



2021

SUSTAINABILITY REPORT



A LEADER IN INTUITIVE MOTION CONTROL

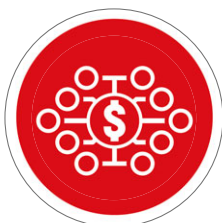
NEXTEER AUTOMOTIVE GROUP LIMITED

耐世特汽車系統集團有限公司

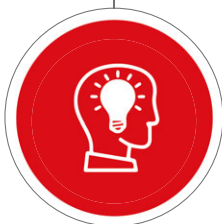
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Incorporated under the laws of the Cayman Islands with limited liability

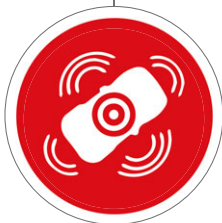
OUR STRATEGY FOR PROFITABLE GROWTH



Expand & Diversify
Revenue Base



Strengthen
Technology Leadership



Capitalise on EPS
as Enabler for ADAS



Optimise
Cost Structure



Pursue Select
Acquisitions & Alliances

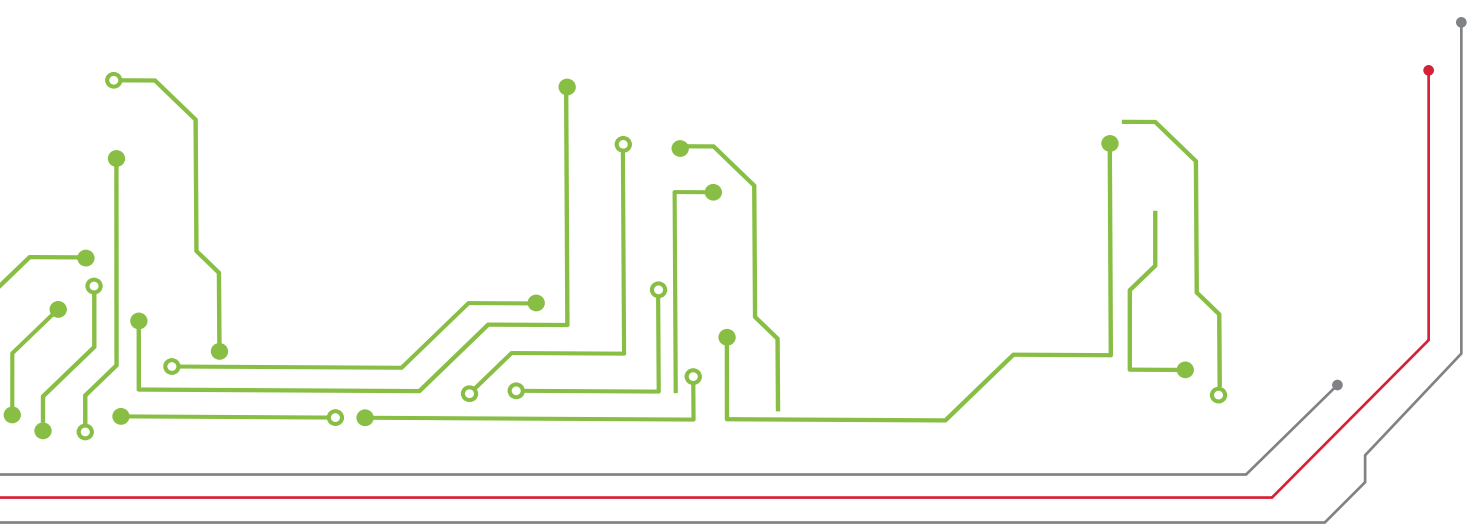


Target China &
Emerging Markets



Contents

A Message from Leadership	2
About Nexteer	4
Sustainability at Nexteer	8
Business Ethics	15
Value Creation	26
Environmental, Health & Safety	36
Supply Chain	53
Community	57
Reporting Indices	60



A Message From **Leadership**

Our *One Nexteer culture* encourages all employees to embrace sustainability – empowering every one of us, in every Nexteer location, with the freedom to go beyond our defined scope of work, to explore, understand, suggest and continue to improve how we make tomorrow better than today.



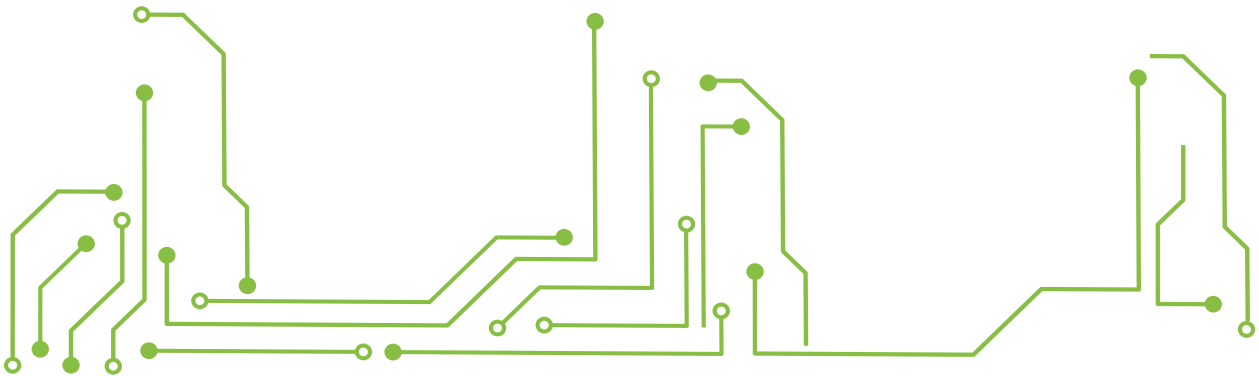
Robin Milavec

The importance of Environmental, Social and Governance (ESG) efforts cannot be overstated. As the Chair of our Sustainability Steering Committee, I'm honoured to introduce Nexteer's 2021 Sustainability Report, capturing our progress against all facets of ESG. Our approach to managing sustainability is organised into five focus areas: Business Ethics, Supply Chain, Environmental, Health & Safety, Value Chain, and Community. I summarise a few 2021 highlights here:

Business Ethics. Any workplace and company culture starts with a solid foundation of ethics and integrity, strong governance practices and the utmost respect for human and labour rights. In 2021, we introduced our global SmartWork policy to offer employees more flexibility in where and when they work. We continue to develop opportunities for employees to learn and aspire to leadership at Nexteer. Building on the 2020 launch of our Diversity, Equity and Inclusion programme, RISE (Respect, Inclusion, Support, Equity), we further defined parameters of the programme and explored ways to make a greater impact. Our global teams also celebrated International Women's Day.

Value Creation. Without innovation, we wouldn't be Nexteer. In fact, innovation is at the heart of our shared vision statement: "We are the leading motion control technology company that accelerates mobility to be safe, green and exciting." To turn our vision into reality, we focus our efforts on key industry megatrends: Electrification, software/connectivity, mobility as a service and advanced driver assistance systems (ADAS)/automated driving (AD). We continued to invest in engineering in 2021, spending \$271 million in research and development. I'm particularly proud of our *Automotive News* PACEPilot Innovation to Watch awards for our Steer-by-Wire (SbW) with Stowable Steering Column technologies, and Brake-to-Steer technology from our joint venture with Continental, CNXMotion; as well as Consumer Electronics Show (CES) Innovation Awards for SbW with Stowable Steering Column technologies and Automated Steering Actuator technology. As the automotive industry transitions to electrification and automation, Nexteer has an incredibly important role to play. Our products are a natural solution for a low-carbon economy.

Environmental, Health & Safety. Taking action on climate is an urgent issue for our world. At Nexteer, we're making significant strides in our climate change strategy. Since its formation in 2020, our cross-



functional Climate Change Task Force has led various climate initiatives and in 2021, continued to amplify efforts collaborating with division teams, such as conducting physical and transition risk assessments, considering climate scenarios, collaborating on climate target-setting evaluation and exploring renewable energy options globally. From a health and safety perspective, I'm pleased to see some of our lowest metrics in the last nine years.

Supply Chain. Our suppliers. Our partners. We recognise and appreciate our supply base as our extended business framework. In 2021, we implemented a new self-assessment sustainability questionnaire process to assess suppliers on their compliance to our Corporate Social Responsibility (CSR) Supplier Principles. These Principles communicate our environmental and social expectations of our suppliers, including that suppliers establish an Environmental Policy Statement within their organisation and seek environmental training. We continued to face supply chain disruptions in 2021 but our teams have been able to quickly mobilise and minimise impacts to our production.

Community. Put simply, *Nexteer Cares*. Through our CSR programme over the past few years, we've contributed more than \$2.1 million and more than 72,000 employee volunteer hours to support charitable

causes and programmes in the communities where we live and work around the world. Our COVID-19 efforts continued in 2021 through vaccination clinics, supporting local health departments and sharing supplies when possible. Furthermore, many of our our global colleagues are service-minded and deeply committed to positively impacting their communities.

