared to 2023

77 **PROGRAMME LAUNCHES**
NEXTEER RECORD HIGH



45 on EVs*

US\$ 6.0B IN BOOKINGS



31% NEW CONQUEST



28% CHINESE OEMs



CUSTOMER, MARKET & PRODUCT DIVERSIFICATION
ACROSS WINS & LAUNCHES



FOOTPRINT & CAPABILITIES "GLOCAL" OPTIMIZATION
INNOVATION, VALUE, SPEED

About Nexteer

NEXTEER'S FIVE KEY FOCUS AREAS**Business Ethics**

We remain grounded by a strong foundation of corporate governance and ethics. Our Board of Directors and leaders set the tone of our One Nexteer culture, one that embraces transparency, upholds our Code of Conduct and ensures not only fair and ethical labour practices, but also that Nexteer is workplace where employees can thrive

**Supply Chain**

Nexteer is dedicated to providing best-in-class technology, quality and value to every customer, every day. To achieve that goal, we provide a clear, consistent message to our supply partners regarding requirements and expectations. Our Supplier Requirements Manual and our Corporate Social Responsibility Supplier Principles are intended to do just that

**Environmental, Health & Safety**

Nexteer promotes a culture of Environmental, Health and Safety responsibility in all activities:

- We design our products, processes and services for continuous environmental improvement
- We comply with laws, regulations and our requirements for safety and environmental protection where we operate
- We are committed to reducing our greenhouse gas (GHG) emissions through energy efficiency and renewable energy initiatives
- We conserve resources, reduce pollutants and recycle materials for environmental preservation
- We embed health and safety into all aspects of our corporate culture through education, training and awareness
- We remain committed to continuous improvement and ultimately achieving a lost workday case rate of zero

**Value Creation**

Nexteer strives to achieve profitable and balanced global growth by creating value:

- Through innovation and alignment with megatrends that advance sustainable technologies
- By partnering with winning automotive OEMs
- By growing geographic, customer and vehicle platform diversity

**Community**

Nexteer embraces corporate citizenship by:

- Aspiring to be the business neighbour of choice in every community where we maintain a presence
- Supporting the economic prosperity of the communities where our employees live and work
- Supporting and encouraging the involvement of our employees in company-endorsed community endeavours
- Enhancing technical and economic education by supporting STEM educational opportunities
- Promoting a culture of collaboration by supporting community-based initiatives that engage our employees, make a difference in the lives of others and matter to our employees

Sustainability at Nexteer

In this section – Sustainability at Nexteer
 2024 Sustainability Highlights & Recognitions
 Managing Sustainability at Nexteer
 Our Approach to Materiality
 Engaging with Our Stakeholders

We've organised our approach to sustainability into five key focus areas: Business Ethics, Supply Chain, Environmental, Health & Safety, Value Creation, and Community. Taken together, these areas encompass our corporate sustainability framework.

2024 SUSTAINABILITY HIGHLIGHTS & RECOGNITIONS

In 2024, we were selected as a constituent member of the Hang Seng Corporate Sustainability Benchmark Index (HSSUSB) for a eighth year in a row. Additionally, Nexteer was recognised on Newsweek's list of America's Most Responsible Companies 2024. The following is a sampling of sustainability highlights and recognitions across our five focus areas. Please see our 2024 Annual Report for more.



Nexteer attended Reuters Sustainability USA event.
 Photo courtesy of Reuters.

Business Ethics

- Great Place to Work Certified – India
- TOP HRM Award – China
- Jiangsu Extraordinary Employer – China
- Best Employer Great Suzhou – China 2024
- Moka's Best Employer Branding – China
- Michigan Manufacturers Association's Manufacturing Woman of the Year – Jill Dralle, Vice President, Chief Operating Officer – USA

- Instituto del Fondo Nacional de la Vivienda para los Trabajadores (INFONAVIT) – Empresa de Diez Award for Nexteer Queretaro – Mexico
- Great Place to Work – Morocco – Fifth Consecutive Year
- Great Place to Work – Brazil – Seventh Time Since 2017
- Great Place to Work – France
- Great Place to Work – Germany
- Great Place to Work – Italy



Photos from multiple sites on Great Place to Work certification

Supply Chain

- Engaged with over 280 suppliers in annual self-assessment questionnaire with a focus on carbon related information
- Engaged with over 100 suppliers in annual sustainability survey
- Collaborated with our suppliers in fundraising golf events to provide scholarships for local students
- Hosted our Global Supplier Conference for more than 200 supplier representatives to strengthen our collaboration and strategic alignment
- Received over 15 Excellent Supplier/Partner Awards related from Customers for our Asia Pacific and North America operation. Please refer to our Annual Report Page 25 for the awards details.

Sustainability at Nexteer

Environmental, Health & Safety

- Reduced around 21,164 metric tonnes of carbon emissions and over 31 million kWh of energy
- Activated New 25-acre solar field at Nexteer's USA Operations site in Saginaw, Michigan in April to celebrate Earth Week with a New Renewable Energy Solution
- Maintained strong health and safety performance with a global loss workday case rate of 0.14
- Received 43 National Safety Council awards in 2024, including a Corporate Culture of Safety Award
- Achieved 100% certification for International Organization for Standardization (ISO) 14001 Environmental Management Systems in all global facilities
- Increased ISO 45001 Occupational Health and Safety Management certification globally to 75%
- Green Factory of Wuhu City – China
- National Safety Council Significant Achievement Award for Plant 4 & 6 for achieving a 20% YOY improvement for LWDC (Lost Workday Cases) – US
- National Safety Council Occupational Excellence Award – USA

Value Creation

- Invested over US\$ 280 million in research and development
- Ball Spline Axle and High Angle Joint – Multiple Innovation Awards – China:
 - Lingxuan Award for Outstanding Prospective Category from Automotive Business Review
 - Fulun Award for Automotive Technology Innovation Breakthrough Award from Automobile Industries
 - Innovation Development Award for China's Automobile and Parts Industry from Automobile & Parts
- Society of Automotive Analysts' Innovations in Lightweighting Award Finalist for Ultra High Output REPS – US

Community

- Donated over US\$200,000 to charitable efforts and contributed more than 13,000 hours of employee community service in 2024
- Supported our global communities through numerous events focused on proactive community involvement, careers and education, and strengthening neighbourhoods
- Outstanding Unit for Supporting the Disabled for Nexteer Chongqing – China
- Caring Enterprise for Nexteer Suzhou – China

MANAGING SUSTAINABILITY AT NEXTEER

Nexteer manages sustainability through a three-tiered governance structure:



Our **Board of Directors (the Board)** provides oversight regarding sustainability/ESG strategy and material ESG aspects. The Board's **Audit and Compliance Committee** supports the Board's oversight role with their subject matter expertise in risk management and internal controls (including material ESG aspects).



Our management-level **Sustainability Steering Committee (SSC)** leads the organisation on integrating sustainability throughout global business strategies, advancing ESG efforts and implementing actions to enhance our sustainability framework.



Our cross-functional **Sustainability Work Group (SWG)** has supported the organisation's sustainability journey. SWG includes members from our **Climate Change Task Force (CCTF)** that coordinates enterprise efforts that relate to climate change.

Our Sustainability Monitoring and Reporting Framework (SMRF) guides our external disclosures, which are aligned to the HKEX ESG. We review and update the SMRF annually to reflect our material topics (see page 12) and to ensure continued alignment with applicable reporting requirements.

Sustainability at Nexteer

Board of Directors

Our Board of Directors maintains oversight of overall ESG issues, such as climate-related and various material aspects. This includes reviewing and approving our materiality matrix, Sustainability Report and receiving updates regarding our sustainability & ESG goals, KPI performance, and progress. Nexteer's management leaders report to the Board. The Board and its Audit and Compliance Committee have oversight of risk management and internal control, including those pertaining to Enterprise Risk Management (ERM) and ESG processes. Nexteer's global management committees and functions such as sustainability, ERM, internal audit and other operational teams, prioritise risks based on the magnitude and likelihood of occurrence to develop proper risk management measures. Risks are reviewed periodically with the frequency of review dependent on the impact to the Company.

To integrate climate considerations into strategic discussions, the Board interacts with the management-level Sustainability Steering Committee (SSC) on activities such as monitoring trends, material topics, and potential actions. The SSC is mandated to report on climate related risks and opportunities, and other relevant matters to the Board at least annually, as well as whenever significant risks are identified. Based on the work done of SSC, the Board assesses the potential impacts of climate issues on operations and strategy, provides feedback on climate objectives, and ensures that climate-related matters are consistently prioritised within the governance framework.

For more information about our governance practices, please see page 14.

Sustainability Steering Committee

Serving as an overarching tier, the SSC connects with the other two tiers in our sustainability governance structure. With the Board's oversight, the SSC provides leadership and guidance to each of the interrelated functional and divisional teams within our SMRF. The SSC has been established with the objective to operationalise Nexteer's sustainability efforts and drive continual improvements for the organisation to embrace ever-increasing challenges and opportunities along many fronts. For reporting year of 2024, the SSC continued to meet regularly and on an ad hoc basis to provide leadership insights to promote sustainability efforts. For example, the SSC:

- Incorporated sustainability topics in strategic discussions at global leadership meetings
- Provided leadership insights, reviewed, and approved ESG material topics as a part of the materiality assessment process
- Evaluated key findings and subject matter expert recommendations from ESG risk assessments
- Reviewed and approved ESG initiatives such as corporate climate roadmap and renewable energy projects
- Reported ESG material aspects and relevant strategic initiatives to the Board and/or its Audit and Compliance Committee
- Reviewed ESG-related topics and considered relevant risks in ERM discussions (majority of the SSC members have a dual role serving in the ERM Committee)

Sustainability Work Group

Groups within Nexteer with climate-related responsibilities include management committee and work teams, such as the Sustainability Steering Committee, Sustainability Work Group and Climate Change Task Force (CCTF). The CCTF includes representation across operations, EH&S, legal, finance and risk management, investor relations, engineering, manufacturing operations, sales, marketing, supply chain and sustainability. Jointly, these groups (Climate Groups) share responsibilities to identify and evaluate the impacts of climate-related physical and transition risk.

Sustainability at Nexteer

Skills and Competence

We continued to build capacity to enhance climate and sustainability-related competencies. This includes internal meetings, discussions, and sharing sessions, as well as collaboration with external industry associations, subject matter experts and academic institutes that focus on applicable sustainability-related topics to ensure our team stays informed about emerging trends and best practices. We have initiated learning and development plans aiming to strengthen skills and competencies of leadership and employee teams, equipping them to address climate challenges effectively and make informed decisions.

OUR APPROACH TO MATERIALITY

In 2015, we completed our first materiality assessment to define the ESG topics that are most pertinent to our business and stakeholders. Since then, we've conducted several refreshes of our topics so they may continue to encompass Nexteer's and our stakeholders' evolving sustainability interests and priorities.

For reporting year 2024, building upon previously identified material topics through a five-step process outlined below. For example, this comprehensive review contemplated references such as the HKEX ESG Reporting Guide, and the International Sustainability Standards Board (ISSB) Sustainability Disclosure Standards, we further reviewed benchmarking information and industry trends to provide leadership such as the Board and senior management team insights for their confirmation and validation of materiality assessment results. We continue to leverage specific feedback from a variety of internal and external stakeholders to rank and validate twenty unique environmental, social, and governance topics.

The overall process involved five key steps:

1. We started with researching automotive industry trends, as well as potential near-term and long-term business risks with global and regional trends.
2. We reviewed the following content: Information published by HKEX, industry and globally recognised sustainability reporting protocols and guidelines including the ISSB Sustainability disclosure standards, the Task Force on Climate-related Financial Disclosures (TCFD), the Task Force on Nature related Financial Disclosures (TNFD), and third-party sustainability and CSR evaluation frameworks to identify material issues based on our five key focus areas: business ethics, value creation, supply chain, community, health, safety, and environment. We also assessed and analysed ESG topics through a review of sustainability reports published by relevant companies in automotive industry.
3. We refined this list of potential material topics through an extensive stakeholder engagement process which included one-on-one interviews with our leadership team and digital surveys distributed to our employees and suppliers. Our stakeholders were asked to rank topics according to their potential impact on business growth and performance, our brand and reputation, our business culture, product quality, and safety and regulatory impacts. Topics were also ranked according to their potential impact on broader social expectations.
4. Once the leadership interviews were completed and survey results were received and analysed, we applied weighting based on professional judgement and external perspectives such as sustainability reporting protocols and guidelines, third-party ESG rating and ranking organisations, investors' ESG methodologies and others. Topics that were consistently emphasised through these mechanisms were ultimately given more weight in our materiality assessment, increasing in importance on our matrix.
5. The final step in our process includes reporting our results and sharing for consideration through our corporate strategic planning and enterprise risk management processes.

Our Materiality Process



A Collaborative Process and Methodology



In 2024, our distribution of topics on our matrix remains similar to years prior. However, some noteworthy highlights include:

Supply Chain Management and Practices has continued to grow in importance and was identified by leadership as a strategic focus area in 2024. Facing the increasing requirements from customers and regulations, risk management in supply chain plays a significant role on business continuity and resilience. Please read more about this topic on page 56 for how we are managing supply chain disruption.

Climate Change remains a top priority for stakeholders, given its emphasis with our customers, investors, suppliers, and leadership team, as well as nearly all external sustainability reporting protocols and guidelines, third-party ESG rating and ranking organisations, investors’ ESG methodologies, regulators and others. We continue to recognise the need to remain agile in managing climate change related issues in a rapidly-evolving global landscape, so that our business strategy and risk management approach are robust and resilient, see page 38 for more information.

Energy remained an important topic, given its direct relationship with emissions and climate change impacts, as well as its business impacts from cost efficiency perspective. Our global operation teams recognised the relevance of the topic, and continued to implement energy efficiency projects, as well as to take renewable

energy initiatives around our global operational sites.

Information Security and Privacy remained a high priority topic, given its pertinence to risk management and protection of critical information and data, and growing prevalence in regulatory and global developments. A wide range of Nexteer’s stakeholders focused on this topic. Read about our approach on page 33.

Digitalisation and Emerging Technologies such as AI (artificial intelligence) have brought forth risks and opportunities in many industries. Anticipating such disruptive technologies impact our business in various ways, we recognised this topic in business strategic and operational discussions.

Sustainability Strategy and Risk Management has been continued being our value creation focus area in 2024 to ensure continuous improvement and better inform our strategic planning with emerging sustainability issues impacting our business.

We are committed to reviewing our materiality assessment process and results on a regular basis to ensure we are focused on addressing the topics that matter most to our business and our stakeholders. We will continue to use the results of this process to refine our sustainability framework, key focus areas, and relevant initiatives as required.

Sustainability at Nexteer

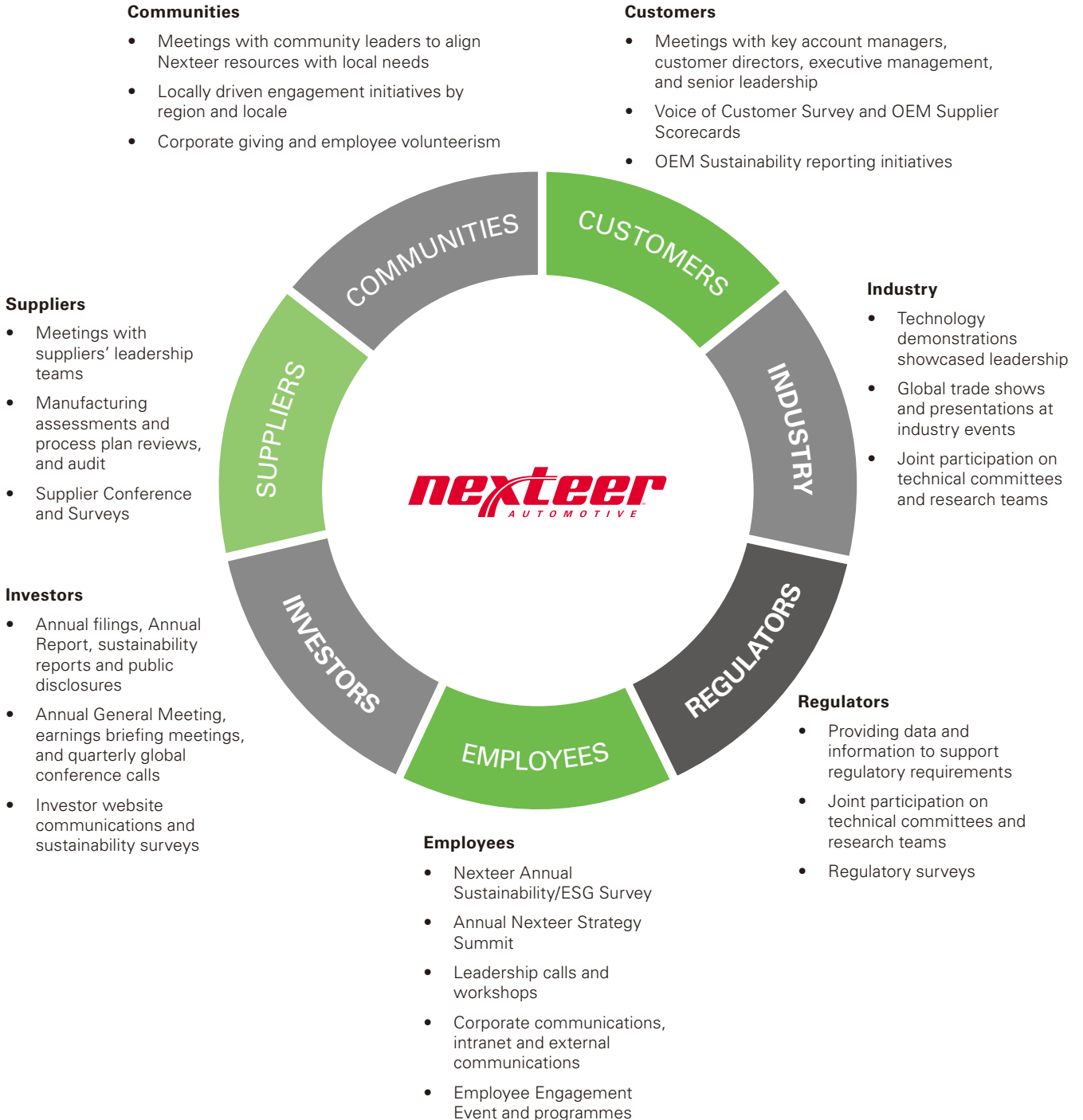
Our Materiality Matrix



Topics are listed in alphabetical order within each priority category and do not represent specific ranking within the category.

Engaging With Our Stakeholders

We observed that global stakeholder expectation in ESG subjects, including those on climate changes and supply chain, have been rapidly evolving, through actively engage our stakeholders on environmental, social, economic, and governance matters, it helps us to create value in a responsible way and reasonably addressing stakeholders' expectation.