It's because of these collective efforts that Nexteer was, for the third year in a row, recognised by *Newsweek* as one of America's Most Responsible Companies. Thank you to our employees, suppliers, customers, communities and many others who helped make this possible. Take a moment to reflect on the inspiring results of our collective efforts highlighted in this report – and let this progress propel us forward in making tomorrow better than today.

Sincerely,

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

About Nexteer

Nexteer Automotive is a global leader in advanced steering and driveline systems, as well as ADAS and AD enabling technologies. In-house development and full systems integration of hardware, software and electronics give Nexteer a competitive advantage as a full-service supplier.

As a leader in intuitive motion control, our continued focus and drive is to leverage our design, development and manufacturing strengths in advanced steering and driveline systems that provide differentiated and value-added solutions to our customers. We develop innovative solutions that enable a new era of safety and performance for all levels of ADAS/AD, as well as supporting all modes of vehicle propulsion be it traditional internal combustion, hybrid or pure electric systems. Overall, we are making driving safer, greener and fun for today's world and for an increasingly electrified and automated future.

Our ability to seamlessly integrate our systems into automotive OEM vehicles is a testament to our more than 110-year heritage of vehicle integration expertise and product craftsmanship. Our *One Nexteer culture*

inspires employees to achieve personal and corporate growth by focusing on the Company's core values across all aspects of the Company: people first, operational excellence and enterprise growth.

We aim to be the partner of choice for our customers and suppliers by delivering dependable, 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 driveline 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

GEOGRAPHICAL FOOTPRINT





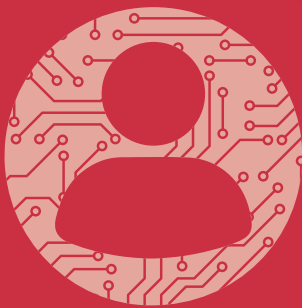
COMPANY OVERVIEW

Locations on
6 continents



60+ CUSTOMERS
GLOBALLY

~12,000
Employees



56% of
SALARIED EMPLOYEES
in **TECHNICAL**
ROLES*

US\$ 3.4B
REVENUE



US\$ 26.8B
BACKLOG

4 **TECH & SOFTWARE CENTRES**



4 **PRODUCT LINES**

- ELECTRIC POWER STEERING
- COLUMNS & INTERMEDIATE SHAFTS
- DRIVELINE SYSTEMS
- HYDRAULIC POWER STEERING

* In 2021, 56% of Nexteer's total salaried workforce was committed to Engineering activities.



Business Ethics

Nexteer recognises that being a good corporate citizen is making a positive impact where we do business, which is the basis for sustainability. We do this by adhering to our global Code of Conduct, working towards achieving greater accountability to non-traditional stakeholders and ensuring continuous improvement of sustainability reporting practices.



Supply Chain

Nexteer is dedicated to providing best-in-class technology, quality and value to every customer, every day. To achieve that goal, we must 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.

NEXTEER'S FIVE

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 commit to comply with laws, regulations and our requirements for environmental protection
- 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 are 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
- By partnering with winning automotive original equipment manufacturers (OEMs)
- By growing geographic, customer and vehicle platform diversity



KEY FOCUS AREAS

Community

Nexteer embraces corporate citizenship by:

- Seeking 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 Science, Technology, Engineering and Math (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

In this section – Sustainability at Nexteer
 Nexteer's Five Key Focus Areas
 2021 Sustainability Highlights and Recognitions
 Managing Sustainability at Nexteer
 About this Report
 Our Approach to Materiality
 Stakeholder Engagement

Sustainability at **Nexteer**

Our approach to managing key sustainability issues is organised into five focus areas: Business Ethics, Supply Chain, Environmental, Health & Safety, Value Creation, and Community. Taken together, these areas represent our corporate sustainability framework. Each focus area is described on the previous two pages.



A Nexteer engineer works in a lab.

2021 SUSTAINABILITY HIGHLIGHTS AND RECOGNITIONS

Following is a sampling of our 2021 sustainability highlights and recognitions across our five focus areas. Please see our 2021 Annual Report for more.

Business Ethics

- Named as one of America's Most Responsible Companies by *Newsweek* for third consecutive year
- Recognised as a Great Place to Work® in Brazil and Morocco

Supply Chain

- Named a GM Supplier of the Year by General Motors for second consecutive year

Environmental, Health & Safety

- Executed renewable energy agreement in Mexico to address approximately 80% of the energy our Mexico operations consume

Value Creation

- Recognised as 2021 *Automotive News* PACEpilot Innovation to Watch for our innovative combination of SbW with Stowable Steering Column technologies
- Honoured with two CES 2022 Innovation Awards for SbW with Stowable Steering Column and Automated Steering Actuator
- Received National Association of Manufacturers' 2021 Manufacturing Leadership Award for Enterprise Integration Technology Leadership
- Received CSO50 Award from IDG's *CSO* for Innovative Cybersecurity Framework
- Invested \$271 million in research & development (R&D)
- Employ more than half of Nexteer's salaried staff as scientists, engineers or other technical employees
- Estimated 25% of electric power steering (EPS), Column & Intermediate Shaft (CIS) and Driveline Backlog related to electric vehicle (EV) applications

Community

- Contributed more than 72,000 hours of employee community service in the past five years

Sustainability at Nexteer

MANAGING SUSTAINABILITY AT NEXTEER

Nexteer manages sustainability through its three-tiered sustainability governance structure:



Our **Sustainability Monitoring and Reporting Framework** (SMRF) guides our external disclosures, which is aligned to the Environmental, Social and Governance Reporting Guide, as set out in Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the HKEX ESG Reporting Guide). We review and update the SMRF annually to reflect our material topics (see page 13) and to ensure continued alignment with applicable reporting requirements.

Board of Directors

Our Board of Directors oversee ESG issues and material aspects. This includes reviewing and approving our materiality matrix and Sustainability Report. For more information about our general governance practices, please see page 15.

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 2021, the SSC continued to meet regularly and on an ad hoc basis to provide leadership insights to promote sustainability efforts. For example, the SSC:

- Co-sponsored a "Sustainability Insights" leadership panel discussion to increase awareness on our overall sustainability framework and special topics such as innovation, climate, and energy efficiency
- Incorporated sustainability in strategic forum and breakout discussion sessions at the Global Leadership Conference
- Reviewed and approved ESG material topics as a part of the materiality assessment process
- Evaluated key findings and subject matter expert recommendations from climate risk assessments
- Reported ESG material aspects to the Board of Directors and/or its Audit and Compliance Committee
- Provided leadership insight to enhance our new vision statement, embracing sustainability mindset

Sustainability at Nexteer

Sustainability Work Group

Nexteer's SWG members are tasked with developing sustainability initiatives and policies and working with leadership to directly impact Nexteer's sustainability strategy, direction and performance. Specific cross-functional team efforts include:

- Collaborating the annual sustainability report, including gathering data and content
- Establishing targets and key performance indicators
- Reviewing and updating material topics
- Regularly reviewing and revising Nexteer's SMRF to adapt to changing conditions
- Monitoring identified and emerging risks and trends in sustainability and assisting with appropriate risk treatment
- Serving as ambassadors to cultivate and promote a culture of sustainability throughout the company

Additionally, Nexteer's Climate Change Task Force (CCTF) – a subset of our SWG – coordinates efforts for identifying and assessing climate risks within the organisation. See page 37 for more information.

Membership within the SWG is assessed annually to ensure members serve in roles and responsibilities that directly impact Nexteer's sustainability framework, and pursuant to the HKEX ESG reporting requirements. Members of Nexteer's SWG meet regularly to assess progress, share best practices and develop action plans.

*As the "Inner-Circle" jointly collaborating in Nexteer's sustainability initiatives, we proudly share evidence of the ripple effects sweeping across the organization to **"Grow the Green Circle of Sustainability"**. Our One Nexteer mindset, **empowers each and every one of us**, with the freedom to go beyond our defined scope of work, as we continue to explore and advance our sustainability journey in pursuit of a better tomorrow!*

The "Inner-Circle", a.k.a.
Virginia Li – Director of Sustainability
Jason Hatfield – Director of Global EHS
Jonas Regenfuss – Legal Director of EMEASA Division

ABOUT THIS REPORT

This is Nexteer Automotive Group Limited's (Nexteer, Nexteer Automotive, or the Company) sixth official annual sustainability report. Our sustainability report is an important way in which we communicate progress against our sustainability goals and targets as well as how our actions can support the United Nations Sustainable Development Goals (UN SDGs). We strive to report on progress in a balanced and transparent manner and view the publication of this report as one of many ways in which we fulfil our obligations as a good corporate citizen.