Business Ethics

In this section – Business Ethics

Ethics, Compliance & Integrity

Our People

Attracting & Retaining Top-talent

Fostering Inclusion & Belonging

ETHICS, COMPLIANCE & INTEGRITY

At Nexteer, operating in an ethical and transparent way is at the heart of who we are and what we do. Honesty, integrity, and sound judgement are essential to our reputation and success. We hold everyone at every level of the business accountable for upholding our commitment to ethical conduct in personal and business dealings. To remain the admired and credible partner of choice to our customers and suppliers, we take any potential violation of our high standard of trust and transparency seriously and have put several measures in place to preserve this culture of respect.

Strong Governance Practices

The Nexteer Board of Directors is responsible for and has general oversight of the direction of management and the conduct of business, including sustainability and ESG-related issues. Our Board – composed of eight directors with a variety of skills, qualifications, and viewpoints – provides oversight regarding Nexteer’s sustainability/ESG strategy and material ESG aspects, while the Board’s Audit and Compliance Committee supports the Board’s oversight role with their subject matter expertise in risk management and internal controls (including material ESG aspects).

The Board’s Audit and Compliance Committee and its Remuneration and Nomination Committee are composed of a majority of independent non-executive directors. Additionally, we believe that diversity among directors is important for bringing unique perspectives and competencies to the oversight of the Company’s business, and this is reinforced through our Board Diversity Policy. For more information about our Board diversity and corporate governance, please refer to our 2024 Annual Report.

Adhering to High Ethical Standards

At Nexteer we are committed to acting in accordance with all applicable laws, and we are committed to conducting our business with the highest degree of integrity. Every employee is responsible for upholding the standards established, including reporting violations consistent with applicable laws.

Our global compliance standards and our **Code of Conduct** help us achieve greater accountability to our stakeholders and help us to continually improve our corporate governance and enterprise risk management practices.

Our Code of Conduct reflects the standards that we abide by as we conduct business. It outlines our commitment to doing business with integrity and provides emphasis on growing areas of focus, including, but not limited to community involvement, discrimination and harassment, human rights, fair competition, diversity and inclusion, global trade requirements, privacy, and sustainability.

We designed our Code of Conduct to deter wrongdoing and to promote:

- Honest and ethical conduct in personal and business dealings
- Full, fair, accurate, timely and understandable disclosure in Nexteer’s public communications and filed documents
- Compliance with applicable laws, rules and regulations
- Prompt reporting of any Code of Conduct violation
- Accountability for adhering to the Code of Conduct

It is important that all our employees and relevant stakeholders are empowered to report potential violations of our standards so that we can investigate and, if necessary, take corrective measures. To aid in this effort, we offer a global Ethics Line (administered by a third-party) via telephone and web-based forms (the "Ethics Line"), which serves as a reporting mechanism and as a resource for relevant personnel or third parties doing business with Nexteer to ask questions, seek guidance, and/or anonymously report suspected misconduct where permitted by law. Reports received through the Ethics Line are investigated and action is taken where appropriate. Our Ethics Line webpage can be accessed [here](#). During this reporting period, there were no significant instances of non-compliance with laws and regulations.

Upholding Human Rights & Labour Standards

HKEX B4, B4.1, B4.2

Nexteer aspires to lead and serve as a catalyst for action through its commitment to human rights and dignity. This means that:

- We respect and comply with applicable labour and employment laws, including those pertaining to discrimination, forced or compulsory employment, child labour, freedom of association, hours, immigration, privacy, and wages.
- We require our supplier partners to provide safe products or services, comply with labour or employment laws, and prohibit any physical punishment as disciplinary action.
- We use a third – party risk management tool to monitor supply chains and expect our suppliers to comply with our prohibition of the use of any form of forced labour, and every other provision of their contracts with Nexteer regarding equitable and fair treatment of workers. This includes the obligation by Nexteer's suppliers, to ensure all suppliers in their supply chain also comply with these prohibitions.
- We are firmly opposed to all child and forced labour. We comply with all laws regarding forced and child labour within our regions of operations. To date, we have not had to take steps to eliminate or mitigate the risk of child labour in our operations, as we have strict employment practices surrounding this issue.

Anyone who believes a Nexteer employee, customer, supplier, vendor, or any other third-party doing business with Nexteer is in violation of applicable laws is encouraged to report their concerns to our human resources department who shall take prompt corrective action. Employees also may report potential violations to our Ethics Line or legal department.

Preventing Corruption

HKEX B7, B7.1, B7.2, B7.3

Nexteer is committed to preventing incidents of bribery, extortion, fraud, and money laundering. We follow global policies that promote the highest ethical standards for behaviour and compliance with laws and regulations where we do business.

We provide annual training for 100% of all our salaried workers globally on our Code of Conduct, and Nexteer's Board receives Code of Conduct training and a specific anti-corruption module. Nexteer's anti-corruption training is designed to help our workforce and Board of Directors do the right thing when faced with ethical dilemmas and to comply with the Foreign Corrupt Practices Act (FCPA), the UK Bribery Act, and other regulatory expectations. Training is provided in an online course and available in eight languages that are commonly spoken throughout our regions of operations.

We comply with relevant anti-corruption laws and regulations applicable to us. We provide several channels to report suspicious activity or behaviour, such as suspected incidents of corruption and bribery, including direct reports to a supervisor or manager; reports to our human resources, legal, or other relevant functional departments; and our Ethics Line where reports can be made anonymously via telephone or web-based form in multiple languages via telephone or website 24-hours a day, seven days a week, 365-days a year. In 2024, we did not have any legal cases regarding corrupt practices brought against us.

Business Ethics

OUR PEOPLE

At Nexteer, our people are the engine that drive our success. Our workforce encompasses a diverse body of approximately 12,600 employees from many countries and unique backgrounds who come together as One Nexteer to innovate, collaborate and create. We work every day to maintain a workplace that attracts top-talent and empowers employees to thrive through training and development, engagement, inclusion and belonging. Our decisions are guided by an overall strategy and mindset that focuses on the fundamentals to strengthen our resiliency and readiness for the challenges ahead.

One Nexteer United Under One Vision

Our success is driven by a workforce united under one vision. That vision statement: “We are the Leading Motion Control Technology Company, Accelerating Mobility to be Safe, Green, and Exciting” intentionally starts with “We.” This is because together, as a One Nexteer team, we will achieve great things. Our constructive culture sets us apart. It drives excellence, innovation, accountability, integrity, personal development, and collaboration. We believe that no matter who we are or what our role is, that each and every employee exemplifies unique values and impacts our success. We believe this change reflects our transformation mindset and deepening commitment to innovating sustainable solutions in mobility.

Our Workplace Culture

We believe in empowering, energising, and exciting places to work. Our employees’ experience matters; as does their access to the right tools, resources, and environment that enable them to adapt, be agile, and reimagine relentlessly as we accelerate mobility in this fast-paced industry. We foster a continuous learning environment and facilitate opportunities where our employees are encouraged to grow both professionally and personally. We recognise our people and show our appreciation for their contributions, and facilitate a positive, productive, and innovative climate.

Employment Practices & Compliance

HKEX B1

We are committed to acting in accordance with all applicable employment laws and driving a workplace culture of dignity, fairness and respect. This is why all employees complete in-depth training each year on our policies, practices, and employment laws. Topics covered in this annual training and in our employee handbook include: benefits, compensation, discrimination, dismissal, diversity, equal opportunity, fair labour practices, harassment, human rights, promotions, recruitment, retention, rest periods, safety, working hours and violence prevention. We are also committed to fair and equitable hiring practices. At Nexteer, we base hiring, promotions, bonuses and other related employment decisions on merit. We believe that every employee has a role to play in maintaining the highest standards of ethics and integrity. This includes reporting known and suspected violations of applicable laws and conduct.

We have several global compliance standards in place, including our Code of Conduct, that help us to achieve greater accountability to our stakeholders and ensure continued compliance with relevant laws and regulations. Training on our Code of Conduct is required for all new hires and current employees annually.

ATTRACTING & RETAINING TOP-TALENT

We work diligently to ensure Nexteer is an exciting and empowering place to work. We attract top talent throughout the communities in which we operate by continuously refining our suite of benefits and offerings for employees and offering competitive compensation. Read more about benefits Nexteer offers including our health, wellness and savings plans on [our career web page](#).

We collect feedback to improve how we may attract and retain talent through focus groups, surveys, and other direct feedback opportunities. We adjust our processes based on this feedback so we may offer the best possible experience to our candidates, new hires, and current employees.

One of our core focuses to retaining talent remains professional development. We empower employees with skills and competencies to grow and develop on a personalised career path within our company. We also believe the greatest impact we can have on an employees’ experience is through our leaders. This is why we put great priority on the development and coaching of our leadership globally.

Talent Development

HKEX B3

At Nexteer, investing in the growth and development of our people remains a cornerstone of our success. In 2024, we offered diverse talent development opportunities, including interactive Employee Development Workshops that combined e-learning, discussions, and practical resources like the Employee Development Guide. These sessions emphasized the importance of personal growth and provided actionable coaching and advice. As part of our talent management efforts, our Learning and Development team, in collaboration with company leaders, hosted workshops to enhance the performance review process, equipping employees and managers with the skills to conduct meaningful and effective conversations. Globally, initiatives such as the Talent Management Game, One Leader Program, Leadership Pulse Surveys, Leader Academy, and Autonomous Production Leader training further supported skill-building and leadership development, empowering our workforce to excel in their roles.

Nexteer Global Career Framework

The Nexteer Global Career Framework organises jobs in a globally consistent way, helping to bring visibility to our employee’s strengths and clarity to career progression and comparative position within the global company. It improves alignment of expectations for employee skills and competencies needed to meet business objectives, and it gives employees visibility into career paths and opportunities for development and growth.



The Nexteer Career Framework provides the foundation to:

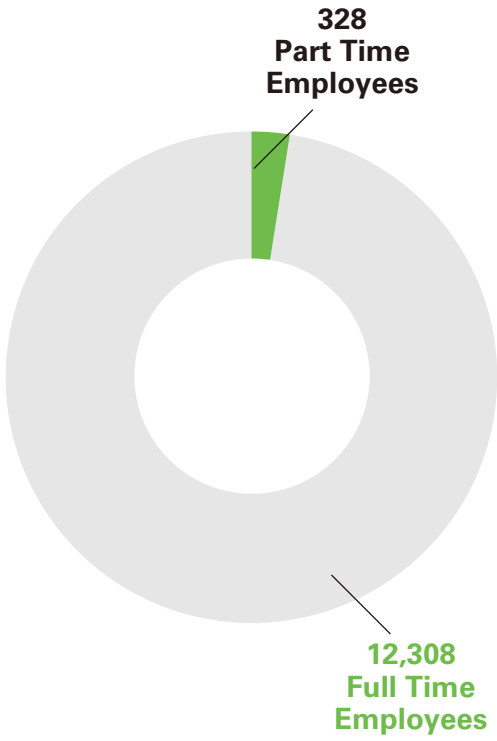
Uniformly identify and organise jobs globally	Clarify job responsibilities from one job or level to another, facilitating clear job and performance expectation	Define the natural development of people, including required competencies	Deliver HR and Talent Management programmes	Execute pay and reward programmes and strategy

Business Ethics

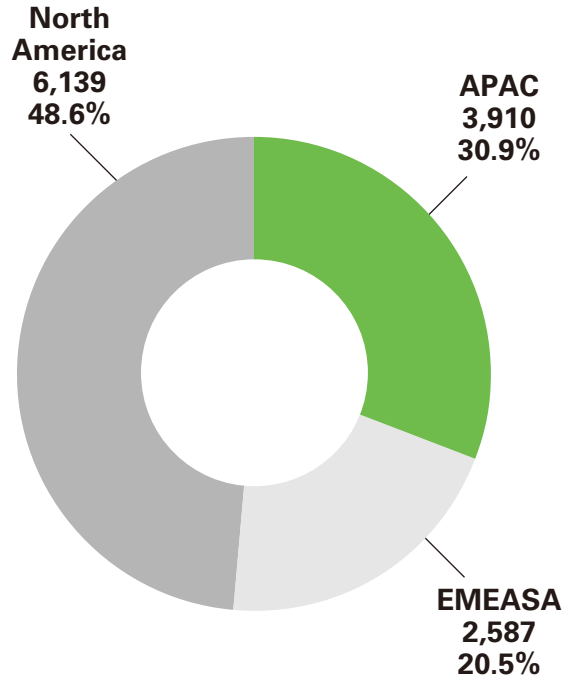
Our Workforce

HKEX B1.1

Total Workforce by Employment Type
(Full- and Part-Time Employees)



Total Workforce by Geographical Region



12,636 Total Employees

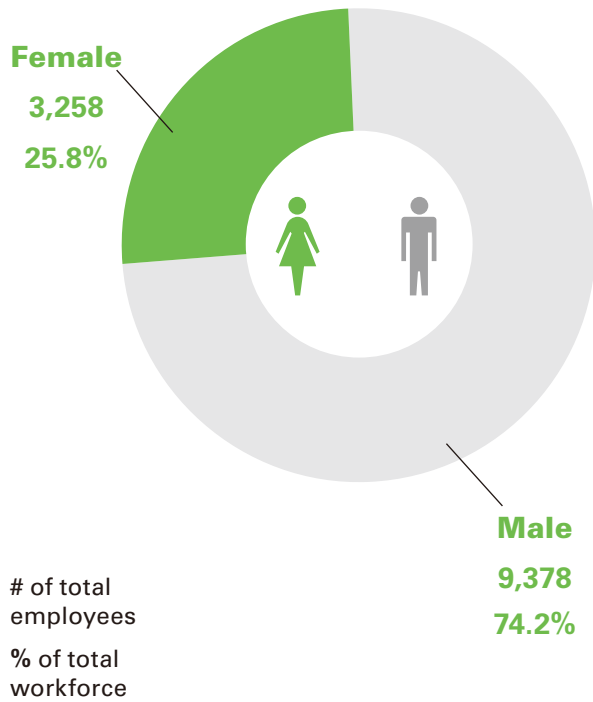
Total Workforce by Type (Full- and Part-Time Employees) and by Geographical Region

Geographical Region	Full Time Employees	Part Time Employees	Totals
APAC*	3,910	0	3,910
EMEASA**	2,265	322	2,587
North America	6,133	6	6,139
Total	12,308	328	12,636

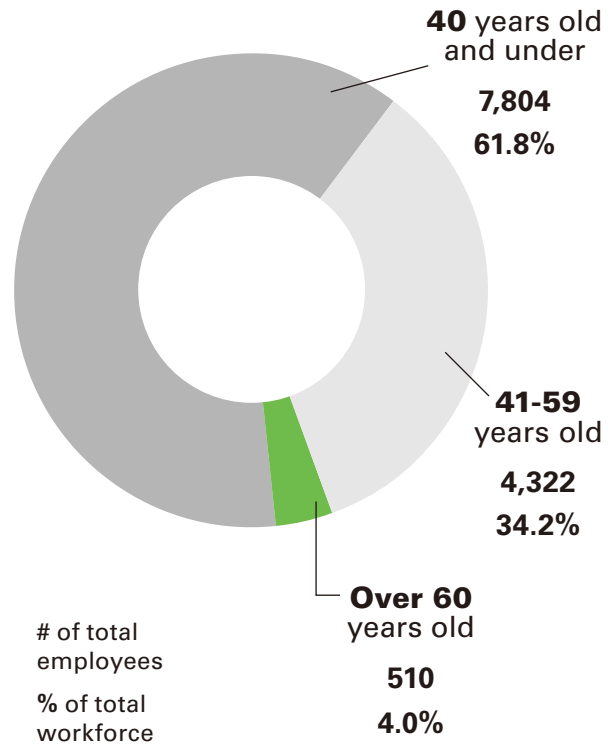
* APAC: Asia-Pacific

** EMEASA: Europe, the Middle East, Africa and South America

Total Workforce by Gender



Total Workforce by Age Group



Business Ethics

Employee Turnover

HKEX B1.2

Employee Turnover* Rate by Geographic Region

Geographical Region	Turnover Rate (%) 2024
APAC	10.8
EMEASA	14.9
North America	34.2
Total	23.0

* Employee turnover measures employees who leave the organisation voluntarily or due to dismissal, retirement, or related reasons.

Employee Turnover Rate by Gender and Age Group 2022–2024

Turnover Rate (%)	2022	2023	2024
Gender			
Female	40.3	30.8	30.5
Male	24.3	22.2	20.4
Age Group			
40 years old and under	36.3	29.2	29.0
41-59 years old	16.2	13.8	12.4
Over 60 years old	15.7	34.4	21.8

Equipping Our Leaders

In 2024 we enhanced our competencies by aligning the Nexteer Leadership Competency Framework our strategic priorities and desired One Nexteer culture. This alignment simplifies our leaders’ focus, fosters consistency, and clarifies expectations for effective leadership. The updated framework not only outlines key competencies but also defines associated behaviors essential for leadership success. Recognizing the complexity and ever-evolving nature of our business, we are equipping our leaders to be both effective and agile in navigating challenges and driving success.

This year, we enhanced our annual competency assessment process, which made it easier than ever

for our leaders to gain clear, measurable, and actionable feedback on leadership development opportunities. Several new resources to promote meaningful leadership development plans included a leadership competency framework matrix, an updated writing assistant, coaching advisor, and suggested activities or learnings for Nexteer’s leaders globally. We believe our Nexteer Leaders must lead by example and uphold the highest behaviors to enhance engagement, performance, and retention – all which foster growth and profitability.

The Nexteer Leadership Competency Framework is a powerful, agile tool which will help “to inspire & empower our people with the freedom to go beyond.”

Nexteer Leadership Competency Framework

The graphic displays seven key competencies of the Nexteer Leadership Competency Framework, each represented by a red circular icon and text:

- Simplify the Complex**: Represented by an icon of a spiral with an upward arrow.
- Empower Our People**: Represented by an icon of a person with three stars above their head.
- Build Connections**: Represented by an icon of two hands shaking.
- Act Like an Entrepreneur**: Represented by an icon of a head with a gear inside.
- Achieve Success**: Represented by an icon of a flag on a pole.
- Challenge the Status Quo**: Represented by an icon of a person climbing a mountain.
- Think Global, Act Local**: Represented by an icon of a globe.

Business Ethics

Employee Training

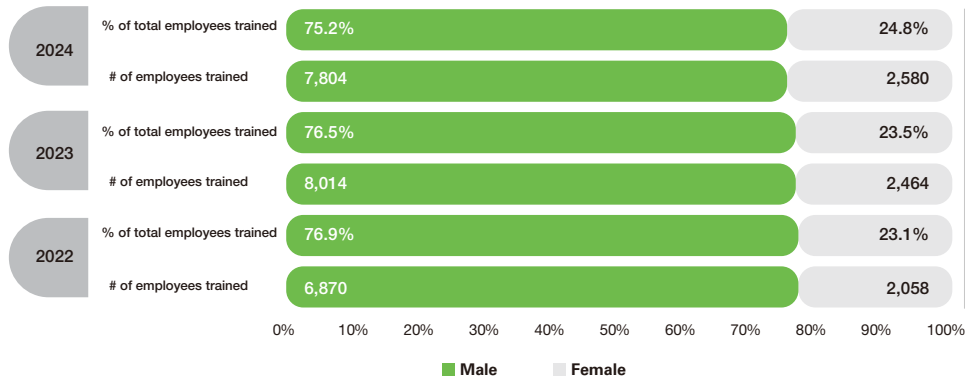
HKEX B3.1, B3.2

The graphs below show the number and percentage of employees trained by gender and by employee category.