We self-declare this report complies with applicable requirements and reporting principles set forth in the HKEX ESG Reporting Guide. 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 the GRI Standards. See Appendices on page 60 for Nexteer's reporting indices per HKEX ESG, GRI and UN SDGs.

This sustainability report includes information about Nexteer Automotive's performance for our 2021 fiscal year 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. Other than relevant updates noted in Environmental section, there is no significant change in the boundary and scope of this sustainability report from that of our 2020 Sustainability Report. Information about the standards, methodologies, assumptions and/or 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 is reviewed by Nexteer's SWG and SSC, jointly with the Disclosure Committee, and the Board of Directors.

Sustainability at Nexteer

In addition to publishing an annual sustainability report, Nexteer provides sustainability related information to meet specific requests from OEMs. We also provide information to CDP (formerly the Carbon Disclosure Project) and benchmark our sustainability performance through EcoVadis, a third-party firm that provides corporate social responsibility (CSR) ratings and scorecards by industry. We continue to monitor our performance against these and other external scorecards and rankings, and strive for increased transparency, completeness, and accountability to our stakeholders.

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
nexmeer.sustainability@nexteer.com

OUR APPROACH TO MATERIALITY

Material topics for Nexteer are topics that can have a direct or indirect impact on our ability to create, preserve or erode economic, environmental and social value for us, our stakeholders and society at large. Opportunities and risks which are most important to our stakeholders, the economy, environment, society and the organisation merit particular focus in our sustainability strategy and framework, therefore deserving significant attention in our sustainability report.

As an organisation committed to reporting on sustainability topics, sharing our process and thresholds used to determine which topics are material is an important part of this commitment.

Our first materiality assessment was completed in 2015. It led to the creation of our five sustainability focus areas that remain valid today. In 2018, we made minor adjustments to our material topics to better reflect our understanding of our stakeholders' needs and concerns, and to reflect additional input provided by our stakeholders.

For reporting years of 2019 and 2020, we proactively undertook comprehensive review of our material topics and broadened our approach to include specific feedback from a variety of internal and external stakeholders. The overall process involved three key steps:

1. We conducted a comprehensive review of publicly available information to generate a long list of potential material topics. We reviewed information provided by stock market indices, industry and globally recognised sustainability reporting protocols and guidelines, third-party sustainability and corporate social responsibility evaluation frameworks, and sustainability reports published by several of our peers and key customers.
2. We further evaluated and refined this list of potential material topics through an extensive stakeholder engagement process which included digital surveys distributed to our Board of Directors, management committee – the Global Operating Committee (GOC), employees, customers, investors and suppliers. Our stakeholders are 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 are also ranked according to their potential impact on broader social expectations.
3. Once the survey results were received and analysed, we applied weighting based on professional judgment and external perspectives like sustainability reporting protocols and guidelines, third-party ESG rating and ranking organisations, investors' ESG methodologies and others. Topics that were consistently emphasized through these mechanisms were ultimately be given more weight in our materiality assessment, increasing in importance on our matrix.

In 2021, we refreshed our materiality assessment by surveying our GOC, employees and suppliers. We then followed step three above to consider methodology updates from investors, third-party ESG rating and ranking organisations, as well as business coalition and/or non-profit organisations. Finally, we incorporated feedback collected from investors and customer conversations and requests for information.

Sustainability at Nexteer

Our Materiality Process



In 2021, most material topics remain in a similar range on our matrix as prior years. However, some key changes have been noted:

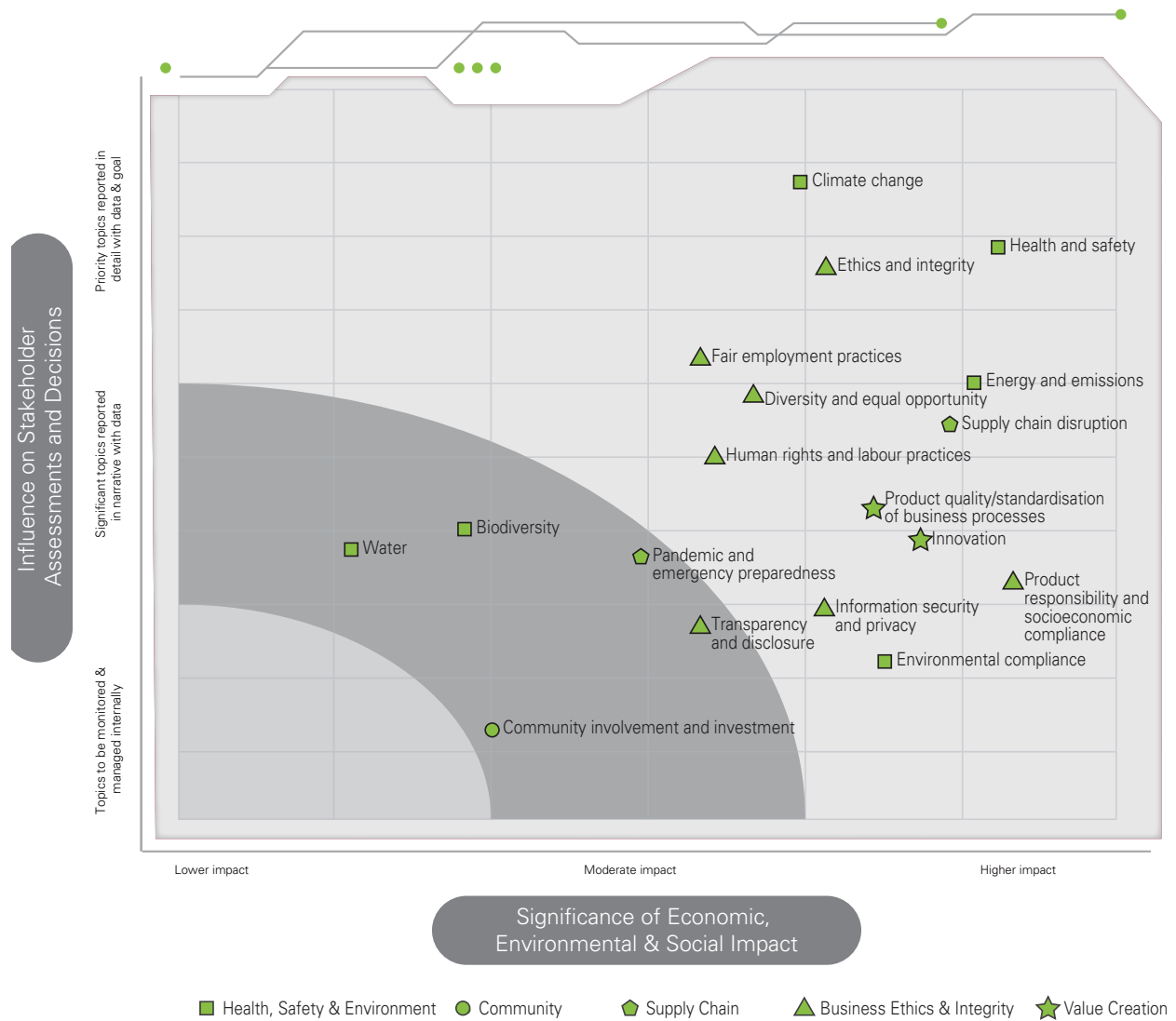
- **Supply chain disruption** is a new material topic we added given our industry and the COVID-19 pandemic. The materiality assessment plotted this topic in our higher impact category. Please see page 56 for how we are managing supply chain disruption.
- **Climate change** increased in importance given its emphasis with our customers and suppliers, as well as nearly all external sustainability reporting protocols and guidelines, third-party ESG rating and ranking organisations, investors' ESG methodologies regulators, and others. As we look to evolve our climate change strategy (see page 37), our GOC also recognises the priority that needs to be given to this topic.
- **Energy** increased in importance over last year's results given its direct relationship with emissions and climate change impacts. This topic continues to be a priority for our operation team, who is implementing energy efficiency projects and exploring renewable sources to enhance costs while balancing environmental sustainability efforts (see page 38).

- Topics relating to talent – **fair employment practices and labour relations, human rights and labour practices, and diversity and equal opportunity** – have all retained their importance as areas of higher impact for Nexteer, if not moved up on our matrix to be even more important. Talent attraction and retention continues to be a key focus for Nexteer (see page 20).

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



Stakeholder Engagement

Stakeholder Engagement



In this section – Business Ethics

Ethics, Compliance and Integrity

Our People Approach

Attracting and Retaining Top Talent

Celebrating Uniqueness: Diversity, Equity and Inclusion at Nexteer

Business Ethics

ETHICS, COMPLIANCE AND 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 judgment 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

Nexteer promotes the highest standards of corporate citizenship. Our 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. At the time of this report, the Board is composed of nine directors, with its Audit and Compliance Committee as well as its Remuneration and Nomination Committee comprising of a majority of independent non-executive directors.

We commit to acting in accordance with all applicable laws. During the reporting period, no significant instances of non-compliance with laws and regulations. Further more, we commit 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, including our Code of Conduct, help us achieve greater accountability to our stakeholders and help us to continually improve our sustainability reporting practices.

Our Code of Conduct sets forth standards that we must abide by as we conduct business. The Code of Conduct is designed 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

Business Ethics

and, if necessary, take corrective measures. To aid in this effort, we implemented an ethics line (administrated by a third-party), which serves as a grievance mechanism and as a resource for relevant personnel to ask questions, seek guidance, and/or anonymously report suspected misconduct.

Upholding Human Rights & Labour Standards

HKEX B4, B4.1, B4.2

Nexteer is committed to lead and to serve as a catalyst for action in its commitment to human rights and dignity. 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 do not knowingly partner with suppliers that provide unsafe products or services, violate labour or employment laws, or use physical punishment as disciplinary action. 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. Employees also may report potential violations to our ethics line or legal department.

We are firmly opposed to all forms of child and forced labour. We do not employ anyone under the age of 18 in any country where we do business. 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 prohibiting employment of anyone under the age of 18.

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 comply with relevant anti-corruption laws and regulations applicable to us and have not had any legal cases regarding corrupt practices brought against 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.

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.

Business Ethics

OUR PEOPLE

At Nexteer, our people are our most important resource. Our ability to create value through innovation and define solutions for our customers is the direct result of the hard work and ingenuity of our workforce. The competency and capability of our global team combined with the positive attitude, sense of ownership, and spirit of teamwork is unmatched. Our *One Nexteer culture* truly sets us apart.

Our journey to “Empower People with the Freedom to Go Beyond” is more than a slogan. We strive to meet our challenges by unlocking the innovation and creativity of our teams. And we embrace a diverse and inclusive culture where each person brings unique value. Our collective intelligence is the key to our success.

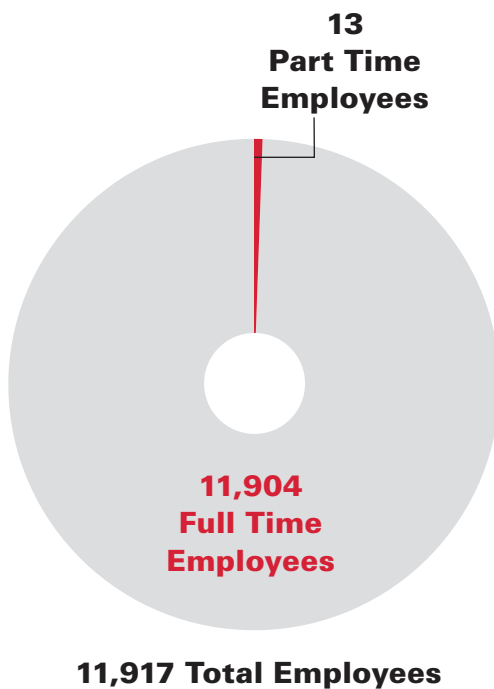
Cheryl Krieger,

Director,
Corporate Communications
Global Talent Management, and
Corporate HR

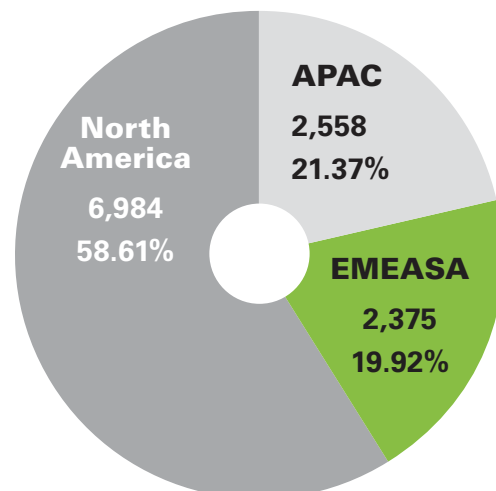
HKEX B1.1

As of December 31, 2021, Nexteer’s total global workforce included 11,917 employees, of which 11,904 are full time and 13 are part time. The following table sets forth total workforce by Nexteer’s three geographical segments.

Total Workforce by Employment Type



Total Workforce by Geographical Region



Business Ethics

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

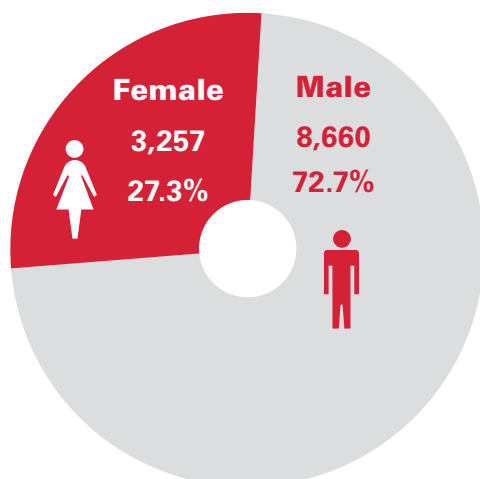
Geographical Region	Full Time Employees	Part Time Employees	Totals
APAC*	2,556	2	2,558
EMEA-SA**	2,373	2	2,375
North America	6,975	9	6,984
Total	11,904	13	11,917

* APAC: Asia-Pacific

** EMEA-SA: Europe, the Middle East and Africa – South America

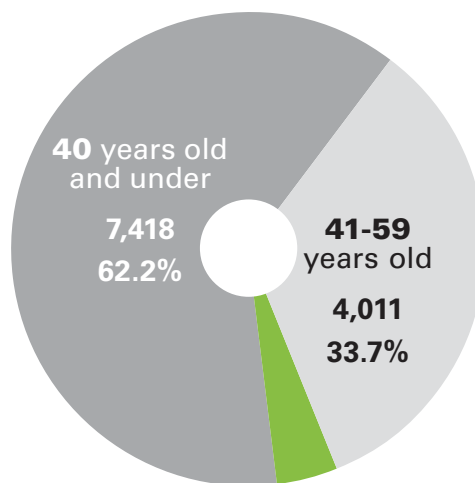
Gender and Age Diversity

Total Workforce by Gender



of total
employees
% of total
workforce

Total Workforce by Age Group



of total
employees
% of total
workforce

└ Over 60 years old

488
4.1%

Business Ethics

Employee Turnover

HKEX B1.2

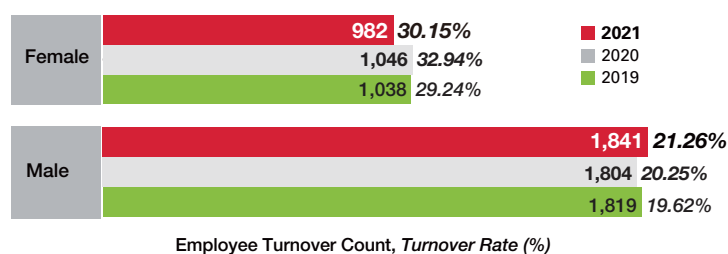
Employee turnover measures employees who leave the organisation voluntarily or due to dismissal, retirement or related reasons.

Geographical Region	Employee Turnover Count 2021	Turnover Rate (%) 2021
APAC*	455	17.79
EMEA-SA**	318	13.39
North America	2,050	29.35
Total	2,823	23.69

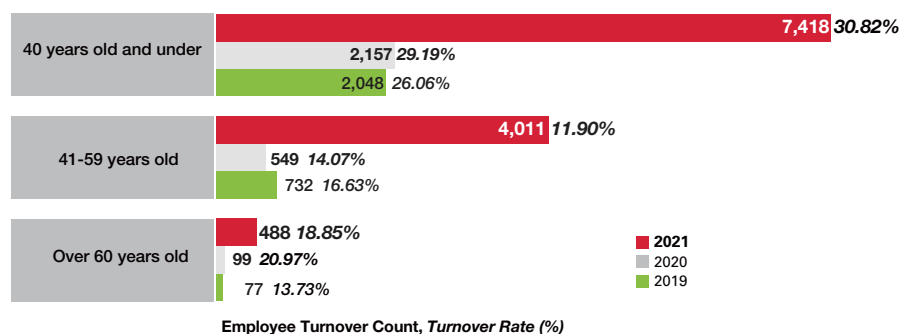
* APAC: Asia-Pacific

** EMEA-SA: Europe, the Middle East and Africa – South America

Turnover Rate by Gender



Turnover Rate by Age Group



Business Ethics

OUR PEOPLE APPROACH

We are committed to a focus on our employees' experience and recognise that the pandemic has reshaped the workplace and their expectations. We are taking advantage of this great opportunity to change – to think differently, to BE different, and to create an organisation that people genuinely want to be part of each day. We foster a continuous learning environment and seek and deliver opportunities to encourage our employees to grow both professionally and personally. At Nexteer, our employees' voices matter, and we continue to focus on providing the tools, resources and environment that allows them to be their best.