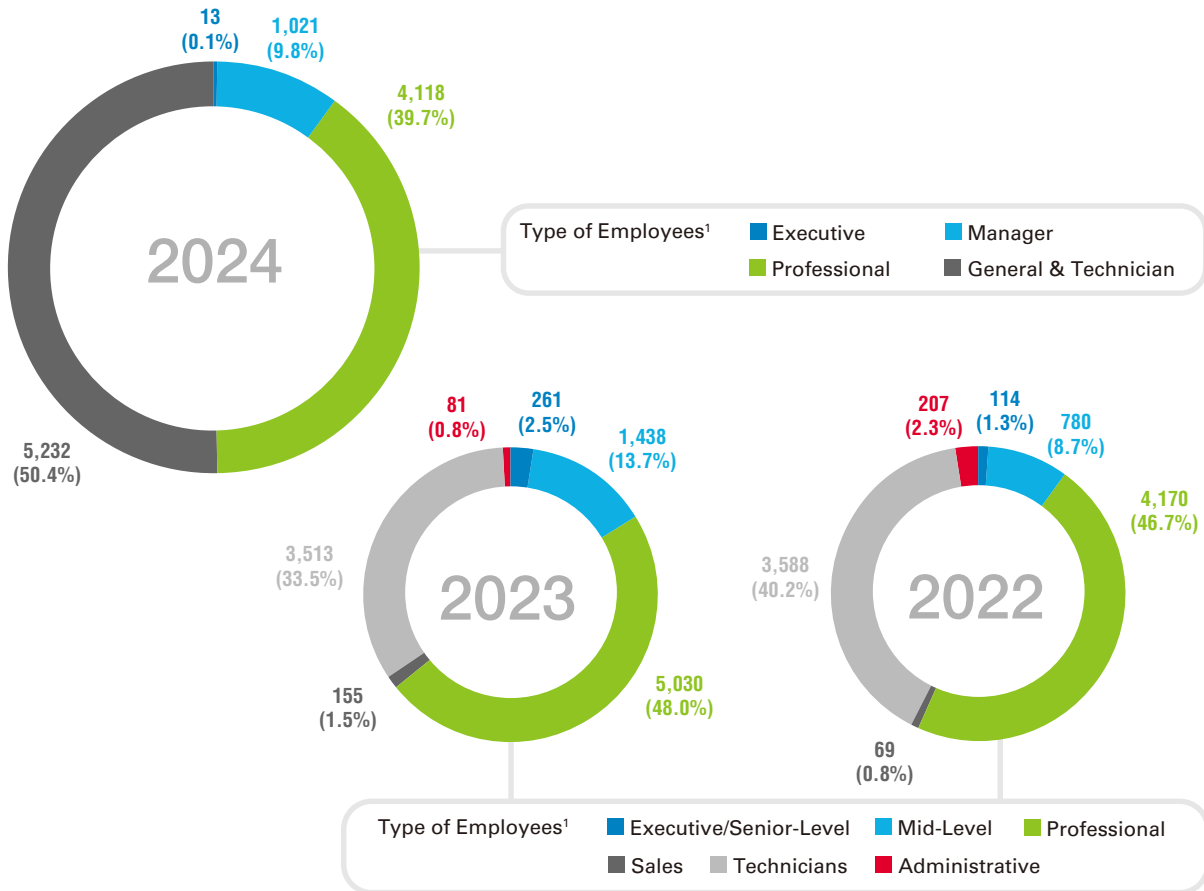
Percentage of Employees Trained in 2024

10,384
Employees Trained
82.2%
of Employees Trained

Number & Percentage of Employees Trained by Gender 2022-2024

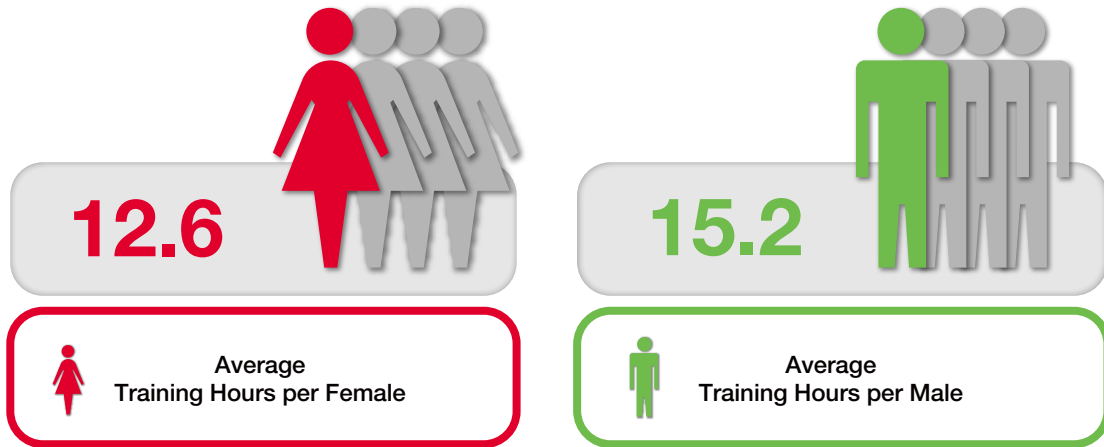


Number & Percentage of Employees Trained by Employee Category 2022-2024

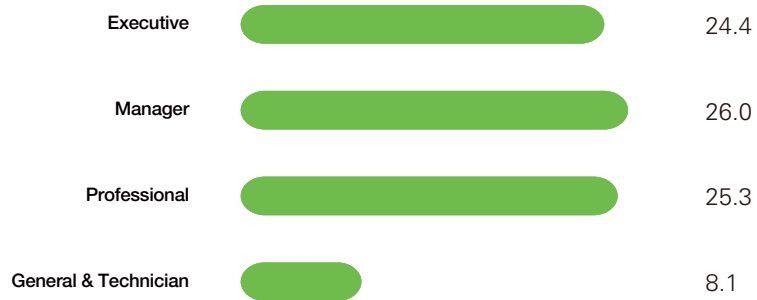


*Note 1: In 2024, our types of employees were recategorised to better align the roles of employees.

2024 Average Training Hours Completed by Gender



2024 Average Training Hours Completed by Employee Category



Business Ethics

FOSTERING INCLUSION & BELONGING

At Nexteer, we aim to maintain a culture where all voices are heard and everyone feels empowered to collaborate, innovate and thrive. We believe that the diverse backgrounds and experiences of our workforce are what makes Nexteer unique, and allow us to innovate, create and collaborate at such high levels. (See our workforce diversity data on page 19).

Nexteer's inclusion & belonging programme – RISE, stands for Respect, Inclusion, Support, and Equity. In the last few years, we've worked diligently to further build out this programme by expanding it to our global locations and hosting annual events.

One Nexteer Culture Week Around the World: Collaborating for Sustainable Growth

Nexteer hosted our 2024 One Nexteer Culture Week around the world in October, introducing this year's theme of "Rise Together". The strength of our One Nexteer Culture lies in the diversity of cultural backgrounds that make us who we are. Rise Together celebrates our efforts to working together to motivate individual and team contributions, find shared purpose, celebrate milestones, learn from each other and continue to improve communication transparency and trust. We all bring unique ideas, perspectives, and experiences, which enable us to achieve greatness together. By embracing our cultural differences across all three pillars of our culture: People, Operational Excellence, and Enterprise Growth, we create an environment where everyone feels valued, respected, and included. Together, we drive innovation, growth, and excellence every step of the way. Several common global activities were offered to connect employees around the world, as well as events that further supplemented the collaboration and engagement of Nexteer teams. Activities included a fun Office Olympic competitions, visual Accomplishment Timelines showcasing team achievements, milestones, and personal growth, live virtual "office tours" inviting employees worldwide to join as local hosts highlighted unique features of their locations, fostering global connection and cultural exchange, appreciation cards for recognizing teammates, the launch of updated Culture Competency definitions and examples, and contributions to multiple charity events, and so much more.



Photos from One Nexteer Culture Week



COLLABORATING FOR SUSTAINABLE GROWTH

Engagement & Inclusiveness Vision



Embracing the Power of Women and Celebrated International Women’s Day

Nexteer’s U.S. Vice President and COO, Jill Dralle, has been named the 2024 Manufacturing Woman of the Year under Michigan Manufacturers Association to recognise her 30-year career in the manufacturing industry and her significant influence towards the team. She has played a crucial role in enhancing employee morale and promoting community engagement through various initiatives. We believe this recognition serves as an inspiration to women in the automotive industry.

On March 8, 2024, Nexteer Family celebrated International Women’s Day (IWD) by convening events throughout the world. This included an IWD Inclusion and Collaboration Expo hosted by Nexteer’s Women’s Collaboration with distinguished keynote speakers and activities such as workshops on Networking, Business Etiquette, and Polished Professionalism. These events seek to empower the personal and professional development of Nexteer women through leadership, education, networking, and mentorship opportunities.



Photos from Nexteer family and IWD 2024

Business Ethics

All Diversity – EMEASA Programme

Our EMEASA D&I Committee has representatives from 8 countries which focus on the need to provide a psychologically safe environment that promotes a culture that considers individual needs and embraces difference where ALL our employees feel included and have the freedom to go beyond and perform their best. We are tracking KPIs quarterly to focus on increasing inclusion by creating open spaces for discussions and enhancing the employee experience. In 2024, we created 5 communities to show our support based on the needs and differences of our employees. By embracing the diversity of our unique workforce, we will effectively attract and retain top talent.

**Nexteer With Passion Programme**

In Poland, we have a programme called “Nexteer with Passion” where over 200 employees from 18 different groups get together to share their passions: running, climbing, playing volleyball, football, and charity events.

Our leadership teams support these events and encourage employees to share the experiences on social media platforms.

Building an Inclusive Culture: Recognizing the Importance of Family in the Workplace

Nexteer respect the vital role our staff play within their family and recognise the importance of balancing responsibilities with personal commitments. To honour this dedication, we hosted “Bring Your Child to Work Day” to strengthen the connection between employees and their families while fostering a sense of community within our workforce. This event provides employees with the opportunity to share their work environment with their children, allowing them to experience the workplace and encouraging children to learn about various roles and the importance of teamwork.

We also celebrated Mother’s Day with heartfelt recognition of the incredible mothers on our team. This occasion provides a platform for us to acknowledge the strength, resilience, and invaluable contributions of mothers within our organisation. We believe that these events are essential in creating a supportive workplace culture that honours the vital role of family in our employees’ lives.



Photo from Bring Your Child to Work Day



Photo from Mother's Day Celebration

Supporting employees and their families affected by the Brazil Flood

In May 2024, the Rio Grande do Sul, Brazil was swept through by devastating floods which left many families facing loss and uncertainty. Nexteer quickly mobilised resources to assist our employees once recognising the urgent needs of our employees.

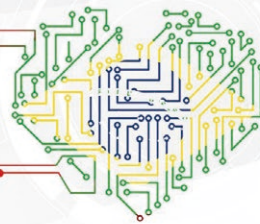
Our leadership teams from Brazil operations, the EMEASA division, all members from the global top management committee Global Strategy Council promptly took necessary actions to support our Brazil team during such unprecedented challenging time.

We have created a voluntary global campaign for donations for our OneNexteer family, and Nexteer had doubled our employee’s donation with a company match. All the donations had been dedicated to the affected Nexteer employees and their families. Our timely and compassionate response has showcased our OneNexteer culture and our commitment to put people first.

As OneNexteer team, our collective actions from employee care to customer support, exemplified agility and resilience supporting Brazil toward full recovery. We proudly recognised the global Brazil Care team through our highest organisational recognition – the Heart of the House Inspire Award 2024.



We are ONE NEXTEER
We are WITH YOU
#NEXTEERBRAZIL



Photos from Nexteer Brazil operation

Our employees are the heart of everything we do. In times of adversity, it’s our responsibility to show compassion and take action as One Nexteer family. This initiative was not just about providing assistance – it was about showing our colleagues that they are never alone and that we are committed to their well-being, no matter the challenges they face.

Juliana Kopittke
 Brazil HR Manager

Value Creation

In this section – Value Creation

Generating Value Through Innovation

Our Alignment with Industry MegaTrends

Fostering Innovation Through Awards & Recognitions





Product Responsibility

GENERATING VALUE THROUGH INNOVATION

Nexteer's steady focus on innovation strengthens our existing portfolio of products while relentlessly building out our pipeline and innovating for the future.

OUR ALIGNMENT WITH INDUSTRY MEGATRENDS

Convergence of megatrends is reinventing our industry. Our innovations solve motion control challenges across all megatrends. Nexteer has a robust, proven technology and product portfolio to support industry megatrends such as electrification, software and connectivity, ADAS/AD and shared mobility. To learn more on our megatrend alignment, please click [here](#) and visit Nexteer's blog, **The Circuit**, to explore insightful articles about megatrends, their impact on future mobility and Nexteer's view on trends and timely topics.

	 Electrification	 Software & Connectivity	 ADAS & Automated Driving	 Shared Mobility
Electric Power Steering	✓	✓	✓	✓
Steer-by-Wire	✓	✓	✓	✓
Columns & I-Shafts	✓	✓	✓	
Driveline	✓		✓	✓
Software	✓	✓	✓	✓
R&D	✓	✓	✓	✓

Our Focus on Research & Development

HKEX B6.3

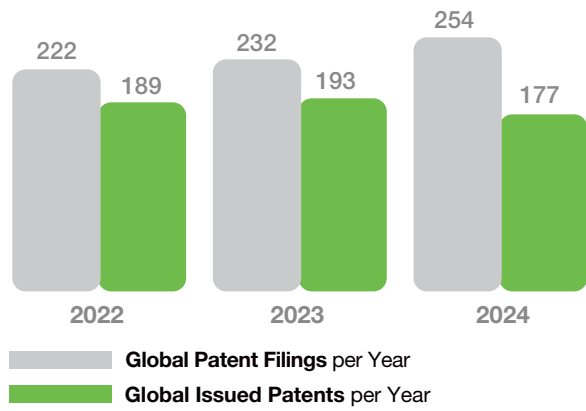
As of December 31, 2024, Nexteer's global portfolio includes 865 patent applications and 1,507 issued patents. The sustained growth in issued patents is a result of our robust applications in previous years and it demonstrates our efforts for observing and protecting intellectual property rights. Given our focus and history of innovation, our patent portfolio continues to grow and remain strong due to our sustainable development of future technologies. In 2024, 24% of granted patents were related to our future product offerings of Software-as-a – Product, Steer-by-Wire (SbW), and/or ADAS/AD enabling technologies which ensure we are aligned to industry megatrends.

Another 27% of our 2024 patent filings, and 27% of all Nexteer's pending patents, were directly related to these identified trends. Our strong patent portfolio is proof of our ability to maintain technological leadership in intuitive motion control systems.

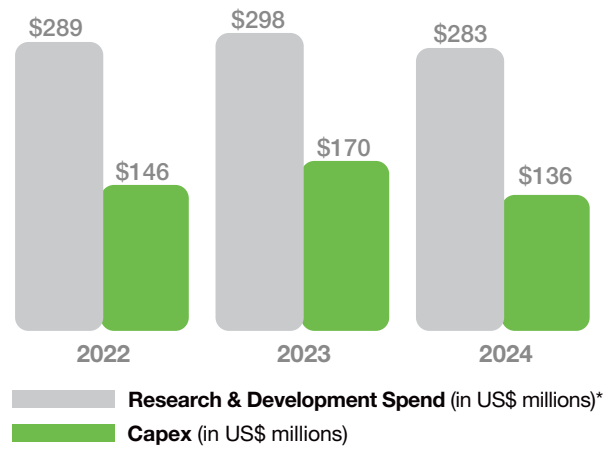
We are dedicated to protecting our intellectual property rights, which are crucial to our business growth and ability to differentiate ourselves from competitors. Nexteer complies with all applicable intellectual property laws and regulations. We actively apply for protection for Nexteer's intellectual property to guard our exclusive rights.

Value Creation

Global Issued Patents & Filings FY22-FY24



R&D and CAPEX FY22-FY24



Nexteer remains dedicated to advancing essential technologies that drive future growth. Recognizing the current market uncertainties surrounding new technology adoption rates, the company is thoughtfully adjusting its investments. By aligning with nearer-term customer needs, Nexteer is focusing its engineering efforts, resulting in a R&D spend of US\$283 million.

The Company aims to maintain its current operations while further investing in our future product portfolio, namely SbW technologies and enhanced systems and software capabilities. Furthermore, Nexteer continues to develop technologies that align with customer demand, leveraging our strengths in design, development, and manufacturing of advanced steering and DL systems.

* Note: Engineering and product development cost charged to income statement and development costs capitalised as intangible assets.

Value Creation

FOSTERING INNOVATION THROUGH AWARDS & RECOGNITIONS

Intellectual Property Award 2024

We also have a robust intellectual property award programme. One highlight of the programme is the opportunity to be inducted into Nexteer's Innovation Hall of Fame which recognises and rewards personnel who have made significant intellectual property contributions to enhance Nexteer's competitive position. There are ten levels of achievement within Nexteer's Innovation Hall of Fame, encouraging our employees to continue innovating and advancing to higher levels throughout their careers. Incremental awards are also given for each point at a formal luncheon celebrating inventor achievement.

In 2024, we honoured 23 individuals with induction or advancement into the Innovation Hall of Fame. Additionally, five existing members participated in the newly expanded program by accumulating over 50 intellectual property points. Nexteer now has 106 Lifetime Inductees in the Hall of Fame.



Photos from Intellectual Property Award 2024

Nexteer Technical Conference 2024



Nexteer hosted its biannual Nexteer Technical Conference in October, aimed at fostering ongoing interest and development in technology. The 1.5-day event featured over 100 technological displays and presentations, keynote speeches, and panel discussions. This year's theme, "Shifting Gears," showcased a series of thought-provoking speakers and cutting-edge technologies, reflecting our company's pride and enthusiasm for our products and future. A People's Choice award honored the top three presenters and displays, providing an opportunity to acknowledge technical contributions from across the globe.



Photo from Nexteer Technical Conference 2024

Value Creation

Globalisation & Competency Development

Our people are the driving force behind Nexteer’s innovation pipeline essential to our growth and profitability. The Company has strategically migrated to integrated divisions to provide the vast majority of engineering work within the region of manufacturing, allowing for real-time, efficient partnerships with our global customers and suppliers. Furthermore, our Research and Development team holds a position of global leadership, enabling us to integrate expertise and local customer feedback into our future growth strategies and product portfolio.