Employment Policies and 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. For the 2021 Code of Conduct training programme, the overall completion rate across the company was approximately 86%.

ATTRACTING AND RETAINING TOP TALENT

As a solution-oriented organisation, Nexteer's deep commitment to innovation extends beyond our product and technologies to all aspects of our business – including our people. We recognise the importance of understanding what matters most to job seekers and ensuring a continuous focus on how we can improve our capability to attract and retain top talent. And what better way than to hear it right from the source. We conduct focus groups, and survey candidates, new hires and students to stay informed of changing priorities and trends, as well as to gauge their experience with the Nexteer hiring and onboarding process. The top priorities that surfaced from our focus groups and surveys in 2021 and the actions we've taken include:

Flexible work arrangements. Implemented in 2021, our global SmartWork policy offers our employees flexible work arrangements for eligible jobs. This policy provides the ground rules and overarching principles which serve as guidance to support the alignment within our *One Nexteer culture* and the collaborative spirit that it entails. It also enables local customisation for the various legal, cultural and business requirements that apply to many different activities performed by our diverse workforce around the globe, recognising that there is no "one size fits all."

Personalised careers and opportunities for growth and movement within the organisation. Our ability to offer personalised careers and opportunities for movement within the organisation gives our employees the chance to expand their experiences across the globe. To support international employee mobility, we implemented immigration resources such as websites, lunch and learns, and manager update sessions to better educate and support our employees and managers on the opportunities, government requirements, and frequently asked questions to ensure a positive experience.



Nexteer employees in Morocco complete OneNexteer culture training.

Business Ethics

Doing work that matters. Nexteer leaders are encouraged to hold frequent one-on-one discussions with their employees. We believe it is important to meet our employees where they are to help them optimize their sense of fulfilment from work through a feeling of belonging and purpose.

Working for an ethical and sustainable company. As evident throughout this report, we're making great strides on our sustainability journey and will continue to do so. We connect our employees with this journey through creative communications, educational campaigns, and opportunities to join in.

Developing our Talent

HKEX B3

We are committed to creating a culture where employees have the time and space to learn, explore, and express new ideas, taking advantage of our differences and leveraging our collective intelligence. Each individual brings their own unique experience and perspective which contributes toward the advancement of our company.

Despite the pandemic continuing to impact in-person learning at many of our locations, we took advantage of creative learning solutions and virtual platforms to continue to encourage cross-functional and cross-regional collaboration. These trainings enable us to learn from each other and gain a deeper understanding of diverse perspectives. Some of these creative opportunities included:

- Virtual leadership breakout sessions tackling key topics impacting Nexteer
- Employee "hack-a-thons" to brainstorm creative solutions for improving employee experiences
- Virtual group discussions around eLearning courses

We provide comprehensive training and development for our employees at all levels, as well as tailored programmes for our current and future leaders. Nexteer continues to expand on the global technical and behavioural competency frameworks initially launched in 2020, including:

- Enhanced reporting and system capabilities that enrich our recruiting practices

- Development and succession planning
- Providing recommended development methods for every competency and level through a learning framework
- Career pathing

These enhancements further our ability to upskill our employees, not only helping Nexteer remain competitive in the quickly changing environment and combat external skill shortages, but also equipping our employees with resources and opportunities for career advancement and mobility within. Some of our key talent development initiatives for 2021 included:

- **EMPOWER Employee Development Series:** Monthly US learning series targeting topics identified by employees through feedback surveys and conducted through a combination of e-learning and group discussions.
- **3 Buddies Programme:** aimed at enhancing the Nexteer employee experiences for new hires, expats and those transitioning to a new job in our EMEA-SA division. A team of three experienced colleagues provide combined mentorship as "buddies" through day-to-day support, offering critical on-the-job information, and giving functional and cultural guidance from a peer perspective. The three buddies are combined for greater impact and include a leader, a colleague in a similar role, and a culture ambassador.
- **Mexico upskilling initiative:** To support quick growth and demand for talent, Mexico launched a development programme to upskill internal candidates offering new career opportunities and fulfilling 72% of necessary positions.
- **Technical Forum:** A knowledge-and experience-sharing platform has been established by our Asia Pacific division for our people to share, discuss, exchange and support each other with expertise, insights, thoughts and creative ideas. Over 400 hundred engineers benefited by attending 11 sessions in past two years.

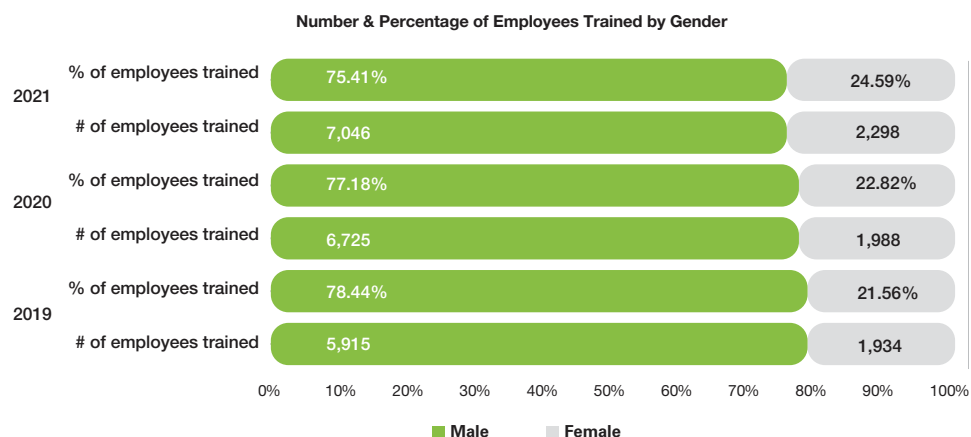
Business Ethics

HKEX B3.1

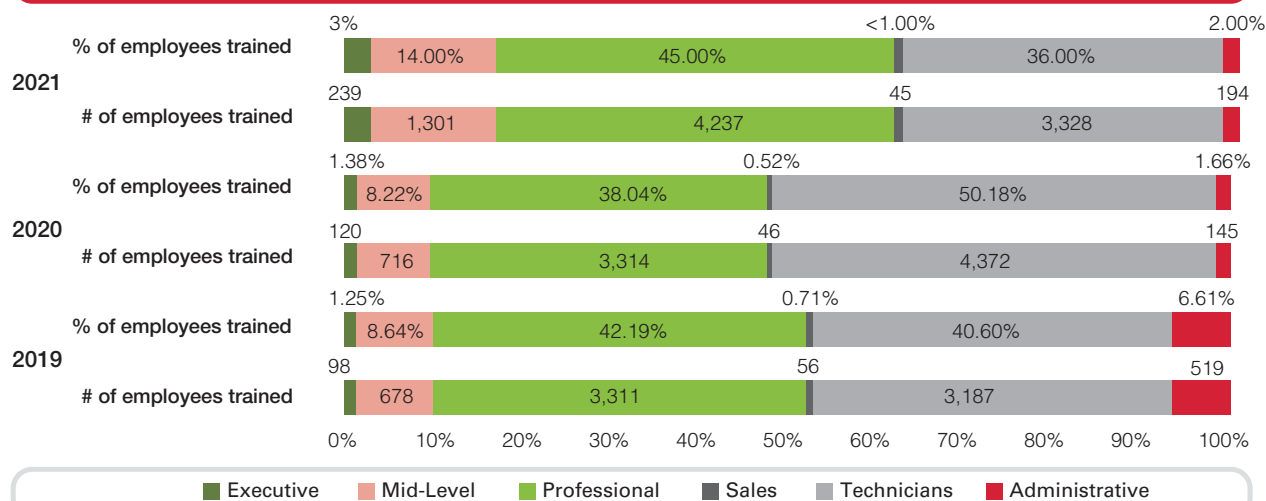
The graphs below show the number and percentage of employees trained by gender and employee category.

Percentage of Employees Trained

9,344
Employees Trained
78.41%
of Employees Trained



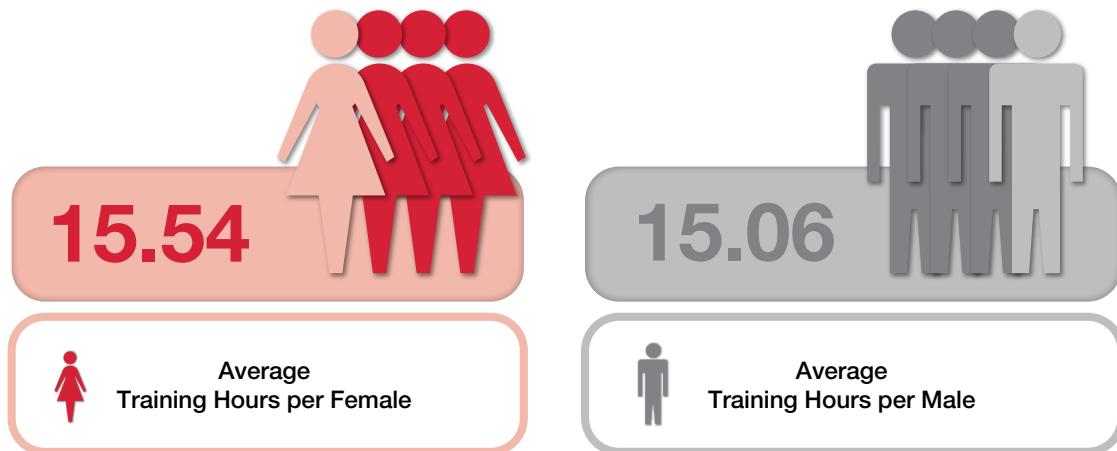
Number & Percentage of Employees Trained by Employee Category



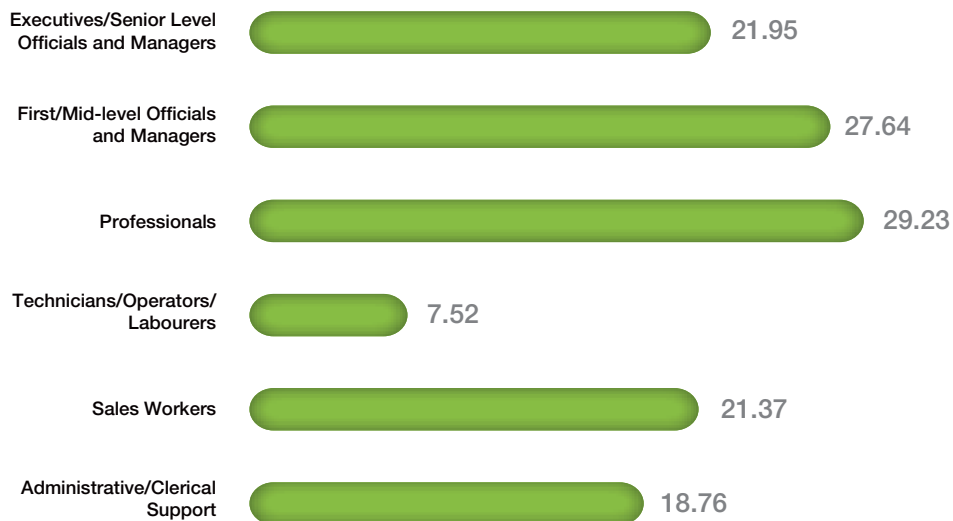
Business Ethics

HKEX B3.2

2021 Average Training Hours Completed by Gender



2021 Average Training Hours Completed by Employee Category



Business Ethics

Equipping Our Leaders

Our leaders have a critical role in driving growth, development and innovation at Nexteer. We also believe the key to successful leadership is through influence, not authority. Leadership is always evolving and is a skill that needs to be learned, exercised and honed constantly. To help our leaders be successful, we implemented several new programmes in 2021, including:

- **Leadership Learning Series:** Monthly learning series targeting various leadership topics for continuous learning and improvement, conducted through a combination of eLearning and group discussions.
- **Influencer Leadership Newsletter:** A monthly newsletter designed specifically for our leaders to provide bite-sized learning, resources and inspiration.
- **First-Time Manager Training and Experienced Manager Development Programmes:** Defined learning pathways that combine eLearning, action learning sessions, coaching, group mentoring and more to ensure our Nexteer leaders are well-prepared across a diverse set of topics including critical leadership competencies, Nexteer policies and practices, and personal development.
- **Autonomous Production Leader (APL) Programme:** Aiming to increase the flexibility and efficiency of shopfloor routine management, the programme empowers the APL team to be responsible for KPI improvement and drive cross-functional problem-solving, as well as risk and opportunity identification. Through tailored technical training and practice, APLs have developed both professional and leadership competencies.

Opportunities for learning are endless, sharing knowledge across teams is a daily concept, the work environment stems collaboration, and managers focus on short – and long-term goals as well as company culture.

An employee's feedback in the employee engagement survey

Listening to Our Employees

Our goal is simple: To make Nexteer the best place for our employees to work, develop and grow. Understanding what our employees need and want is critical both to their experience and success, and ultimately to Nexteer's success as well. We used a variety of methods in 2021 to gather employee feedback and exercised greater focus on resulting actions to ensure improvement. In addition to surveys and sessions mentioned in other areas of this report, some of these methods included:

- **Annual employee engagement survey:** Our monthly Pulse Check employee engagement surveys in 2020 provided valuable insight at an appropriate cadence during the dynamic pandemic environment. In 2021, we returned to a single survey for the year. By doing so, we gained multiple benefits such as real-time results, strengthened reporting and analytic capabilities, interactive dashboards with external benchmarks, system-generated insights, and recommended areas of focus. With 78% of our global workforce responding, we received a wide range of feedback that will inform 2022 initiatives.
- **Open Q&A during bi-monthly global leadership update calls:** Employees around the world are encouraged to ask questions of our senior leaders with no questions being off limits.
- **Engage:** An anonymous question submission portal on our intranet allows employees to submit questions for senior leadership. Other employees can "vote up" their favourite questions. Leadership then addresses the questions in upcoming calls, all-employee meetings or other communication methods as appropriate.
- **Culture Index Survey:** Because our culture and our ability to unlock the full potential of our employees is a competitive advantage, we launched a culture survey for our leadership team. Outputs offered additional and diverse perspectives and led to structured action plans for 2022 implementation.

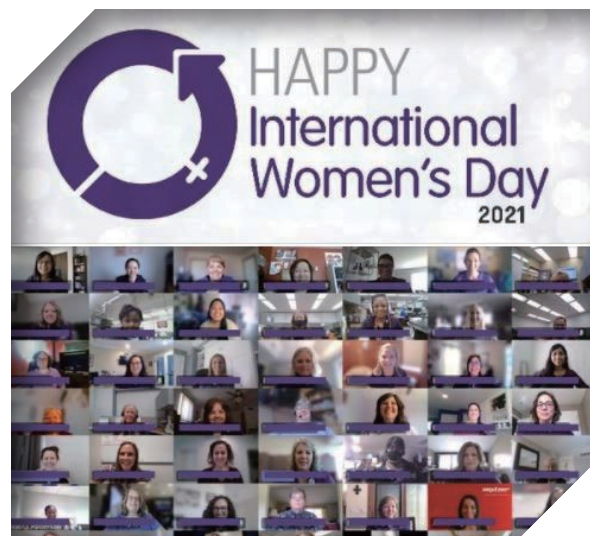


Nexteer China was recognised as a best employer in Greater Suzhou area.

CELEBRATING UNIQUENESS: DIVERSITY, EQUITY AND INCLUSION AT NEXTEER

In late 2020, Nexteer announced its Diversity, Equity and Inclusion programme – RISE, which stands for Respect, Inclusion, Support, and Equity. At Nexteer, we believe diversity drives innovation. We're committed to building a culture where difference is essential and valued, including recognising our past and focusing on excellence. In 2021, we:

- **Introduced Brazil's Diversity and Inclusion Programme.** The programme has five pillars with specific goals and activities for each: Gender, Disability, Sexual Orientation, Generations and Ethnical/Culture diverse.
- **Celebrated International Women's Day:** Every year on International Women's Day we celebrate the accomplishments and contributions women make to the world and to our company. In 2021 the Nexteer Women's Club hosted a virtual presentation and discussion, "The Butterfly Effect: Choose to Challenge". As part of a panel discussion, women spoke of their experiences of how one conversation led to big shifts in perspective. The discussion provoked constructive conversation about how Nexteer is a challenging company and cultural norms to progress in our DE&I efforts. Two influential Nexteer leaders, Kym Reeves, Assistant General Counsel – Labour & Employment and Compliance and Director of Diversity, Equity & Inclusion, and Jill Dralle, Vice President, Chief Operating Officer, US, shared specific examples of times they chose to challenge inequities and their respective positive outcomes.



The Nexteer Women's Club hosted a virtual presentation and discussion on International Women's Day in 2021.

I challenge all of you to think about how you can effectuate change – how you can choose to make your voice heard and listen to that inner voice when you know something doesn't feel right. It isn't going to be easy but remember – a small action can have a large impact, which is the Butterfly Effect.