Nexteer Production System (NPS) & NPS Academy

NPS Academy provides hundreds of training sessions for internal employees, customers, and suppliers each year. NPS integrates Lean principles and standards into our day-to-day business operations. NPS includes 10 modules which covers all aspects of manufacturing operations, including safety, quality, talent development, lean layout and Capex optimisation, PC&L (Production Control & Logistics), standardized work, TPM (Total Preventative Maintenance), management control, continuous improvement and perfect launch.



Photos from NPS Academy

To date, Nexteer has six NPS academies around the globe. These regional NPS academies are located near manufacturing plants and improve the local team’s training systems. Our NPS Academy is the first place for every employee where we build NPS into our DNA.

This year, several new training initiatives were deployed globally. Now all new hourly employees are taking the 2 days training in US NPS academy before they officially move to the production area. We have released the NPS fundamental training to all salary employees of the organisation, it is also included in the standard new employee onboarding training package. Around 20 NPS online courses now available on our internal online training platform for the various training needs of our employees.

Some NPS academies also play additional roles such as working with local government and customers to provide trainings to outside companies. NPS Academy also aims to develop strategic vendors. At Tychy NPS Academy and Liuzhou NPS Academy, for example, we have established cooperation with other manufacturing companies to exchange experiences related to Lean Manufacturing training.

PRODUCT RESPONSIBILITY

At Nexteer we deliver world-class products that enable mobility to be safe, green and exciting. We do this by prioritising product safety, compliance and quality management. This is a shared commitment of all Nexteer employees; all of us work together to meet the needs of our customers and embrace sustainable innovation.

Prioritising Product Safety & Quality

HKEX B6

Nexteer’s product lifecycle encompasses key business processes from product inception, delivery of finished product to post-production service parts. Our processes ensure compliance with applicable laws and regulations for each product, ensuring implementation and conformance. Additionally, Nexteer has a well-defined Product Safety and Compliance process in place to identify and manage any potential instances of noncompliance. This process is led by Nexteer’s Product Safety and Compliance Council (PSCC) which evaluates potential issues, ensures that cross-functional subject matter experts are engaged, reviews risk assessments, approves actions to be taken and communicates accordingly.

We reference industry-leading and structured problem solving methodologies including Fast-X, Design for Six Sigma (DFSS), Design Robustness Review (DRR), Six Sigma and 3L5W. Nexteer’s problem-solving capabilities and internal competencies are maintained through internal training and certification processes.

Value Creation

Quality Assurance Process

HKEX B6.2, B6.4

Our quality management system (QMS) meets international standards like ISO 9001 and International Automotive Task Force (IATF) 16949. The QMS outlines:

- Our business system manual
- High-level policies providing guiding principles
- Process maps offering an overview of key business processes
- Detailed procedures defining the method of performing required activities

All key process maps have a defined set of metrics or KPIs as measures of effectiveness and efficiency to align with IATF requirements for monitoring effectiveness of the organisation's business system. Nexteer also has systems in place to support relevant data collection for key process measures which improves visibility for performance reviews at a regular and defined cadence.

Powered by global dashboards for all Nexteer sites, we continue to improve communication process and management review consistency. Furthermore, applying a Plan-Do-Check-Act methodology, we regularly review, monitor, refine and improve our QMS to incorporate product and technology trends, optimise metrics, and embrace continual improvement. Through our QMS we meet global governmental product safety compliance and reporting requirements and conform to applicable laws and regulations of every country where we do business. All our manufacturing facilities are IATF certified and are supported by our technical centres, service centres and corporate offices.

Nexteer reports and reviews quality metrics monthly, compiling all global data including customer complaint information. Annual objectives are determined based on prior year actuals, along with an improvement factor. We evaluate performance on quality based upon the number of complaints. We also evaluate the severity rating associated with the specific complaint failure mode to help improve upon the safety-critical nature of our products.

In 2024, there were 122 product and service-related complaints. Complaints are managed by using a database and portal which allows for complaint entry. This database is also used to document and manage the full corrective action process from containment through verification of effectiveness of corrective actions.

Quality Week

Nexteer prides itself on maintaining a culture that prioritises quality all year round. This year we elected to have 4 individual Quality Days with the theme of, "Live Quality Everyday," reminding us that quality isn't just a goal; it's a way of life. Quality isn't confined to our products; it's in every detail, every process, and every interaction. It's about taking pride in our work, being meticulous, and always striving for excellence. Whether you're on the plant floor or in the office, each of us plays a vital role in maintaining the high standards that define us.

The days were filled with opportunities for all employees to increase their knowledge of the QMS and focus on quality through daily communications, videos, team events and other activities.

HKEX B6.1, B6.2, B6.4

Consumer Safety. Our products are considered safety critical. As such, Nexteer has implemented a very rigorous internal process to escalate and manage any emerging product safety and compliance issues. The PSCC is co-chaired by the global functional heads of quality and engineering and is coordinated by the Safety and Compliance Head with relevant functions. The goal of this dedicated process is to ensure a flawless communication path to the top of the organisation as soon as a potential safety and/or compliance issue is detected anywhere in the world. Company subject matter experts develop containment, conduct a root cause investigation and implement corrective actions, and provide a risk assessment and communication package for the customer and other interested parties. To ensure awareness of this important process, we administer training throughout various functions including engineering, quality, sales, legal, Global Supply Management (GSM), operations and leadership.

The process is monitored through an online portal where all cases are entered and tracked until closed. For 2024, there were 3 recalls, which equated to 0.103% of total products sold. Each of these recalls required physical replacement of the part; however, robust traceability made it possible to have minimal societal impact due to the small amount of replacement material required.

HKEX B6.5

Cybersecurity. Our steadfast focus on product safety and quality has spurred the development of various cutting-edge innovations that enhance customer safety and cybersecurity. Our OEM customers are focused on vehicle cybersecurity. We support them in this endeavour by enhancing the safety of our steering systems through multi-layered cybersecurity technologies and controls. Our cybersecurity technologies consist of specifically designed hardware modules at the semi-conductor level, as well as a multi-layered cryptographic software structure that identifies and authorises information and command flow between the steering system and other in-vehicle or external controllers. In other words, there is a system within the system that is solely focused on identifying and validating steering commands.

Participating in Cyber Readiness Programme

Nexteer is committed to having a strong cybersecurity programme by working closely with partners to embrace best practices in safety and security. Our participation in General Motors' and CRI's Cyber Readiness Programme certifies that the strength of our cybersecurity programme is aligned with industry standards and demonstrates our commitment to collaborating across the extended enterprise ecosystem to bolster supply chain security.

We maintain a cybersecurity and data privacy team that is equipped with experts that go above and beyond to ensure the safety and security of company and customer data.

Data Privacy. Nexteer respects the privacy of individuals whose personal information we need to access, collect, process, use, transmit, disclose, and store while doing business. In 2024, Nexteer Automotive Corporation renewed its Data Privacy Framework (DPF) verification by a third-party provider, which illustrates our adherence to the EU-US privacy and data protection principles for cross-border data transfer. The new DPF replaces the prior Privacy Shield framework. Nexteer was one of the early adopters ratified by the governing authority. We institute a series of global information security and data privacy policies and procedures, operating within our Information Security & Privacy (IS&P) framework. Recognition of the importance of data protection and privacy not only applies to Nexteer, but also to our suppliers as documented in the Nexteer Supplier Requirements (NSRs). Nexteer's IS&P leadership and our cross-functional subject matter experts continue to monitor evolving trends in the global environment. For example, the global IS&P function coordinates with enterprise risk management and legal to manage relevant risks, which ensures compliance through appropriate people, process and technology safeguards, controls and other measures.

Designing Products That Drive Sustainable Solutions in Mobility

Nexteer is well positioned to meet OEMs' and society's growing demands for clean technology. In a rapidly changing regulatory environment and world, we remain ahead of the curve by delivering solutions that accelerate mobility to be **SAFE, GREEN** and **EXCITING**. Our innovations help enhance road safety, preserve air quality, support the low-carbon transition and more.

Our technologies are solving unique challenges that enable the low-carbon transition through our focus on expanding Electric Vehicle (EV) usage. We offer products and services that address increased load requirements, packaging, durability and noise, vibration and harshness (NVH), among others. These technologies span all product lines and demonstrate our commitment to advancing a sustainable future.

In 2024, 36% of our revenue bookings supported EV-related platforms.

Value Creation

Nexteer's SbW system is a centre link across all megatrends – unlocking advanced safety and performance features and functionality. It also opens new possibilities for vehicle mass reduction and packaging flexibility. SbW replaces the mechanical steering connection between the hand wheel and road wheels with algorithms, electronics, and actuators. Nexteer's SbW also emulates the "feel of the road," and enhances maneuverability through our dynamic variable steering ratio, while supporting traditional driving and all levels of AD across all vehicle types. SbW is of particular importance to the electrification megatrend as its under-hood packaging and front of dash design helps solve packaging challenges due to EVs' large battery pack location.

On the DL front, we provide optimised solutions that include compact and low mass halfshafts. EV platforms have unique DL challenges due to their weight, low noise level, high torque, and need for maximum efficiency to support extended battery life. Nexteer offers premium technologies that improve efficiency and NVH performance while delivering maximum torque under extreme acceleration conditions.

Nexteer also offers a high output Rack-Assist EPS (REPS) solution that nearly doubles the steering load capability of our industry-leading REPS – steering up to 24kN of load compared with 10-17kN for a typical REPS system. This system is capable of steering electric variations of heavy vehicles such as full-size pick-up trucks, people movers and light-commercial vehicles (LCVs) like delivery vans.

In 2024, we launched our Modular Pinion-Assist Electric Power Steering (mPEPS) system, which expands the company's cost-effective, modular EPS offerings to now include Single-Pinion and Dual-Pinion systems.

By leveraging Nexteer's existing, industry-leading EPS building blocks, mPEPS provides scalability, which in turn offers OEMs cost- and time-efficiencies including shorter development cycles and higher rate of component reuse on vehicle platforms – while still delivering advanced safety and performance for drivers such as low noise, vibration and harshness (NVH) levels.

Nexteer's mPEPS building block approach also enables flexibility to meet OEMs' wide-ranging requirements for advanced gear-based steering systems and supports all vehicle propulsion types (EV, internal combustion vehicle (ICE), etc.) as well as the needs across various global markets.

In addition to Modular EPS systems, Nexteer offers a complete portfolio of EPS systems that can steer vehicles of all sizes – from small cars to heavy-duty trucks and light commercial vehicles.

By using Nexteer's advanced technologies, our 60+ customers globally can pass on the advanced safety and performance benefits, including fuel efficiencies, to the customer – while helping enable the transition to low emission vehicles around the world.

Testing and Validation Through Virtual Simulation

Our engineers are also working behind-the-scenes to drive innovation that will enable the step-by-step changes needed to shift how future vehicles operate safely and conveniently. To do this, engineers aren't just innovating future automotive technologies, they're also innovating the way they work.

Virtual engineering – the practice of using simulation and other analytical tools to test and validate automotive components – is becoming increasingly common for automotive OEMs and suppliers. It's often more efficient and cost-effective to use both physics-based and data-driven simulations to accurately determine how to best integrate new components into a vehicle before fabricating and testing them in a real-world environment.

The virtual engineering process allows engineers to evaluate product design and performance to customer requirements without the need for hardware or prototype samples. This allows engineers to study multiple load cases in a short period of time and significantly shorter than running the same load cases in a lab environment.

Value Creation

For example, we rely increasingly on simulation and modelling technologies to test for the nearly infinite number of scenarios. Through hardware-in-the-loop stands and digital twins, we can simulate vehicle and environmental inputs – allowing software and electronic control units to react to real-world driving conditions in a lab environment.

Through virtual testing and validation, we're enhancing the engineering process beyond the constraints of in person work – which benefits our customers through:

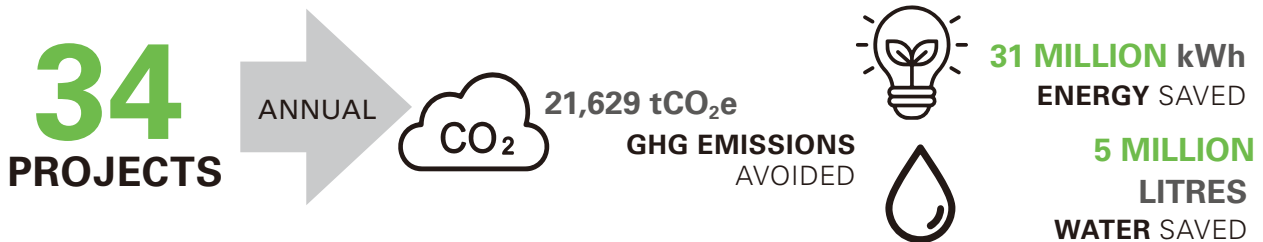
- **Cost savings** – Reduces product life cycle cost & reduces prototype sample cost
- **Faster design & development process** – Quickly evaluates design solutions; reduces or eliminates validation testing
- **Optimised manufacturing processes** – Build it right the first time

As the automotive industry continues to evolve, virtual engineering allows the teams driving innovation in our technology to collaborate more efficiently and creatively – thus ushering in the future of mobility and greener technology.

Environmental, Health & Safety

In this section* – Environmental, Health & Safety
Environmental Stewardship
Keeping Our People Healthy & Safe

ENVIRONMENTAL STEWARDSHIP



Environmental stewardship is at the cornerstone of our business as we believe it is fundamental in ensuring strong overall performance. Through our environmental programmes and initiatives, we drive greater efficiency and transparency. We proactively explore new ways we can reduce our environmental footprint, including embracing renewable energy, monitoring resource use, phasing in the use of more efficient technologies and implementing strategies that address climate change.

Environmental Management System (EMS)

HKEX A2, A2.3, A3

Within our EMS we embrace ways we may enhance efficiency; align with best practices, such as ISO 14001 standards; and not only ensure compliance but exceed environmental laws and regulations when feasible.

Our **Global Environmental Policy** in conjunction with our EMS codifies our commitment to environmental responsibility and encourages best-practices across all our global locations. The Global Environmental Policy outlines our commitment to environmental excellence by:

- Minimising our environmental impacts
- Promoting environmentally sustainable behaviour
- Encouraging environmental responsibility in ourselves, our customers, suppliers, and stakeholders who are in concert with our activities, products, and services

Our Corporate EH&S function is responsible for managing our EMS by driving environmental initiatives, embedding environmental responsibility within our health and safety practices, engaging team members, and measuring our performance across all of our global sites and manufacturing facilities. Reviews were conducted at the various forums with leadership and cross-functional teams, regarding Nexteer's developing climate strategy and EH&S KPIs.

* This section includes data of non-consolidating joint venture locations.

Environmental, Health & Safety

At the time of 2024 Report publication, 100% of our manufacturing sites globally have achieved ISO 14001 certification. Nexteer is excited to announce the latest ISO 14001 certifications in 2024, to our Kenitra, Morocco and Chennai, India plants.

In order to align with our internal climate action goals, we have established absolute reduction targets for energy and fuel use. Our year-over-year goals include:

- Reduce our energy (electricity) use by 16% in absolute terms compared to 2023;
- Reduce our fuel usage by 6% in absolute terms compared to 2023;
- Increase our landfill waste diversion rate by 2% per unit of production; and
- Reduce water use by 2% on a per unit of production basis.

Note: In the pursuit of continuous improvement, we set environmental goals that enhance performance and efficiency. We define a unit of production as a "fully assembled unit" ready for sale.

As part of Nexteer's overall strategic planning process, we regularly assess policies, practices and procedures to minimise impact on the environment and natural resources. We review and update our SMRF to account for our progress towards sustainability targets and establish new goals and targets to make progress along the journey.

We also complete risk planning with annual updates that review financial coverage of any facility asset retirements and environmental liabilities. We continuously work to reduce and mitigate risks and improve the effectiveness of our EMS, our policies and our procedures. As a result, we did not receive any environmentally based fines or monetary sanctions in 2024.

By integrating environmental management into our operations, we can manage our impacts on the environment, conserve and reduce energy and water, reduce and re-use our waste and reduce our GHG emissions all while meeting local, regional and federal laws and requirements.

Enhancing Energy Efficiency in our Manufacturing Plants

In 2024, we focused on various energy efficiency projects such as lighting modernisation and control, along with cooling tower & heat pump upgrades for better utilisation of electricity. As compressed air uses large amounts of electricity, numerous projects were completed around the globe to reduce usage, fix air leaks and replace older units with newer more energy efficient ones.

Additionally, we continue to explore and share best practices to improve energy usage and emissions from our manufacturing sites.

Environmental, Health & Safety

Our Approach to Climate Change

HKEX A4, A4.1

We continue to assess impacts of global climate change and our environmental footprint. Nexteer responds to the CDP Climate Change questionnaire annually including supply chain data to requesting OEM customers. CDP's disclosure platform provides a mechanism for reporting in line with the International Sustainability Standards IFRS S2 Climate-related Disclosure Standards (incorporates the Task Force on Climate-related Disclosures) recommendations.

The following is Nexteer's approach to climate change (Governance, Strategy, Risk Management, Metrics & Targets) with reference to the HKEX Guidance on Climate Disclosures, which is built upon the IFRS S2 climate standard.

Governance

Climate change is a material topic managed within our three-tiered sustainability governance structure. For more details, please refer to the "Managing Sustainability at Nexteer". (see page 8).

In 2024, our Climate Groups continued to collaborate with internal and external stakeholders to understand climate risks, explore opportunities and conduct adaptation measures to increase resilience to the impacts of climate change. In addition, Nexteer's cross-functional team reported at regular cadence (e.g., monthly, quarterly, annually) at multiple management forums to coordinate the development of our climate roadmap and share updates regarding our KPIs. Furthermore, at least annually, ESG-related enterprise-level strategic priorities are reported to the Board.

Strategy

Nexteer contemplates climate risks and opportunities with reference to established frameworks and processes, including: – ISO 14001 EMS (annually by independent third-party auditors and recertification every three years), and – CDP (annual process). To position our organisation with climate resilience and in preparation of the transition to a low-carbon economy, we have performed a cross-functional physical risk assessment and transition climate risks. Such assessments included climate scenario analyses and calculation of cost of carbon aligned with applicable climate disclosure guidance and practices.

In 2024 we used the results from our assessments to support our business decisions, such as regarding ways we may enhance our operational practices through renewable energy and energy efficiency.

Environmental, Health & Safety

Climate risks & opportunities: Below please find the results of our process which outline the climate-related risks and opportunities that our organisation has identified over the short-, medium- and long-term.