Kym Reeves,
Assistant General Counsel
– Labour & Employment and,
Compliance and Director of Diversity,
Equity & Inclusion

In this section – Value Creation

Creating Value Through Innovation

Our Identified Industry Megatrends

Recognising & Rewarding Innovation

Product Responsibility

Value Creation

CREATING VALUE THROUGH INNOVATION

Nexteer's steady focus on innovation continues to balance strengthening our current portfolio of products while relentlessly innovating for our future.

A Focus on Research & Development

HKEX B6.3

As of December 31, 2021, Nexteer's global portfolio includes 795 patent applications and 1,126 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. Patent filings dipped slightly year-over-year in 2021 but remains consistent with previous year rates. Consistent with our focus on innovation, 25% of granted patents were related to our future product offerings of Software-as-a-Product, Steer-by-Wire, and/or ADAS/AD enabling technologies which ensure we are aligned to our industry megatrends. Another 12% of our 2021 patent filings 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.

OUR IDENTIFIED INDUSTRY MEGATRENDS

Electrification

Mobility-as-a-Service

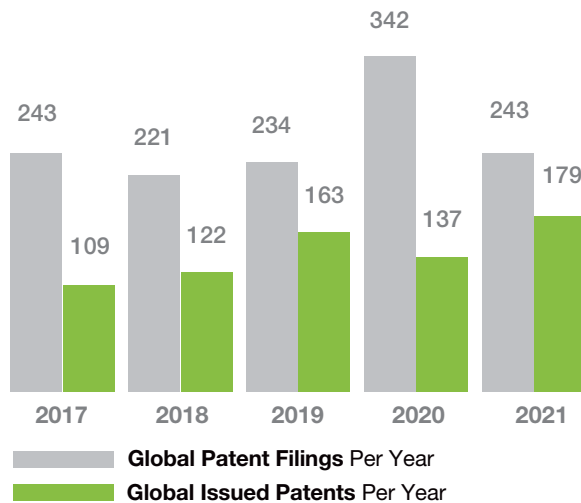
Software/Connectivity

ADAS/AD

We are dedicated to protecting our intellectual property rights, which are crucial to our business growth and our 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 FY17-FY21



Nexteer continued its growth in both customer and product expansion, navigating a challenging environment in which customer responses to the pandemic varied, from full programme cancellations to suspensions and delays. Faced with numerous external issues related to the pandemic, including supply chain difficulties, Nexteer was able to make necessary adjustments to offset headwinds while improving business continuity for our customers.

Engineering spending of \$271M allowed the company to maintain its current operations while providing significant investment towards the development of our future product portfolio. For example, Nexteer is creating new technologies that leverage our design, development and manufacturing strengths in advanced steering and driveline systems to enable battery electric vehicle (BEV) conversions. Year-over-year trends in research and development and capital expenditures (Capex) are presented in the graph on the next page.

As we move toward a world in which more vehicles plug in instead of fill up, technology in the entire vehicle will have to evolve – not just the components related to fuel. At Nexteer, one way we're supporting the industry's electric evolution is through our complete line of underhood High-Output Electric Power Steering Systems – which have increased output capabilities to meet the needs of heavier electric vehicles.

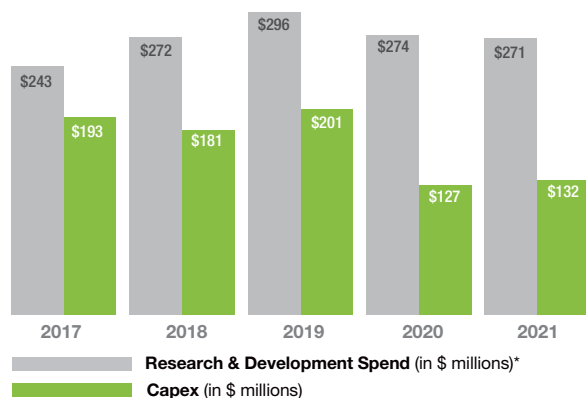
David Byers,
Vice President,
Global Electric Power Steering Product Line



The production of 2 million REPS in China.

Value Creation

R&D and Capex



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

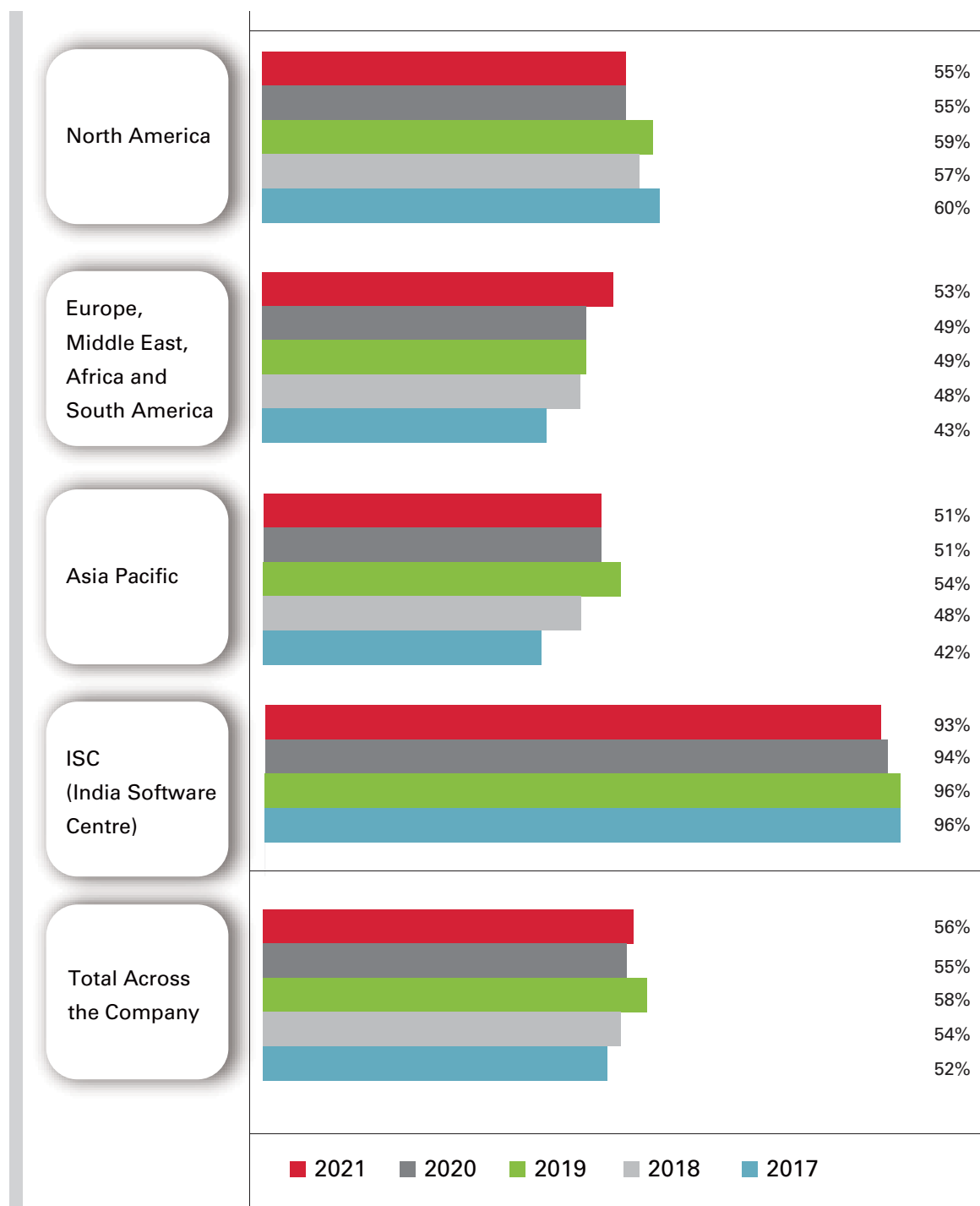
Our people are the driving force behind Nexteer's focus to relentlessly innovate and grow, and maintaining a strong innovation pipeline is essential to our growth and profitability. Nexteer remains invested in our future by committing 56% of our total salaried workforce to engineering activities. In parallel, over the past decade, Nexteer has been working to position our engineering homerooms closer to our customers globally. Currently, 80% of engineering work is done in region of manufacture, allowing for real-time, efficient partnerships with our global customers and suppliers. The diagram on the next page shows the percentage of salaried employees who are scientists, engineers or other technical employees, broken out by region and year.



A Nexteer engineer works in a lab.

Value Creation

Percentage of Salaried Employees



RECOGNISING & REWARDING INNOVATION

Internal Recognition. Nexteer's ability to maintain technology leadership is powered by the innovative spirit of our workforce, and we have several ways to capture and reward the effort and innovation that led the way. One such way is our Innovation of the Year award which recognises the top innovation of the past year that demonstrates the highest value potential for the company, while highlighting accomplishments of individuals and teams that have been inspired and empowered to go beyond in their field. The 2021 selection for the Innovation of the Year award was the CNXMotion Brake-to-Steer (BtS) technology. BtS uses electronic braking as an additional layer of steering control for traditional, highly automated and autonomous vehicles. Leveraging technology building blocks from parent companies – Nexteer Automotive and Continental – this innovation offers a cost-effective approach to achieve advanced safety.