	Risks*	Opportunities
Short term (0-2 years)	<ul style="list-style-type: none"> Emerging regulations across the globe, such as carbon reduction targets and enhanced reporting requirements, may increase our compliance risk (T) 	<ul style="list-style-type: none"> Continue evolving climate strategy to meet government decarbonisation targets
Medium term (2-5 years)	<ul style="list-style-type: none"> Carbon cost mechanisms may increase our costs and negatively impact our revenue and customer relationships (T) Low-carbon economy market and technology may increase our costs and negatively impact our revenue and customer relationships (T) 	<ul style="list-style-type: none"> Evaluate utility costs and cost of materials Explore current market and technologies available to transition to a low-carbon economy, and monitor market in the future
Long term (5+ years)	<ul style="list-style-type: none"> Extreme weather events, specifically heat waves, drought, tornadoes, and cyclones may result in equipment shutdowns and/or supply chain disruptions (P) 	<ul style="list-style-type: none"> Replace equipment with higher thermal capacity to build resiliency in manufacturing centres Review and revise standard operating procedures as necessary Require suppliers to provide overview of climate-related risks or plan to address climate change risks in their operations

* T = transition risk; P = physical risk

Impact of climate-related risks and opportunities on Nexteer’s businesses and strategy: Findings from our assessment have driven us to focus even more intently on reducing our carbon footprint and de-risking our operations. In 2024, we continued developing our climate roadmap – our strategic plan to pursue emissions reductions through renewable energy projects, energy efficiency investments, ISO 50001 Energy Management Systems, and value chain engagement. Throughout the year we continued renewable energy feasibility assessments and enhanced our management system for tracking key climate and environmental data.

Environmental, Health & Safety

Climate Scenario Analysis: Following HKEX's Guidance on Climate Disclosures, we conducted a climate scenario analysis. This analysis explored three scenarios aligned with the following Intergovernmental Panel on Climate Change (IPCC) representative concentration pathways (RCPs): RCP 2.6, 4.5 and 8.5. By exploring multiple scenarios with differing degrees of climate action, we analysed the potential physical changes to the climate as well as changes to the operational landscape that may occur alongside the transition to a lower-carbon economy. The findings from our current climate scenario analysis are summarised in the table below.

Scenarios	What to Expect	Example Trends for Nexteer
Aggressive Action, RCP 2.6 A low emissions scenario with a rapid transition to renewable energy, keeping global temperature rise below 2°C.	<ul style="list-style-type: none"> Immediate and aggressive action to limit GHG emissions Regulations and carbon costs are significant Transformational impacts to economy Hold temperature increase to 1.5°C temperature increase 	<ul style="list-style-type: none"> Heatwaves and flooding risk increase before remaining stable Regulation like enhanced reporting requirements and carbon pricing are common and enforced through litigation
Delayed Action, RCP 4.5 A stabilisation scenario in which global GHG emissions effects are stabilised shortly after the year 2100.	<ul style="list-style-type: none"> Some delayed carbon policy and carbon costs to limit GHG emissions Some climate change impacts but limit to 2°C temperature increase 	<ul style="list-style-type: none"> Heatwaves and droughts become more common which may mean temporarily shutting down electrical systems, reduced productivity, and additional costs for raw materials and transportation Regulation emerges around reporting, carbon pricing, and supply chain
Limited Action, RCP 8.5 A scenario with increasing global GHG emissions over time with no stabilisation.	<ul style="list-style-type: none"> Limited climate action No significant carbon legislation/cost 4°C temperature increase Catastrophic physical climate impact 	<ul style="list-style-type: none"> Tornadoes are an extreme risk which may result in supply chain disruption Heatwaves, droughts, and cyclones/typhoons become more common which may disrupt manufacturing, material supply, and transportation Regulation, market, and reputational risk are low

These findings indicated that for all scenarios, most of the risks identified were classified as low, with the greatest number of high risks increasing in the 2050 decade. Overall, Nexteer saw a number of low and moderate risks across all three scenarios, reflecting the resiliency of our physical assets. Most risks across all regions were confined to three parameters: extreme heat and heatwaves, tornadoes and typhoons/cyclones/hurricanes. This is a direct result of the global nature of our company, with most risk found in the supply chain as opposed to Nexteer's owned and leased assets. Our transition risk assessment included calculation of cost of carbon. Examples of risks we have identified include policy and regulation, market and reputation, and technology. In 2024, we partnered with external subject matter experts (SMEs) and academic institutes on multiple pilot case studies to assess transition risk scenarios to provide insights for management discussions at Sustainability and ERM forums. We will continue to evaluate these risks and their impacts in line with the TCFD recommendations, developing guidance from ISSB and HKEX on climate disclosures, and update assessment results accordingly.

Risk Management

Our risk management process considers risks related to climate change, such as weather events that disrupt day-to-day operations, future trends that potentially impact operations like precipitation patterns and sea level rise, and other related risks and opportunities like carbon taxes, reputation, cap and trade, and customer preferences. Through our established policies and procedures we deploy appropriate risk-specific responses – avoid, transfer, mitigate and share. Our risk management process is outlined below:

- Review all top risks, identifying and evaluating enterprise-level risks and opportunities.
- Develop strategic priorities for certain top-level risks and create KPIs and targets to manage these risks.
- Identify and prioritise risks based on the impact to the Company and the likelihood of occurrence. We assign an inherent risk factor to each identified risk. We develop mitigation strategies for risks that exceed a certain risk factor threshold.
- After implementing a mitigation strategy, we record the remaining residual risk.
- Senior management presents updates to the Board’s Audit and Compliance committee annually regarding all high priority risks and mitigation strategies.

Nexteer’s cross-functional teams collaborate to consider industry practices, partners with subject matter experts, and learns from industry trends to continually improve. Relevant information of risk mitigation strategy is incorporated into future site planning, supplier selection process, and strategic development. Overall, Nexteer aims to manage risk by balancing footprints, considering the potential for market fluctuations, political changes, supplier impacts and quality control issues.

Metrics & Targets

HKEX A1.5, A2.3

The key metrics we track and follow to assess climate-related risks and opportunities include our Scope 1-3 GHG emissions, emissions intensity, energy consumption, energy intensity, among others. These metrics are publicly available in our sustainability report. Internally we also track costs associated with climate change such as insurance relating to weather and climatic events, metrics with regards to our products and services, and more.

Nexteer’s 2024 climate-related targets are aligned with the Paris Agreement and include goals to reduce our Scope 1 fuel usage by 6% in absolute terms and for Scope 2 electrical usage by 16% in absolute terms compared to 2023. These goals will help continue to align our GHG emission reductions to help us achieve our internal climate targets. Our Scope 3 target is to identify a clear roadmap for 80% global spending, by commodity supplier base. This change to absolute targets is an enhancement to our goals versus the former use of “usage per unit of production basis”.

To bolster our continuous improvement activities on environmental data collection, we engaged external subject matter experts to conduct an independent evaluation of 2024 GHG emissions in accordance with the GHG Protocol Corporate Accounting and Reporting Standard. This process ensures the accuracy of data sources and calculation methodology utilised to map, measure, and report GHG emissions.

Environmental, Health & Safety

GHG Emissions

HKEX A1, A1.1, A1.2, A.1.5

Electricity usage (a Scope 2 source) continues to be a global leading contributor to our GHG emissions. In 2024, we aimed to reduce annual energy (electricity) usage on an absolute basis by 16%. We achieved a 1% improvement from the previous year. We established a target to reduce fuel usage by 6% in absolute terms compared to 2023 with a key focus on reducing natural gas consumption, we achieved approximately 14% improvement from our previous year. For Scope 1 and Scope 2 GHG emissions we achieved a reduction of 11.1% from the previous year surpassing our 6% goal. Our performance was due to process efficiency, use of renewable energy, and electrification of equipment. We also made improvements on our bill of processes, such as steam-heated processes.

As emissions and energy consumption are closely interrelated, Nexteer continues to focus on energy efficiency and usage at our global operational locations. Throughout the year, our progress towards target was reviewed monthly with Management at global operation meetings. In addition, our teams continue to enhance our data quality, metric tracking, and performance to goals. We have regular plant-level and cross-functional meetings to enhance data management and conduct relevant trainings.

Renewable Energy Initiative for USA Operations

Nexteer Automotive and NorthStar Clean Energy broke ground on a 25-acre solar field at our USA Operations site in Saginaw, Michigan (Saginaw Solar Field) in August 2023 and completed installation in April 2024. The Saginaw Solar Field became fully operational in May 2024, generated renewable energy contributing to mitigation of over 5,000* metric tonnes of Carbon Dioxide equivalent (tCO₂e).

* Conversion using US EPA's Greenhouse Gas Equivalencies Calculator



Photo of Saginaw Solar Field

Environmental, Health & Safety

Summary GHG Emissions by Scope

Our GHG emissions data includes Nexteer’s manufacturing and non-manufacturing locations. For definitions of the three emission scopes, please refer to the Scope 1, Scope 2, and Scope 3 details below.

Metrics	2022 (tCO ₂ e)	2023 (tCO ₂ e)	2024 (tCO ₂ e)	Change vs. Prior Year (%)
Scope 1 GHG Emissions – Direct	44,223	39,210	33,132	-15.5%
Scope 2 GHG Emissions – Indirect	179,972	177,638	159,606	-10.2%
Scope 1+2 GHG Emissions Intensity (tCO₂e/1,000 Units Production)	6.8	5.9	4.9	-15.8%
Scope 3 GHG Emissions – Other Indirect	2,163,337	2,461,660	2,214,799	-10.0%
Total GHG Emissions* (tCO₂e)	2,387,532	2,678,508	2,407,537	-10.1%

* Scope 1 – Direct energy consumption arises from the utilisation of natural gas, propane, gasoline, and diesel fuel during Nexteer’s operations, along with emissions of leaking Ozone Depleting Substances (ODS)/refrigerants. The fuels consumption reporting follows the Greenhouse Gas Protocol and the US Environmental Protection Agency (EPA) Center for Corporate Climate Leadership’s Emission Factors for Greenhouse Gas Inventories (June 5, 2024), and its emissions factors. The Ozone Depleting Substances reporting follows the GHG Protocol methodology and uses the Global Warming Potential (GWP) factors from the 2021 IPCC Sixth Assessment Report.

Scope 2 – (Utilising Market-based Methodology) – Indirect energy consumption arises from the consumption of purchased electricity and steam heating. The energy consumption reporting follows the GHG Protocol with the Saginaw and Auburn Hills, Michigan, US locations using emission factors developed by CMS Energy, DTE Energy and/or the Edison Electric Institute (EII) for each regional utility provider; our Mexico and Morocco locations use an emission factor developed by their utility providers, China uses it’s country emission factor from the Ministry of Ecology and Environment, the National Bureau of Statistics, and the National Energy Administration; whereas all remaining facilities use International Energy Agency (IEA) country emissions factors for calculation of emissions of electricity using Location-based emission factors. Steam heating is calculated following the US EPA Center for Corporate Climate Leadership’s Emission Factors for Greenhouse Gas Inventories (June 5, 2024).

Scope 3 – Other indirect emissions are calculated based on GHG Protocols and US EPA Center for Corporate Climate Leadership’s Emission Factors for Greenhouse Gas Inventories (September 12, 2023) and US EPA Center for Corporate Climate Leadership’s Greenhouse Gas Inventory Guidance for Indirect Emissions from Events and Conferences (December 2018), along with the GHG Protocol’s Comprehensive Environmental Data Archive (CEDA) Factors for the United States by Watershed for Purchased Goods & Services and Capital Goods. 2024 CEDA Factors are based on 2022 baseline industry emissions data, economic and trade data.

The upstream/downstream transportation calculations are based on USEPA Supply Chain Greenhouse Gas Emission Factors v1.3 (updated July 10, 2024).

Defining the Three Emissions Scopes

Scope 1 (direct) emissions are those that occur within operational boundaries, such as boilers for steam for production equipment, steam heating and natural gas usage in heat treating furnaces.

Scope 2 (indirect) emissions are those that occur from the use of purchased electricity, steam and/or heating/cooling supplied by grids, which tend to occur outside of operational boundaries.

Scope 3 (other indirect) emissions occur indirectly as a result of activities in our value chain. Scope 3 GHG emissions sources included in Nexteer’s GHG inventory are GHG emissions occurring from Purchased Goods & Services, Capital Goods, waste generated in manufacturing operations, and business travel. We are incorporating limited emissions from upstream and downstream transportation as we work to enhance this data collection. We are committed to continual improvements to identify GHG reduction opportunities, measure and track performance, and engage value chain partners to collectively manage relevant Scope 3 categories, including collaboration to further understand carbon footprints, as well as potential climate risks and opportunities along our value chain.

Environmental, Health & Safety

Summary of Energy Use by Fuel Type

HKEX A2.1

The table below presents a breakdown of our energy usage in kWh for 2024. Even with increased production volumes, our overall energy usage in 2024 still decreased by 5.1% when compared to 2023. The transition to electric induction heating in our manufacturing process resulted in a significant reduction in natural gas use; however, diesel fuel increased due to use of emergency generators to maintain continuity of operations during grid disruptions and heat energy increased due to a new tech center facility. Our energy consumption still decreased by 10.1% on a per unit of production basis.

In 2024, 20% of our global energy use was from renewable sources. We continue to advance our climate roadmap strategy across global operations based on a portfolio of energy efficiency measures, solar projects, and power purchase agreement (PPA) initiatives. Additionally, efforts like our PPA in Mexico are supporting regional and community goals to green the electric grid.

Energy Source	2022 Energy Consumption (kWh)	2023 Energy Consumption (kWh)	2024 Energy Consumption (kWh)	Change (%)
Natural Gas	231,886,575	200,132,586	172,565,116	-13.8%
Fuel Oil	0	0	0	0%
Coal	0	0	0	0%
Electricity	339,898,791	339,487,370	337,100,992	-0.7%
Heat	4,019,725	2,019,446	2,877,780	42.5%
Steam	0	0	0	0%
Cooling	0	0	0	0%
Gasoline	2,121,529	2,168,802	1,953,228	-9.9%
Diesel	2,194,879	1,898,135	2,977,611	56.9%
Propane	2,987,708	2,450,380	2,570,899	4.9%
Total Energy Use (kWh)	583,109,207	548,156,719	520,045,626	-5.1%
Energy Use Intensity (kWh/Unit Production)	17.6*	14.8	13.3	-10.1%

Our energy data includes manufacturing and non-manufacturing locations for applicable energy sources.

* Restated due to enhanced data collection and review process.

Advancing Renewable Energy

Throughout 2024, our regions worked to evaluate renewable energy options with a mindset of implementing opportunities aligned with business and environmental objectives. In 2024 our Plant in Tychy, Poland began construction of photovoltaic panels on the building roof and in the parking lot, with anticipated operation in 2025.



Photo from Plant in Tychy

Environmental, Health & Safety

Summary of Air Pollutant Emissions (US only)

HKEX A1, A1.1

To comply with all applicable emissions laws and regulations, our air emissions are reviewed periodically by each manufacturing facility based on air discharge permits or regulatory reporting requirements. At the time of this report, only the Saginaw, Michigan, US, facility is required to monitor its annual air emissions. Overall, our air pollutant emissions decreased from 2024 due to process equipment reductions.

Pollutant (lbs)	2022	2023	2024	Change (%)
Ammonia	1,570	1,298	1,133	-12.7%
CO	9,648	7,137	6,803	-4.7%
Lead	0.25	0.2	0.18	-10.0%
NO _x	67,121	61,719	50,444	-18.3%
PM ₁₀ (Primary)	58,394	23,793	15,080	-36.6%
PM _{2.5} (Primary)	3,764	3,161	2,759	-12.7%
SO ₂	394	398	325	-18.3%
VOC	14,947	14,526	12,960	-10.8%

Waste

HKEX A1, A1.3, A1.4, A1.6

As a global automotive manufacturer, we produce hazardous and non-hazardous waste, much of which is recycled, reused and recovered. Some forms of waste are sent to landfills. All our hazardous and non-hazardous wastes are properly characterised, handled, transported and disposed of, and all plants work to minimise waste generation. In general, our hazardous and non-hazardous wastes are treated and discharged to publicly owned wastewater treatment plants; treated, solidified and landfilled; burned for energy recovery; or recycled – some as a direct feedstock in other industries.

Every year, we aim to divert total waste from the landfill by 2% per unit of production from the previous year. In 2024, we produced 4,342 tonnes of hazardous waste and 32,029 tonnes of non-hazardous waste. This amounts to 0.0001114 tonnes of hazardous waste per unit of production and 0.0008219 tonnes of non-hazardous waste per unit of production. In 2024, we generated 1,946 tonnes of hazardous and non-hazardous waste globally that was sent to a landfill which was an 11.5% increase from the prior year. On an intensity basis, this works out to 0.0000499 tonnes of landfilled waste per unit of production – an increase of 5.6% from 2023. In 2024, we reused, recycled, composted and recovered 88% of our waste streams.

Improving our Waste Management

In Suzhou, China, a waste sorting campaign was established to increase the proper sorting and disposal of waste materials. The “Know Where to Throw” program was enhanced in Saginaw, Michigan, US via updated signage.



Photos of Waste Management in Suzhou , China and Saginaw, Michigan, US

Environmental, Health & Safety

Nexteer participation in Earth Day and World Environment Day

Our plants in different regions celebrated World Environment Day in 2024 with various internal and external programmes. Employees in Kenitra, Morocco participated in planting trees at the Nexteer facility in recycled metal drums. This initiative highlights the importance of sustainably managing our natural resources and reducing our wastes. Employees also completed a survey to share and highlight the ecological efforts and initiatives deployed within the company, the best of which were recognized. A waste collection campaign at an elementary school as a social activity to show and enhance the importance of environmental protection was held by Nexteer employees, along with an environmental session held for the benefit of elementary school pupils on the impacts of human behaviors on Environment, and the importance of its protection.

Our Nexteer Mexico employees sealed their commitment to the environment on Earth Day by taking 850 plants to their homes to demonstrate living clean and sustainable practices every day.



Photos from Earth Day and World Environmental Day

Summary of Hazardous & Non-Hazardous Waste Treatment

Treatment Method	2022		2023		2024	
	Treatment of Global Hazardous Waste (tonnes)	Treatment of Global Non-Hazardous Waste (tonnes)	Treatment of Global Hazardous Waste (tonnes)	Treatment of Global Non-Hazardous Waste (tonnes)	Treatment of Global Hazardous Waste (tonnes)	Treatment of Global Non-Hazardous Waste (tonnes)
	Reuse	229	2,451	311	2,686	66
Recycling	1,140	26,734	1,237	31,133	937	27,020
Composting	0	24	0	25	0	31
Recovery	1,141	289	1,141	333	976	426
Incineration	1,148	125	1,432	135	1,604	166
Landfill	27	2,612	9	1,737	4	1,942
Other	333	46	368	11	584	19
Deep Well Injection	0	0	0	0	0	0
On-Site Storage	208	1	169	1	171	0
Total Waste (tonnes)	4,227	32,282	4,667	36,061	4,342	32,029
Waste Generation Intensity	0.0001277	0.0009753	0.000126	0.000977	0.000111	0.000822

Packaging**HKEX A2.5**

The types of packaging materials we use for finished products are directed by our customers' packaging specifications, which we are required to follow. Most of these types of packaging materials are easily recyclable and reusable such as paper, cardboard, and plastic. As the recycling and reuse of packaging materials occurs at our customers' locations, we are unable to track the total volume of packaging materials that are recycled or reused. However, with various customers and suppliers we eliminate unnecessary packaging by using reusable bins and dunnage. In 2024, our Saginaw, Michigan, US site completed a one-time project to recycle obsolete dunnage resulting in 727 metric tonnes of material diverted from landfill.

For our incoming shipments from our suppliers, we work to minimise packaging materials that are required to be disposed of in a landfill. Any incoming wood pallets or boxes, cardboard boxes, shrink-wrap, banding (plastic or metal) or plastic containers are recycled as applicable at our global locations.

At this time, our current focus is on establishing long-term relationships with ethical suppliers who provide quality materials at fair prices. Any requirements for sustainable raw material procurement policies will continue to be monitored as part of our stakeholder requirements.

Environmental, Health & Safety

Water

HKEX A2.4

Water serves vital functions in our manufacturing processes including non-contact cooling water, parts washing, heating, as drinking water, and landscaping. We continued to track and review water-related topics through our environmental KPIs and CDP Corporate Questionnaire.

Every year, we aim to reduce our water consumption by 2% on a per unit of production basis. In 2024, we consumed 682,396,666 litres of water globally which was a 7.3% decrease from the prior year. On an intensity basis, this works out to 17.5 litres per unit of production – a decrease of 12.1% from 2023. We achieved our water reduction intensity target by implementing several water reduction projects, estimated to save over 5,000,000 litres of water annually. Going forward, we will continue to improve our processes and implement additional water conservation and efficiency programmes to achieve our targets.

Our environmental engineers are responsible for performing environmental and water-related risk assessments as part of our ISO 14001 EMS at each manufacturing location. The process starts by applying a contextual understanding of our operations, including issues that can affect the intended outcomes of the EMS and our compliance obligations. These risks are prioritised based on the magnitude and likelihood of occurrence in the Nexteer operations. Relevant risks are reviewed periodically with the frequency of review dependent on its type and impact to the Company.

At the time of 2024 Report publication, we do not have any water sourcing issues globally. Each new location goes through a due diligence process including an evaluation of water resources. We believe access to clean water is fundamental. All our facilities include a fully functioning water supply, adequate sanitation, and hygiene (WASH) services for employees.

Saginaw's Focus on Water Conservation and Reuse

Saginaw is focusing on water conservation through a few projects including use of cooling tower water versus city water to cool ice machines on the plant floor and the removal of pre-washers on certain process equipment. These projects are projected to save approximately 4,175,000 Liters of water annually.



Photo from Ice Machine on Tower water

Summary of Total Water Use by Source

Water Sources	2022	2023	2024	Change (%)
Groundwater	14,348,000	14,174,000	6,154,920	-56.6%
Municipal water supplies or other waste utilities	744,190,916	684,128,575	626,993,146	-8.35%
Rainwater collected directly and stored by the plant	0	0	0	0%
Surface water, including water from wetlands, rivers, lakes and oceans	0	0	0	0%
Water from another organisation	31,174,000	37,422,540	49,248,600	31.6%
Total Water (Litres)	789,712,916	735,725,115	682,396,666	-7.25%
Water Generation Intensity	23.9	19.9	17.5	-12.06%

Land Use & Biodiversity

HKEX A3, A3.1

Nature and Biodiversity is one of various topics managed within our three-tiered sustainability governance structure and is incorporated into our annual materiality assessment process. Our approach addresses the operational impacts on consumption of natural resources. As we build or lease facilities globally, we rely on lessons learned, best practices and external advisors to minimise the impacts on the local environment and biodiversity, including native wildlife and their habitats. We prevent the introduction of invasive species through various means, such as shipping requirements using wood pallets. Any changes in water withdrawal or discharge follow our legal permits. During 2024, Nexteer manufacturing plants have not had any manufacturing or pollutant release activities that have negatively affected any species or caused an area to be negatively impacted.

Environmental, Health & Safety

KEEPING OUR PEOPLE HEALTHY & SAFE

Our focus on health and safety (H&S) is reflected in our company vision statement, **we accelerate mobility to be SAFE** by putting safety first – always. This commitment extends to our products and services that enhance safety and security on the road, and to our people across all our global locations. We protect each employee, visitor, and contractor on our premises through proactive programmes that achieve safe and healthy working conditions. H&S is everyone’s responsibility and we all play a critical role by embracing our “Speak up” Safety culture. All employees are encouraged and recognised for our mindset of “if they see something, they need to say something.”

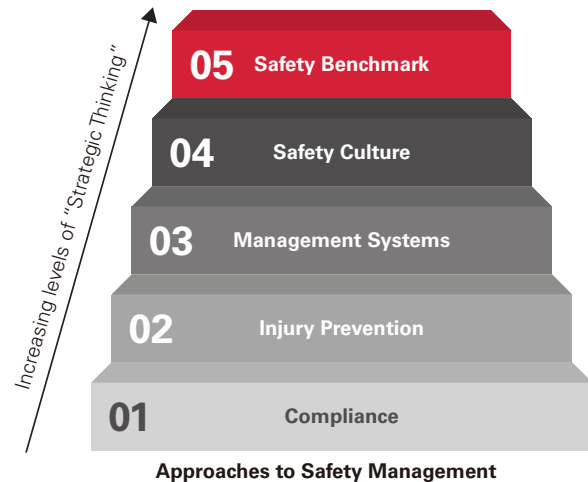
Fostering a Safety-first Culture

HKEX B2, B2.3

Our global Health and Safety Policy outlines guiding principles for our global facilities and reinforces our commitment to H&S excellence. Our Health and Safety Policy, together with our health and safety management systems, emphasises the role of every Nexteer employee in identifying H&S risks, collaborating on solutions, and implementing actions. Our health and safety management systems are built upon a foundation of 25 safety topics, including:

- Leadership roles and responsibilities
- Promoting a culture of health and safety
- Developing and implementing emergency control plans
- Ergonomics and industrial hygiene
- Hazardous energy control
- Machine safeguarding
- Proper use of personal protective equipment

We focus on preventing re-occurring incidents by implementing robust measures and dashboard systems to monitor and achieve zero injuries, illnesses and fatalities. We live and lead a culture of H&S through ongoing education, training and awareness. All employees are encouraged to “Speak-Up for Safety” if they witness or are privy to unsafe acts or working conditions.



Each of our locations completes an annual H&S self assessment and is subject to corporate audits to verify compliance. To ensure compliance, members of the plant staff – also called our “Health and Safety Champions” – are assigned one or more of the 25 H&S topics in our health and safety management systems. When plant audits are conducted, they consist of thorough plant walkthroughs and interviews with these champions. Beyond our efforts to ensure compliance with applicable health and safety laws as well as regulations and rules in the countries where we operate, we pursue and maintain ISO 45001 occupational health and safety certifications for Nexteer’s global footprint. Our global facilities received 43 National Safety Council awards in 2024 – including a Corporate Culture of Safety Award – demonstrating our commitment to H&S excellence and maintaining a safety-first culture.

Environmental, Health & Safety

HKEX B2.1

The number and rate of work-related fatalities that occurred in each of the past three years, including 2024, are reported as follows.

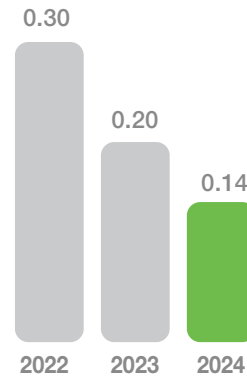
Number and Rate (per 100 workers) of Work-Related Fatalities		
Year	Number	Rate
2022	0	0
2023	0	0
2024	0	0

HKEX B2.2

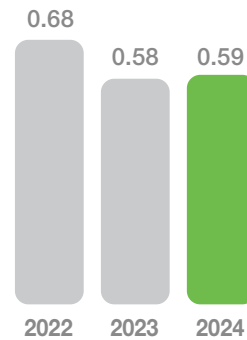
At Nexteer, we track and report on our global lost workday case rates, our total global recordable incident rates, and our total work-related injury and illness rates on a monthly and annual basis. The lost workday case rate describes the number of lost workday cases per 100 full-time employees in a given time frame. The lost workday case rate accounts for occupational injuries or illnesses which result in an employee being unable to work a full assigned work shift. Fatalities are not factored into this rate.

In 2024, we experienced a decrease in our lost workday rates, recordable rate, and work-related injury/illness case. In Fact, Nexteer not only achieved a year over year improvement, but we also demonstrated our best performance on record globally. Nexteer is committed to the health & safety of everyone. Through robust training, designing in safety in our equipment prior to its plant arrival, and effective auditing processes we ensure all workers are safe on our premises. We also track work-related injury and illness rates, which represent minor injuries and illnesses that do not require medical treatment beyond first aid – and therefore, no days away from work. First aid can generally be performed by any person regardless of medical training or licencing. Treating a work-related injury and illness case may entail dispensing over-the-counter medication at the strength or dosage dictated on the label, or providing hot or cold therapy, massages or drinking fluids to relieve heat stress. We continue to experience reductions over time in our work-related injury and illness rate.

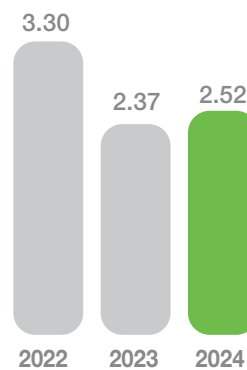
Global Lost Workday Case Rates by Year



Global Recordable Incident Rates per Year



Total Work-Related Injury/Illness Case per 100 Employees



Environmental, Health & Safety

H&S Training & Awareness

At Nexteer, safety education starts on the first day of employment. Employees receive 5-6 hours of safety awareness training prior to walking out on the manufacturing floor. This awareness training provides an understanding of how to identify, report and mitigate risks.

Several elements of this type of training include:



Awareness training is then followed with on-the-job training, department-specific training, and orientation, which may cover additional details about personal protective equipment, standardised work instructions and job-specific hazards. Nexteer continues to provide certified health and safety training on an ongoing basis. All employees receive weekly safety nudges, participate in monthly safety talks, and complete specific training modules based on their job. In 2024, we are honored to have been awarded the Corporate Culture of Safety Award by the National Safety Council in United States.

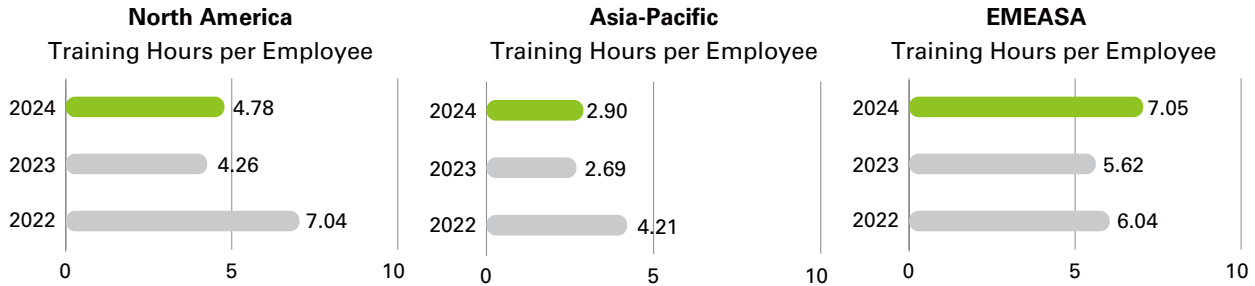
The graph below showcases average hours of health and safety training per employee by region for the last three years.

Ensuring that all employees are properly trained in health and safety is a top priority for Nexteer, more than 71,000 safety training hours were completed in 2024.



Nexteer awarded by the National Safety Council (NSC).
Photo courtesy of NSC.

Summary of H&S Training Hours by Region



World Day for Safety & Health at Work

On 5 June 2024, Nexteer Automotive Kenitra celebrated annual World Day for Safety and Health at Work for the third consecutive year. Through this global celebration we aim to raise H&S awareness to help prevent workplace accidents and the onset of occupational diseases.

Nexteer Kenitra’s World Day for Safety and Health at Work 2024 focused on stop and fix and personal protective equipment for a culture of safety and health.

We engaged employees by hosting several collaborative workshops and learning exercises including:

- **Quality word search:** to strengthen our corporate safety culture
- **Ergonomic workshop:** to promote gestures and postures to adopt in the workplace
- **Safety DOJO game:** to raise awareness of the risks that our teams may suffer during their daily tasks
- **Awareness game:** to keep in mind the health and safety absolutes

Nexteer’s Ergo Cup Competition

2024 marked Nexteer’s 18th year hosting its annual Ergonomic competition. The Nexteer Ergo Cup is an award that recognises the development of innovative ergonomic solutions and education within Nexteer. Awards are given for team-driven ergonomic workplace solutions, engineering/ergonomist-driven workplace solutions, and ergonomic programme improvement initiatives. In addition to the three Ergo Cup awards, the judges awarded six Ergo Excellence Awards in the following categories:

- Most Innovative
- Greatest Simplicity
- Greatest Potential for “Read Across”
- Greatest Ergonomic Risk Reduction
- Continuous Improvement
- Designing it Right



The objective of this annual competition is to recognise ergonomic innovation and generate enthusiasm for creating a workplace that fits the employee, instead of forcing the employee to fit the workplace. These projects are posted in a searchable online database to promote global information sharing. To date, there are over 1,000 ergonomic lessons in the database, easily searchable by product family and location. There are 20 different categories of type of project, like carts, hand tools, lifting devices, layouts, packaging, and fixturing just to name a few.

Environmental, Health & Safety

In 2024, the annual competition included 55 entries from Nexteer facilities in the United States, Mexico, Poland, Morocco, India, and China.

- This year's **Engineering Ergo Cup** winner was a new tool design that eliminated a pinch grip for the operator and contact stress to the fingers. This new tool had ergonomic features to assist the operator and improved the operators cycle time.
- The **Team Ergo Cup** winner was awarded to a location that redesigned an assembly station and pack-out area that had generated some medical visits. The team consisted of operators, industrial engineers, manufacturing engineers, quality engineers, controls engineers, maintenance, and operation leaders. As a team, they evaluated the current job using a risk factor cheque list, then they worked on developing solutions. The results addressed all risk, utilised a robot that has multiple end-effects, that interacts with the assembly station in supporting the operator and eliminated lifting a heavy, awkward part. Their work generated look across projects within their plant, but also the globe as a best practice.

2024 Saginaw Safety Calendar Colouring Contest

One of our proudest safety traditions at Saginaw, Michigan, is our annual safety calendar contest. Each year, we ask employees if they would like to sponsor any of their children, grandchildren, nieces or nephews in the contest.

Contestants across six categories based on age group submit hand-drawn artwork about the importance of safety. In 2024, we received 45 submissions. Children provided drawings on a wide range of important safety topics, including fire prevention, stranger danger, internet safety, seat belts, gloves and glasses. There was a winner in each age group, and each winner this year received a Kindle Fire tablet.

This year Nexteer Saginaw partnered with a local community Children's Museum for a pizza party and a night at the museum just for contestant and their families. Winners were recognised and given an enlarged copy of their artwork. With this fun competition, Nexteer brought to life our motto that "safety is everyone's job," while helping to educate the next generation about the importance of safety.

Empowering Employees to Put Safety First

At Nexteer, employees are empowered to share the responsibility of maintaining a safe work environment. We believe that all injuries are preventable, and we equip our employees with the training, equipment and support to maintain a safe work environment.

Our Safety Principles encourage everyone to be responsible and accountable for recognising and correcting unsafe acts or unsafe conditions. At facilities around the world, our safety expectations require employees to follow established safety procedures, including hazardous energy control and machine safeguards, work permits and specialised safety procedures for high-risk activities, personal protective equipment as specified, and reporting all unsafe conditions and all injuries and illnesses to prevent similar incidents or conditions from occurring in the future. Our Environment, Health & Safety Handbook provides requirements for working at or visiting an Nexteer site.

Environmental, Health & Safety

Celebrate Safety Day – Nexteer Plant in Poland Tychy

Our Plant in Poland Tychy hosted a special event to celebrate Safety Day. The event aimed to enhance employees' knowledge regarding workplace safety through a series of engaging workshops and demonstrations.

Employees had the opportunity to engage in quizzes focused on work safety, everyday health workshops and consultations, and life-saving practices. The event successfully combined elements of education, integration, and enjoyment, fostering a collaborative atmosphere among employees.



Photos from Safety Day

Supply Chain

In this section – Supply Chain
Our Suppliers & Partners
Supply Chain Disruption & Risk Management

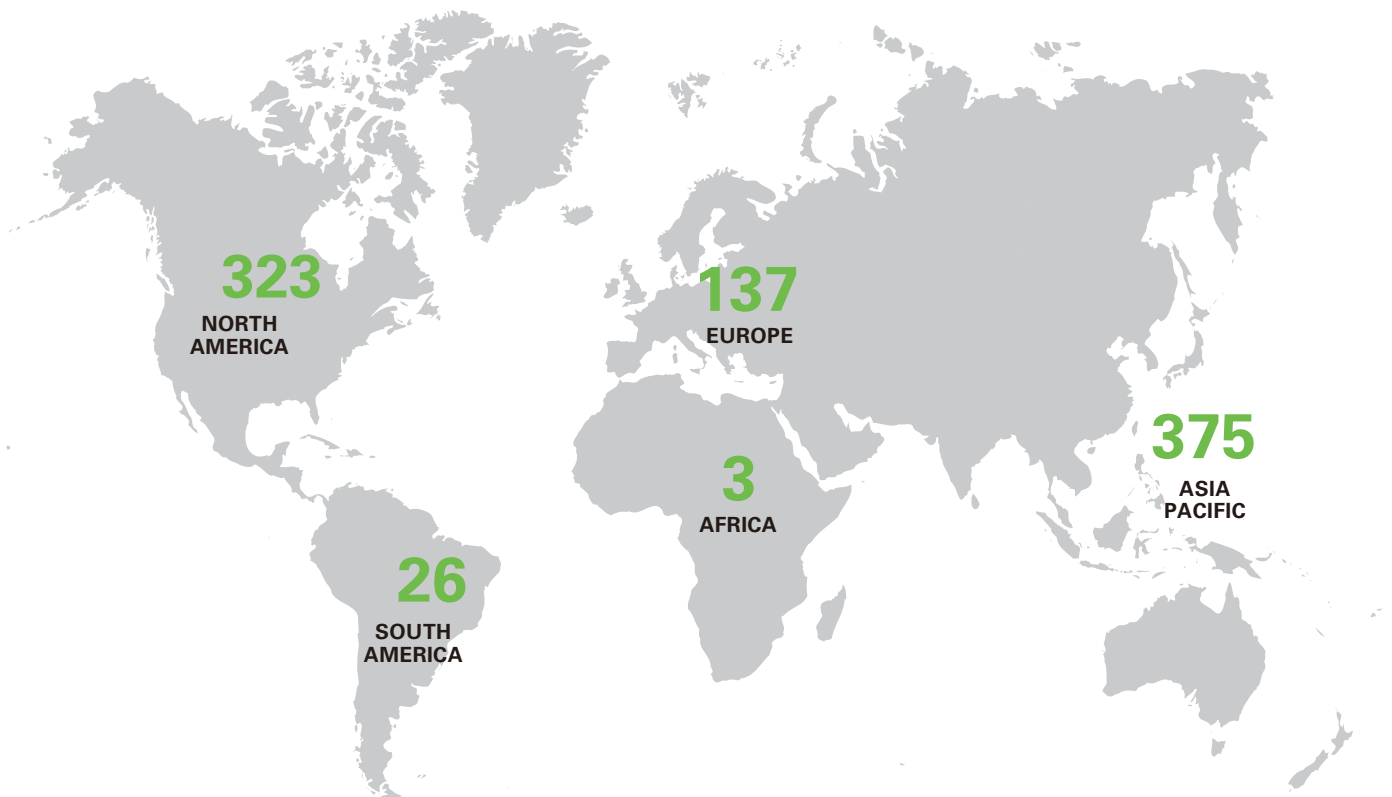
HKEX B5.1

OUR SUPPLIERS & PARTNERS

The relationship between Nexteer and its suppliers is one that is built on loyalty and reciprocity. We have established meaningful, long-term relationships with our suppliers in the industry. Our suppliers bring unique capabilities that we do not have internally, and we depend on supply partners to succeed globally.

Nexteer's Suppliers by Region

864 Total number of direct material suppliers



Supply Chain

Our Supplier Expectations

HKEX B5, B5.3

Both our Nexteer Supplier Requirements (NSRs) and General Terms and Conditions (GT&Cs) are part of every request for quotation and purchase order. They communicate our policy on managing social and environmental risks throughout our supply chain. Please click [here](#) for more information.

Environmental. We expect our entire supply chain to adhere to the principles contained within Nexteer's CSR Supplier Principles, which are outlined within our NSRs. New direct material suppliers must electronically acknowledge our CSR Supplier Principles upon system set-up. Specifically, the CSR Supplier Principles and NSR's:

- Communicate to our suppliers our commitment to environmental responsibility, which includes striving towards increasingly efficient use of raw materials, energy, water, and other inputs.
- Expect suppliers to communicate an Environmental Policy Statement reflecting their commitment to their employees.
- Encourage suppliers to seek environmental training and strongly recommend registration to ISO 14001.

By agreeing to the NSRs, suppliers are required, upon request, to provide evidence of adherence to these requirements, including any environmental regulatory requirements like audit or testing results. If a supplier is found to be non-compliant with our CSR Principles, the supplier must implement corrective action plans to remain compliant. In the event the supplier fails to respect these principles, Nexteer reserves the right to impose penalties up to and including the exclusion of the supplier from Nexteer's supply chain.

Reflecting our own commitment to environmental responsibility, we expect all products manufactured by our suppliers – and the applied materials and substances within the process – to meet environmental standards for design, development, distribution, use, disposal or recycling. This includes encouraging suppliers to do the following wherever they can:

- Reduce energy use and emissions
- Reduce water use
- Source renewable energy
- Manage waste appropriately
- Conduct environmental testing
- Train employees and sub-contractors

Social. Furthermore, our NSRs reflect our commitment to the welfare and the health and safety of our employees and contractors and delivering socially and environmentally responsible products to our customers. We have a moral and ethical responsibility to respect human rights throughout our supply chain. And as such, we comply with all applicable laws, government regulations, and rules in the countries where we operate.

Like the principles enforced in our Nexteer's Code of Conduct, we expect our suppliers to uphold and enforce policies and standards that demonstrate their commitment to ethics, integrity and human rights. These include but are not limited to the following standards:

1. Providing a safe and healthy working environment
2. Offering competitive wages and benefits
3. Establishing reasonable working hours
4. Allowing freedom of association
5. Providing training and supporting development of employees
6. Intolerance of harassment, discrimination, and forced and child labour

Supply Chain

We encourage all suppliers to seek training in corporate compliance and responsibility, ethics and diversity and inclusion. In addition, suppliers must operate honestly and equitably in accordance with laws pertaining to terrorism, money laundering, corruption and conflict of interest, anti-competitive business practices, protection of intellectual property, and export controls. Suppliers are required, upon request, to provide evidence of adherence to these global requirements. Noncompliance may result in the supplier being removed from Nexteer's supply chain.

Quality. Additionally, we expect the entire direct material supply chain to adhere to the IATF 16949 Quality Management Standard. We verify the certification status of all direct material suppliers prior to engaging in business. Specifically, the IATF standard requires the implementation of corporate responsibility policies, which include complying with an anti-bribery policy, an employee Code of Conduct and an ethics policy. If any supplier is not certified to the IATF standard by a third party certification body, Nexteer validates compliance to the IATF standard as needed via a risk-based model that consists of the supplier's quality standing, safety critical features of the part provided, and quality certification status of the supplier.

Building Positive Supplier Relationships

HKEX B5.2

To maintain and grow our relationships with our suppliers, we hosted several supplier engagement events in 2024, including:

- **Valuing our Suppliers' voice:** As part of our materiality assessment, we engage with our suppliers year-round to understand what they view as important in their relationship with Nexteer. Their insights are taken into account as we review environmental and social topics on our materiality assessment.

- **Supplier Golf Outing:** In 2024 we hosted our annual Scholarship Fundraising golf event in collaboration with our suppliers to support future workers and talent. To date, since 2014 this event has been the main event that enabled Nexteer to distribute more than \$200,000 in scholarships to more than 120 students, including high school and college community members, Nexteer interns, and those pursuing skilled trades.



Photos from Supplier Fundraising golf event

Supply Chain

- Global Supplier Conference:** We hosted our Global Supplier Conference in Krakow, Poland for more than 200 supplier representatives. The event focused on Nexteer’s continued transformation to sustainable and profitable growth through improved agility, resiliency, supplier technological readiness, quality/ ESG compliance, on-time delivery, customer service, and commercial competitiveness. 97 suppliers were recognised for Perfect Quality and four suppliers were recognised for Superior Customer Service.



Photos from Global Supplier Conference in Krakow, Poland

How We Assess Suppliers

HKEX B5, B5.2, B5.3

Our GSM function continues to enhance our process to assess and monitor potential environmental, social and other business risks along our supply chain. We conduct manufacturing capability assessment audits (onsite/virtual) with direct material suppliers. In addition, all our direct material suppliers are required to annually self-certify to our CSR Supplier Principles, which is completed by answering a self-assessment questionnaire (SAQ) and submitting supporting evidence.

During 2024, the SAQ was administrated through a sustainability module contained within our supply chain management electronic platform. The SAQ will help us further engage suppliers on various ESG topics. Failure to comply with SAQ requirements results in a new business hold.

Nexteer reserves the right to conduct audits of supplier submissions on a risk-based approach and/or GSM’s functional assessment. Compliance to the Nexteer CSR Supplier Principles is a requirement of a new business award. In 2024, over 280 suppliers’ SAQs were reviewed by Nexteer for compliance. As we continue to evolve our efforts to understand and measure our carbon footprint, including that of our suppliers, we expect to adjust our Supplier CSR Principles and the SAQ.

Encouraging Environmentally Responsible Practices

HKEX B5.4

As Nexteer manufactures safety-critical products, we adhere to the required customer and engineering specifications to ensure automotive safety standards are met. GSM purchases direct material according to the approved specification and follows defined processes to implement changes provided in customer specifications for environmentally preferable considerations. Meanwhile, we can directly impact environmentally friendly products and services in the supplier selection process, by ensuring suppliers we select have implemented sustainable measures in their business practices, as described above. In 2024, Nexteer issued a carbon emissions questionnaire to all direct material suppliers with the goal of understanding scope 3 emissions related to our purchased goods. Understanding this data will assist our team in engaging and collaborating with our suppliers to reduce carbon emissions.

SUPPLY CHAIN DISRUPTION & RISK MANAGEMENT

We proactively monitor for potential risks to supply chains through subscriptions to third-party risk management tools. The Nexteer team mobilises company resources to quickly take action to mitigate the impact of supply chain disruptions and works with regional leadership to align and allocate product as necessary. Examples of recent disruptions include force majeure events such as multiple hurricanes in southeast United States & flooding in Brazil causing increased delivery time on shipments. During these significant disruptions, Nexteer maintained close contact with suppliers and carriers, aligned the Nexteer manufacturing network, and engaged with customers to minimise impacts throughout the extended value chain. Furthermore, we conduct reviews of management action plans with our Enterprise Risk Management Committee to ensure continued cross-functional collaboration to improve supply chain risk management framework and practices.

Community

In this section – Community
Our Approach to Community Engagement
Nexteer Cares for Its Community

Nexteer has a long and proud history of engaging in the communities where we live and work. Since our inception, we've been giving back through volunteerism, corporate giving, fundraising, local partnerships and more.

OUR APPROACH TO COMMUNITY ENGAGEMENT

HKEX B8, B8.1

Our approach to acting as a responsible corporate citizen and engaging in our local communities is stipulated in our Nexteer Cares policies. The policies outline how we demonstrate our commitment to community involvement and how we assess community needs in terms of financial and/or contributions of our time.

Our volunteerism and charitable engagement support three focus areas:

- **Proactive community involvement.** Forging partnerships that enhance our relationship with the community through active participation in various board and committee positions. We strive to partner and be a catalyst for positive results.
- **STEM, Careers and education.** Hosting programmes that help create career awareness and build skills for work readiness opportunities for the youth in our communities and strengthen educational opportunities. As a leading technology company, we place a particular focus on expanding access to science, technology, engineering, mathematics (STEM) education. We promote access to STEM resources and opportunities for the development of the future workforce.
- **Strengthening neighbourhoods.** Supporting revitalisation, beautification and sustainability efforts, and promoting diversity and inclusion in the places where we live and work.

NEXTEER CARES FOR ITS COMMUNITY

HKEX B8, B8.2

In the past seven years, we've contributed over US\$2.1 million and more than 100,000 employee volunteer hours to support charitable causes and community programmes globally. In 2024, we contributed over US\$200,000 and our employees supported our communities with more than 13,000 hours sharing their talents. We are proud of this legacy. A special thanks to the entire Nexteer team for their collective creativity and commitment everyday and we look forward to fostering additional engagement and investment in the years to come.

In 2024, Nexteer employees took part in numerous Nexteer Cares initiatives designed to keep neighbourhoods clean, residents healthy and students learning. The following are a few highlights from the year.

2024 Global Community Highlights by Focus Area:

Proactive Community Involvement

Volunteered at a soup kitchen

In December, the Nexteer Women's Collaboration Committee volunteered at a soup kitchen in Saginaw, where we served over 870 meals to individuals in need during the holiday season. Our team members came together with dedication and compassion, demonstrating our commitment to supporting our local community. Working side by side, we not only provided nourishment but also spread warmth and hope to those we served. Together, we are making a meaningful difference, one meal at a time.



Photo from soup kitchen

Community

Medicine Donation to mental health rehabilitation home

In February, the Nexteer India, Chennai team have donated essential medicines and clothing to a mental health rehabilitation home. This initiative aimed to support the facility in providing critical healthcare services to the residents and clothing for the children in their recovery journeys.



Photo from Nexteer India visiting mental health rehabilitation home

Humanitarian Support to others in need

In May 2024, many of our colleagues in Brazil were directly impacted by flooding that devastated the South of Brazil, losing their homes and belongings. In the face of these difficulties, our One Nexteer family showed our spirit of support to our Brazilian team and local community with acts of service and donations. Employees navigated the flooded areas by boat, engaged in rescue operations and actively delivered critical aid and assistance when needed most.

Globally, Team Nexteer demonstrated strong solidarity by swiftly implementing a streamlined process that allowed employees to make personal donations to support those in need. The majority of the funds raised were directed to assist fellow employees facing personal challenges, and Nexteer matched these donations, effectively doubling the impact. This initiative underscores our collective commitment to supporting each other during times of hardship, reflecting Nexteer's core values of compassion and community.



Photo from Nexteer Brazil

STEM, Careers and Education

STEM Commitment and FIRST® Robotics

Nexteer's largest STEM initiative, FIRST® Robotics, continues to thrive as our engineering employees mentor students in various competitions. In 2024, we hosted our annual READY SET LEGO State Qualifying Tournament, allowing hundreds of students in Michigan gain hands-on robotics experience.

Embedded Coding Competition 2024

We held our 3rd Annual Embedded Software Coding Competition for high school students, emphasizing the importance of a skilled workforce in the automotive industry's shift to software-defined vehicles. Through the competition, winners received scholarships and provided internship opportunities at Nexteer.

In 2024, we are proud to have awarded over \$200,000 scholarships to around 170 students.



Community

Hosting information seminar to retirees

Our U.S. Division hosted the Nexteer/Saginaw Steering Gear Alumni Group for the yearly State of the Business meeting. About 30 retirees from the Saginaw site came to reconnect and learn about the company's latest developments.

We deeply appreciate the years of dedication these men and women have given, the lasting legacy they have established in our company, as well as their ongoing support. They continue to keep our communities strong.



Photo from information seminar

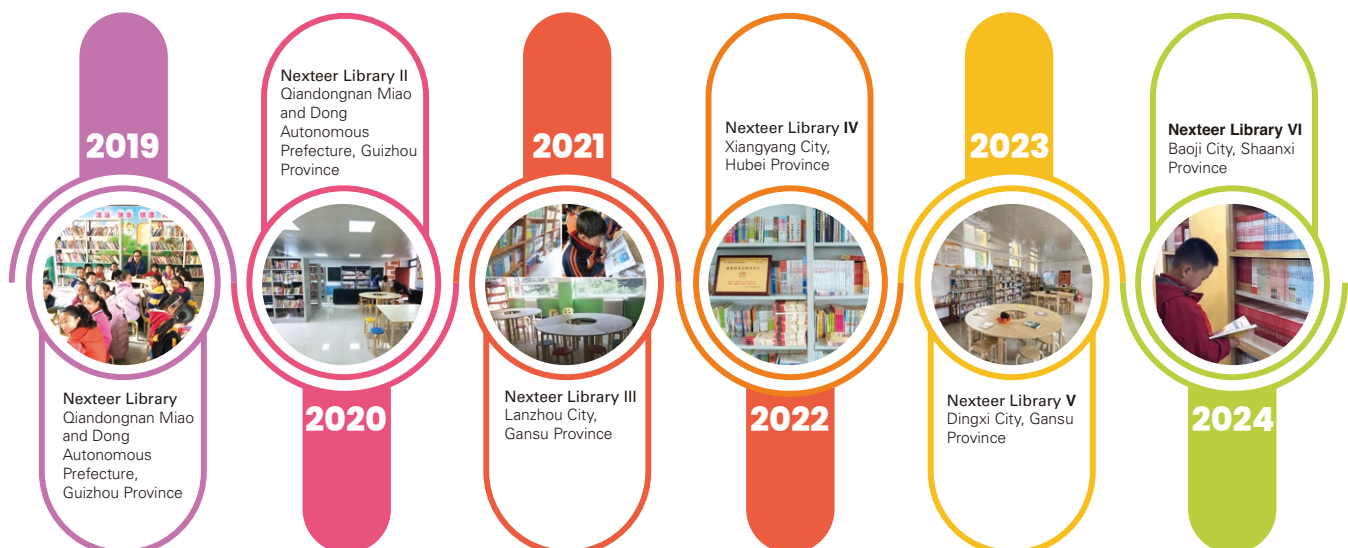
It was great meeting with the Nexteer Alumni group. They arrived with many questions and showed their interest in Nexteer's current state of the business. It was obvious that they have a lot of pride in Nexteer and are interested in our future success.

Michael Hales

Executive Director, Global R&D

6th Nexteer Library in China

Since 2019, Nexteer China has made a significant commitment to enhancing educational opportunities for children in rural areas of China by establishing libraries to encourage learning. In 2024, we are proud to expand our efforts further by inaugurating our sixth library in Shaanxi Province. This new facility continued our mission to support children's education. Our ongoing investment in these libraries reflected our dedication to empower the next generation through access to knowledge and resources.



Community

Nexteer Mexico Delivers Student Scholarship

Our Mexico division recently participated in the symbolic delivery of 2,000 student scholarships in partnership with United Way Mexico and other companies in the automotive sector.

Donation of Books in World Book Day

In celebration of World Book Day, the Nexteer Morocco team hosted a meaningful Nexteer Cares activity by collecting children’s books for donation to a local primary school. By sharing the joy of reading, we aimed to inspire young students to cultivate a lifelong passion for reading and learning.



Photo Nexteer Morocco on World Book Day

Distribution of essentials to schools

In July, our Nexteer, Bangalore team generously donated notebooks, school bags, and yoga attire to school children in India. This initiative not only provided essential supplies to enhance the students’ learning experiences but also promoted physical well-being through yoga. By equipping young minds with the tools they need for education and encouraging healthy habits, we aim to foster a sense of community support and empowerment. We hope this inspires confidence in the children and strengthens the bonds within the community, paving the way for a brighter future for all.



Photos from Nexteer India visiting local schools

Community

Strengthening Neighborhoods

Donation to Child Abuse and Neglect (CAN) Council in Saginaw

Members of Nexteer's Women's Collaboration Committee recently donated more than 50 handmade blankets to the CAN Council in Saginaw, Michigan. We strive to build communities where children are free from abuse and neglect and strive to make a meaningful impact in the local community.



Photo from visiting CAN council in Saginaw, Michigan

Clean-up and planting

As part of our Earth Week celebrations, our global One Nexteer teams support numerous Earth Day activities including planting trees, picking up trash & more. Supporting revitalisation, beautification & sustainability efforts in our local communities are key to our commitment to acting as a responsible corporate citizen.



Photos from Earth Day

Holiday Cheer to Community

In Poland, we joyfully shared the spirit of the holidays our team embraced the magic of the season during our visit to an educational center for treatment and rehabilitation of children and youth in December in addition to multiple visits throughout the year to help with bed transfers.

In Brazil, we delight in bringing happiness to children in need during the holiday season. We read the letters from them, each carrying their holiday wishes and our employees selected and sending gifts to them as their Santa Claus and gifts off magic to their holiday season and hoping to create lasting memories for all involved.



Photo from holiday visit to educational centre

Reporting Indices

HKEX ESG REPORTING GUIDE

HKEX Aspect & KPIs	Relevant Nexteer Focus Area	2024 Response Reference
Focus Area: Environmental		
A1: Emissions Provide information on the policies and compliance with relevant laws and regulations that have a significant impact on Nexteer relating to air and greenhouse gas emissions, discharges into water and land and generation of hazardous and non-hazardous waste	Environmental, Health & Safety	GHG Emissions, Summary of Air Pollutant Emissions (US only), Waste
A1.1: The types of emissions and respective emissions data	Environmental, Health & Safety	GHG Emissions Summary of Air Pollutant Emissions (US only)
A1.2: Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g., per unit of production volume, per facility)	Environmental, Health & Safety	GHG Emissions
A1.3: Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g., per unit of production volume, per facility)	Environmental, Health & Safety	Waste
A1.4: Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g., per unit of production volume, per facility)	Environmental, Health & Safety	Waste
A1.5: Description of emission target(s) set, and steps taken to achieve them	Environmental, Health & Safety	GHG Emissions Metrics and Targets
A1.6: Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set, and steps taken to achieve them	Environmental, Health & Safety	Waste

Reporting Indices

HKEX Aspect & KPIs	Relevant Nexteer Focus Area	2024 Response Reference
A2: Use of resources Provide information on Nexteer's policies on the efficient use of resources, including energy, water and other raw materials	Environmental, Health & Safety	Environmental Management System
A2.1: Direct and/or indirect energy consumption by type (e.g., electricity, gas or oil), in total (kWh in '000s) and intensity (e.g., per unit of production volume, per facility)	Environmental, Health & Safety	Summary of Energy Use by Fuel Type
A2.2: Water consumption in total and intensity (e.g., per unit of production volume, per facility)	Environmental, Health & Safety	Water
A2.3: Description of energy use efficiency target(s) set, and steps taken to achieve them	Environmental, Health & Safety	Environmental Management System Metrics and Targets
A2.4: Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set, and steps taken to achieve them	Environmental, Health & Safety	Water
A2.5: Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced	Environmental, Health & Safety	Packaging
A3: The Environment and Natural Resources Provide a description of Nexteer's policies on minimising the company's significant impact on the environment and natural resources	Environmental, Health & Safety	Environmental Management System, Land Use & Biodiversity
A3.1: Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	Environmental, Health & Safety	Land Use & Biodiversity

HKEX Aspect & KPIs	Relevant Nexteer Focus Area	2024 Response Reference
<p>A4: Climate Change Provide a description of policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact Nexteer</p>	Environmental, Health & Safety	Our Approach to Climate Change
<p>A4.1: Description of the significant climate-related issues which have impacted, and those which may impact Nexteer, and the actions taken to manage them</p>	Environmental, Health & Safety	Our Approach to Climate Change
Focus Area: Social		
<p>B1: Employment Provide information on the policies and compliance with relevant laws and regulations that have a significant impact on Nexteer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination and other benefits and welfare</p>	Business Ethics	Employment Practices & Compliance
<p>B1.1: Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region</p>	Business Ethics	Our Workforce
<p>B1.2: Employee turnover rate by gender, age group and geographical region</p>	Business Ethics	Employee Turnover
<p>B2: Health and Safety Provide information on the policies and compliance with relevant laws and regulations that have a significant impact on Nexteer relating to providing a safe working environment and protecting employees from occupational hazards</p>	Environmental, Health & Safety	Keeping Our People Healthy & Safe
<p>B2.1: Number and rate of work-related fatalities occurred in each of the past three years including the reporting year</p>	Environmental, Health & Safety	Keeping Our People Healthy & Safe
<p>B2.2: Lost days due to work injury</p>	Environmental, Health & Safety	Keeping Our People Healthy & Safe
<p>B2.3: Description of occupational health and safety measures adopted, how they are implemented and monitored</p>	Environmental, Health & Safety	Keeping Our People Healthy & Safe

Reporting Indices

HKEX Aspect & KPIs	Relevant Nexteer Focus Area	2024 Response Reference
B3: Development and Training Provide information on the policies improving employees' knowledge and skills for discharging duties at work. Description of training activities	Business Ethics	Talent Development
B3.1: The percentage of employees trained by gender and employee category (e.g., senior management, middle management)	Business Ethics	Employee Training
B3.2: The average training hours completed per employee by gender and employee category	Business Ethics	Employee Training
B4: Labour Standards Provide information on the policies and compliance with relevant laws and regulations that have a significant impact on Nexteer relating to preventing child and forced labour	Business Ethics	Upholding Human Rights & Labour Standards
B4.1: Description of measures to review employment practices to avoid child and forced labour	Business Ethics	Upholding Human Rights & Labour Standards
B4.2: Description of steps taken to eliminate such practices when discovered	Business Ethics	Upholding Human Rights & Labour Standards
B5: Supply Chain Management Provide information on Nexteer's policies on managing environmental and social risks of the supply chain	Supply Chain	Our Supplier Expectations How We Assess Suppliers
B5.1: Number of suppliers by geographical region	Supply Chain	Our Suppliers & Partners
B5.2: Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored	Supply Chain	Building Positive Supplier Relationships How We Assess Suppliers
B5.3: Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored	Supply Chain	Our Supplier Expectations How We Assess Suppliers

Reporting Indices

HKEX Aspect & KPIs	Relevant Nexteer Focus Area	2024 Response Reference
B5.4: Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored	Supply Chain	Encouraging Environmentally Responsible Practices
B6: Product Responsibility Provide information on the policies and compliance with relevant laws and regulations that have a significant impact on Nexteer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress	Value Creation	Prioritising Product Safety & Quality
B6.1: Percentage of total products sold or shipped subject to recalls for safety and health reasons	Value Creation	Consumer Safety
B6.2: Number of products and service-related complaints received and how they are dealt with	Value Creation	Quality Assurance Process Consumer Safety
B6.3: Description of practices relating to observing and protecting intellectual property rights	Value Creation	Our Focus on Research & Development
B6.4: Description of quality assurance process and recall procedures	Value Creation	Quality Assurance Process Consumer Safety
B6.5: Description of consumer data protection and privacy policies, how they are implemented and monitored	Value Creation	Cybersecurity
B7: Anti-Corruption Provide information on the policies and compliance with relevant laws and regulations that have a significant impact on Nexteer relating to bribery, extortion, fraud and money laundering	Business Ethics	Preventing Corruption
B7.1: Number of concluded legal cases regarding corrupt practices brought against Nexteer or its employees during the reporting period and the outcomes of the cases	Business Ethics	Preventing Corruption
B7.2: Description of preventive measures and whistleblowing procedures, how they are implemented and monitored	Business Ethics	Preventing Corruption
B7.3 Description of anti-corruption training provided to directors and staff	Business Ethics	Preventing Corruption

Reporting Indices

HKEX Aspect & KPIs	Relevant Nexteer Focus Area	2024 Response Reference
<p>B8: Community Investment Provide information on the policies on community engagement to understand the needs of the communities where Nexteer operates and to ensure its activities take into consideration the communities' interests</p>	Community	<p>Our Approach to Community Engagement</p> <p><i>Nexteer Cares</i> for its Communities</p>
B8.1: Focus areas of contribution (e.g., educational, environmental concerns, labour needs, health, culture, sport)	Community	Our Approach to Community Engagement
B8.2: Resources contributed (e.g., money or time) to the focus area	Community	<i>Nexteer Cares</i> for its Communities

GRI INDEX

Statement of use	Nexteer Automotive has reported the information cited in this GRI content index for the period of January 1 2024, to December 31, 2024, with reference to the GRI Standards
GRI 1 used	GRI 1: Foundation 2021

Title	Disclosure	GRI Standards Disclosure Title	2024 Response Reference
General	2-1	Organisational details	Annual Report, Corporate Profile
	2-2	Entities included in the organisation’s sustainability reporting	About This Report
	2-3	Reporting period, frequency and contact point	About this Report
	2-4	Restatements of information	About this Report
	2-5	External assurance	This report has not been externally verified
	2-6	Activities, value chain, and other business relationships	About Nexteer
	2-7	Employees	Our People
	2-9	Governance structure and composition	Annual Report, Corporate Governance Report
	2-10	Nomination and selection of the highest governance body	Annual Report, Corporate Governance Report
	2-11	Chair of the highest governance body	Annual Report, Corporate Governance Report
	2-12	Role of the highest governance body in overseeing the management of impacts	Managing Sustainability at Nexteer
	2-13	Delegation of responsibility for managing impacts	Managing Sustainability at Nexteer
	2-14	Role of the highest governance body in sustainability reporting	Managing Sustainability at Nexteer

Reporting Indices

Title	Disclosure	GRI Standards Disclosure Title	2024 Response Reference
	2-15	Conflicts of interest	Annual Report, Directors' Report, Corporate Governance Report Business Code of Conduct
	2-16	Communication of critical concerns	Annual Report, Corporate Governance Report Company Website https://www.nexteer.com/
	2-17	Collective knowledge of the highest governance body	Annual Report, Corporate Governance Report
	2-19	Remuneration policies	Annual Report, Corporate Governance Report
	2-20	Process to determine remuneration	Annual Report, Corporate Governance Report
	2-22	Statement on sustainable development strategy	Leadership Message
	2-23	Policy commitments	Our policy commitments include the following (several policies are publicly available, while others are internal documents): <ul style="list-style-type: none"> – Business Code of Conduct – Supplier Code of Conduct – Environmental Policy – Health and Safety Policy
	2-24	Embedding policy commitments	Business Code of Conduct
	2-26	Mechanisms for seeking advice and raising concerns	Strong Governance Practices
	2-27	Compliance with laws and regulations	Ethics, Compliance & Integrity

Reporting Indices

Title	Disclosure	GRI Standards Disclosure Title	2024 Response Reference
	2-28	Membership associations	Some of our membership associations include: <ul style="list-style-type: none"> - Automotive Industry Action Group (AIAG) Environmental Sustainability Advisory Group and China Quality Advisory Committee - Board.Org – CSR Council - Business Leaders for Michigan - EcoVadis - European Association of Automotive Suppliers (CLEPA) - Hang Seng Corporate Sustainability Benchmark Index - Inforum - MICHauto - Michigan Chamber of Commerce - Michigan Manufacturers Association Environmental Policy Committee Council - National Safety Council - NQC/Supplier Assurance - Original Equipment Suppliers Association (OESA)/MEMA - Silesia Automotive and Advanced Manufacturing (SA&AM Cluster) – Poland (local Silesian) - Society of Automotive Engineers International - Society of Automotive Engineers Women’s Engineering Committee
	2-29	Approach to stakeholder engagement	Our Approach to Materiality

Reporting Indices

Title	Disclosure	GRI Standards Disclosure Title	2024 Response Reference
Material Topics	3-1	Process to determine material topics	Our Approach to Materiality
	3-2	List of material topics	Our Approach to Materiality
	3-3	Management of material topics	Throughout the full Sustainability Report
Economic Performance	201-1	Direct economic value generated and distributed	Annual Report, Consolidated Balance Sheet
	201-2	Financial implications and other risks and opportunities due to climate change	Our Approach to Climate Change
	201-3	Defined benefit plan obligations and other retirement plans	Annual Report, Notes to the Consolidated Financial Statements
Indirect Economic Impacts	203-2	Significant indirect economic impacts	Our <i>Nexteer Cares</i> Approach
Anti-corruption	205-2	Communication and training about anti-corruption policies and procedures	Preventing Corruption
	205-3	Confirmed incidents of corruption and actions taken	Nexteer had no confirmed incidents of corruption in 2024
Anti-competitive Behaviour	206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	Nexteer had no legal proceedings associated with anti-competitive behaviour regulations in 2024
Energy	302-1	Energy consumption within the organisation	Summary of Energy Use by Fuel Type
	302-3	Energy intensity	Summary of Energy Use by Fuel Type
	302-4	Reduction of energy consumption	Summary of Energy Use by Fuel Type
	302-5	Reductions in energy requirements of products and services	Designing Products That Drive Sustainable Solutions in Mobility

Reporting Indices

Title	Disclosure	GRI Standards Disclosure Title	2024 Response Reference
Water	303-1	Interactions with water as a shared resource	Water
	303-5	Water consumption	Water
Biodiversity	304-2	Significant impacts of activities, products, and services on biodiversity	Land Use & Biodiversity
Emissions	305-1	Direct (Scope 1) GHG emissions	GHG Emissions
	305-2	Energy indirect (Scope 2) GHG emissions	GHG Emissions
	305-3	Other indirect (Scope 3) GHG emissions	GHG Emissions
	305-7	Nitrogen oxides (NO _x), sulphur oxides (SO _x), and other significant air emissions	Summary of Air Pollutant Emissions (US only)
Waste	306-1	Waste generation and significant waste-related impacts	Waste
	306-2	Management of significant waste-related impacts	Waste
	306-3	Waste generated	Waste
	306-4	Waste diverted from disposal	Waste
	306-5	Waste directed to disposal	Waste
Supplier Environmental Assessment	308-1	New suppliers that were screened using environmental criteria	Our Supplier Expectations
Employment	401-1	New employee hires and employee turnover	Our People

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Title	Disclosure	GRI Standards Disclosure Title	2024 Response Reference
Occupational Health and Safety	403-1	Occupational health and safety management system	Keeping Our People Healthy & Safe
	403-2	Hazard identification, risk assessment, and incident investigation	Keeping Our People Healthy & Safe
	403-4	Worker participation, consultation, and communication on occupational health and safety	Nexteer's Ergo Cup Competition
	403-5	Worker training on occupational health and safety	H&S Training & Awareness
	403-6	Promotion of worker health	Keep Our People Healthy & Safe
	403-8	Workers covered by an occupational health and safety management system	Keeping Our People Healthy & Safe
	403-9	Work-related injuries	Keeping Our People Healthy & Safe
	403-10	Work-related ill health	Keeping Our People Healthy & Safe
Training and Education	404-1	Average hours of training per year per employee	Employee Training
	404-2	Programs for upgrading employee skills and transition assistance programs	Talent Development
Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	Our Workforce
Supplier Social Assessment	414-1	New suppliers that were screened using social criteria	Our Supplier Expectation
Customer Health and Safety	416-1	Assessment of the health and safety impacts of product and service categories	Prioritising Product Safety & Quality
	416-2	Incidents of noncompliance concerning the health and safety impacts of products and services	Prioritising Product Safety & Quality

SASB REPORTING INDEX

Nexteer included SASB disclosures where similar information is provided in our Sustainability Report and other public documents. Below is a partial list of the SASB disclosures for the Auto Parts Industry and our responses (if already deemed available under our primary reporting framework, pursuant to HKEX ESG Reporting Guide).




Topic	Accounting Metric	Code	2024 Response Reference
Energy Management	(1). Total energy consumed, (2). percentage grid electricity, (3). percentage renewable	TR-AP-130a.1	GHG Emissions
Waste Management	(1). Total amount of waste from manufacturing, (2). percentage hazardous, (3). percentage recycled	TR-AP-150a.1	Waste
Product Safety	Number of recalls issued; total units recalled	TR-AP-250a.1	Product Responsibility
Materials Sourcing	Description of the management of risks associated with the use of critical materials	TR-AP-440a.1	Packaging
Competitive Behaviour	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behaviour regulations	TR-AP-520a.1	Nexteer had no legal proceedings associated with anti-competitive behaviour regulations in 2024










Reporting Indices

UN SDGS

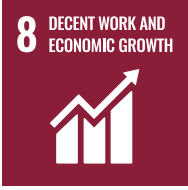





The 2030 Agenda for Sustainable Development was adopted by all United Nations Member States in 2015, and provides a shared blueprint for achieving peace, prosperity, and environmental sustainability now and for generations to come. At the heart of this agenda are 17 global goals, known as the United Nations Sustainable Development Goals (UN SDGs).



While these goals are an urgent call for action by all countries working together in global partnership, we believe all global companies like ours also have a role to play in achieving this important agenda. In the table below, we have mapped our five sustainability focus areas to the most relevant targets within these 17 goals and provided examples of the type(s) of impacts we are making to contribute to their achievement.

UN SDG	Relevant Nexteer Focus Area	Most Relevant SDG Targets	Examples of Nexteer's Contributions
 <p>3 GOOD HEALTH AND WELL-BEING</p>	    	<p>3.6 By 2020, halve the number of global deaths and injuries from road traffic accidents</p> <p>3.9 By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination</p>	<p>Culture:</p> <ul style="list-style-type: none"> • Culture of Health and Safety <p>Recognition:</p> <ul style="list-style-type: none"> • International Recognition for Health and Safety <p>Workforce:</p> <ul style="list-style-type: none"> • Nexteer Global Code of Conduct • Governance <p>Suppliers:</p> <ul style="list-style-type: none"> • Nexteer Supplier Requirements <p>Communities:</p> <ul style="list-style-type: none"> • Giving Back Throughout the Year <p>Products:</p> <ul style="list-style-type: none"> • Product Responsibility <p>Environmental Management:</p> <ul style="list-style-type: none"> • GHG Emissions • Water • Hazardous and Non-Hazardous Wastes

UN SDG	Relevant Nexteer Focus Area	Most Relevant SDG Targets	Examples of Nexteer's Contributions
 <p>4 QUALITY EDUCATION</p>		<p>4.3 By 2030, ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university</p> <p>4.5 By 2030, eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples and children in vulnerable situation</p>	<p>Communities:</p> <ul style="list-style-type: none"> • Investments in STEM and Provision of Scholarships • Community engagement and support for expanding access to STEM education to young girls and women • Steering the Future Fund • Giving Back Throughout the Year
 <p>5 GENDER EQUALITY</p>	  	<p>5.1 End all forms of discrimination against all women and girls everywhere</p> <p>5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision making in political, economic and public life</p> <p>5.b Enhance the use of enabling technology, in particular information and communications technology, to promote the empowerment of women</p>	<p>Workforce:</p> <ul style="list-style-type: none"> • Nexteer Global Code of Conduct • Respect, Inclusion, Support, Equity (RISE) programme • Training and development, engagement, inclusion and belonging programme <p>Suppliers:</p> <ul style="list-style-type: none"> • Nexteer Supplier Requirements
 <p>7 AFFORDABLE AND CLEAN ENERGY</p>	 	<p>7.2 By 2030, increase substantially the share of renewable energy in the global energy mix</p> <p>7.3 By 2030, double the global rate of improvement in energy efficiency</p> <p>7.a By 2030, enhance international cooperation to facilitate access to clean energy research and technology, including renewable energy, energy efficiency and advanced and cleaner fossil-fuel technology, and promote investment in energy infrastructure and clean energy technology</p>	<p>Operations:</p> <ul style="list-style-type: none"> • Energy efficiency

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UN SDG	Relevant Nexteer Focus Area	Most Relevant SDG Targets	Examples of Nexteer's Contributions
 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>		<p>8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value</p>	<p>Workforce:</p> <ul style="list-style-type: none"> Nexteer Global Code of Conduct <p>Supply Chain Management:</p> <ul style="list-style-type: none"> Nexteer Supplier Requirements and General Terms and Conditions Supplier CSR Principles
 <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>	 	<p>9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities</p> <p>9.5 Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries, in particular developing countries, including, by 2030, encouraging innovation and substantially increasing the number of research and development workers per 1 million people and public and private research and development spending</p>	<p>Operations:</p> <ul style="list-style-type: none"> New state of the art training facilities <p>Innovation:</p> <ul style="list-style-type: none"> Nexteer Innovation Hall of Fame Patents filed and issued Serving the electric vehicle market <p>Communities:</p> <ul style="list-style-type: none"> Investments in Science, Technology, Engineering and Math disciplines and research
 <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p>		<p>11.6 By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management</p>	<p>Operations:</p> <ul style="list-style-type: none"> GHG emissions <p>Innovation:</p> <ul style="list-style-type: none"> Electrification Products and services that enable emissions reductions

UN SDG	Relevant Nexteer Focus Area	Most Relevant SDG Targets	Examples of Nexteer's Contributions
 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>		<p>12.2 By 2030, achieve the sustainable management and efficient use of natural resources</p> <p>12.4 By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimise their adverse impacts on human health and the environment</p> <p>12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse</p>	<p>Operations:</p> <ul style="list-style-type: none"> • Environmental Management System <p>Supply Chain Management:</p> <ul style="list-style-type: none"> • Supplier CSR Principles