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 five levels of achievement within Nexteer's Innovation Hall of Fame, encouraging our employees to continue innovating and advancing to higher levels throughout their careers. Additionally, one of our most prestigious honours is the Melvin L. Wilcox Engineering Award, named after one of the company's founders and inventor of the Jacox Steering Gear.

As pandemic challenges continued into 2021, so did the limitations of our traditional approach to recognising and motivating employees. Giving a fresh look into a long-standing practice, Nexteer launched two live events to recognise innovative employees in a safe and meaningful way. Both acknowledged US-based inventors on their success in attaining patents, formal trade secrets, defensive publications, or in production usage awards. The events recognise our Melvin L. Wilcox Engineering Award winner, along with Innovation Hall of Fame inductees – both new inductees and those advancing into higher levels of the programme.



Nexteer hosted a recognition luncheon for our innovation award winners.

Value Creation

External Recognition. In addition to recognising and celebrating innovation internally, Nexteer was also recognised within the industry. In 2021, our innovative combination of SbW with Stowable Steering Column technologies were recognised by *Automotive News* as a PACEpilot Innovation to Watch. Nexteer was also recognised twice as a *CES 2022 Innovation Awards Honouree* in the “Vehicle Intelligence & Transportation” product category for our SbW with Stowable Steering Column and Automated Steering Actuator. Our joint venture with Continental, CNXMotion, was also named a 2021 *Automotive News* PACEpilot Innovation to Watch for BtS.



For the second consecutive year, Nexteer was named a GM Supplier of the Year winner in General Motors' 29th annual Supplier of the Year awards. The Supplier of the Year winners were selected by a global team of GM purchasing, engineering, quality, manufacturing and logistics leaders. Winners were chosen based on performance criteria in Product Purchasing, Global Purchasing and Manufacturing Services, Customer Care and Aftersales and Logistics.

Nexteer is honoured to be recognised by Automotive News as a 2021 PACEpilot Innovation to Watch for our innovative Steer-by-Wire with Stowable Steering Column solution. Together, these game-changing technologies are poised to transform the future of mobility by supporting OEM needs across industry megatrends like Electrification, Autonomy, Mobility-as-a-Service, Software and Connectivity.

Robin Milavec,
President, CTO, CSO and
Executive Board Director

Globalisation & Regional Autonomy

Nexteer continued our thoughtful global footprint diversification and regional autonomy in locations strategically important to our key customers. Our facilities around the world support our approach of producing in the region of consumption to ensure built-in efficiencies, customer responsiveness and short supply lines.

Nexteer Production System (NPS) and NPS Lean Academies.

Nexteer pursues excellent product quality from multiple dimensions. We incorporate standardised, internal and external training to drive operation excellence. NPS, as our fundamental operation framework, plays an instrumental role integrating Lean principles and standards into our day-to-day business operations and aligning with our long-term strategy. The NPS encompasses nine modules: 1) Safety, 2) Quality, 3) Talent development, 4) Lean layout and Capex optimization, 5) Production control and logistics, 6) Software, 7) Total preventative maintenance, 8) Management control and 9) Continuous improvement.

Value Creation

One key initiative to highlight from our global strategy is our NPS Lean Academies. NPS Lean Academies help identify internal talent and act as a best practice forum with external stakeholders. To date, Nexteer has implemented seven NPS Lean Academies around the globe – mostly recently in Morocco and Suzhou, China, with Saginaw, Michigan, US opening in early 2022. Located next to manufacturing plants, NPS Lean Academies promote a lean culture by equipping local teams with Lean methodologies and mindsets for managing real-life complex issues on the shop floor. For example, the Suzhou NPS Lean Academy – focused Six Sigma techniques and lean manufacturing – is helping local teams integrate lean concepts into the design phase.

Because our lean manufacturing system is recognised by customers and our industry, some NPS Lean Academies have partnered with local governments and customers to provide trainings to external companies. For instance, the Liudong New District Lean Management Talent Training Centre, under cooperation with local government, hosted trainings for 31 external companies in the region.

Since opening in late 2020, Nexteer's NPS Lean Academies have hosted 700 training sessions for internal employees, customers, and suppliers each year. We continue to advance our NPS Lean Academies, with plans to have a vast global footprint in the future.



New Dojo in Kenitra, Morocco Plant



APAC Engineering Lean Training Centre in Suzhou, China

PRODUCT RESPONSIBILITY

Nexteer is committed to delivering world-class products. We consistently strive to meet all applicable requirements by promoting, living, and leading a culture of quality. Building quality into everything we do, with a commitment to prevention and sustainability, is inherent to our culture. Every employee understands they are accountable for the quality of their work and our products. Our culture of quality is embedded within our product lifecycle.

Value Creation

Prioritising Product Safety and Quality

HKEX B6

Nexteer's product lifecycle encompasses key business processes from product inception to delivery of the finished product to post-production service parts. These processes identify the requirements to comply with applicable laws and regulations relating to our product, ensuring implementation and conformance. Additionally, Nexteer has a well-defined Product Safety and Compliance process in place to identify and manage any potential non-compliance. This process is led by Nexteer's Product Safety and Compliance Council (PSCC) whose role is to evaluate potential issues, ensure that cross-functional subject matter experts are engaged, review risk assessments, approve actions to be taken and communicate accordingly.

Depending on the specific circumstances, different problem-solving methodologies may be required. Nexteer follows industry-leading and structured problem-solving methodologies to ensure and continue to improve performance of our products and processes. Among the methodologies we use are Fast-X, DFSS, DRR, Six Sigma and 3L5W through internal training and certification processes. Nexteer's problem-solving capabilities can address needs of the company with internal competencies and resolve issues efficiently.

HKEX B6.2, B6.4

Quality Assurance Process. 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. Our QMS defines how we meet global governmental product safety compliance and reporting requirements and conforms 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 are also evaluating the severity rating associated with the specific complaint failure mode, which has been added to improve upon the safety-critical nature of our products.

In 2021, there were 185 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. As a result of the increase in complaints from 2020, Nexteer launched a Global Quality Alert to proactively identify risks and implement the necessary containment.

*A true culture of quality is an environment in which employees take action to follow quality guidelines and consistently see others taking quality-focused actions, hearing others talking about quality, and feeling quality all around of them. **At Nexteer, we take action for quality because it's everyone's job.***



Ricardo Pastor, VP,
Global Quality and Programme Launch

Value Creation

Quality Week

Nexteer prides itself on a culture of quality all year round. Quality Week is an annual, global celebration of this culture.. 2021's Quality Week theme was "Quality Call to Action." The week was 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, B6.4

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 issue. 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. This is achieved through effective communication, ensuring company subject matter experts get involved, develop containment, start root cause investigation and corrective action with undue delay while developing the risk assessment and communication package to the customer and other interested parties. The awareness of the process is a priority throughout the company. Ongoing training is in place to ensure awareness by assigning it to specific functions such as engineering, quality, sales, legal, Global Supply Management (GSM), operations and the top management of the company.

This process, one of more than 30 key processes within our business system, is described in a process map and supported by a more detailed global procedure describing responsibility of its key stakeholders. The process is monitored through an online portal where all cases are entered and tracked until closed. KPIs include the number of cases, the number of repeats, and monitoring of the look across implementation throughout the Company and its suppliers as applicable. The GOC, one of the Company's top management committees, led by Nexteer's President, reviews the KPIs at a minimum of two times per year.

For 2021, there were four recalls. Two recalls were related to product recalled with physical replacement of part, which equated to 0.0008% of total products sold. The other two recalls resulted in product that was corrected with reflash or over-the-air software updates which equated to 0.1554% of total products sold. Nexteer anticipates the increased use of over-the-air software remedies for field issues going forward, minimizing societal impact when updates are required.

HKEX B6.5

Cybersecurity. Nexteer's continuous focus on product safety and quality has paved the way to several important innovations over the years. While our OEM customers incorporate cyber security at the vehicle level, Nexteer further enhances safety by integrating multi-layer cyber security at the steering system level for maximum protection. Our cyber security technologies consist of specifically designed hardware modules at the semi-conductor level, as well as a multi-layered cryptographic software structure, that identifies and authorizes 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.

In 2021, Nexteer was recognised with a CSO50 award for "innovative cybersecurity framework." The CSO50 awards recognised security projects that demonstrate outstanding thought leadership and business value.

*Nexteer is honoured to be **recognised by International Data Group's (IDG) CSO for our innovative security architecture.** As Operational Technologies and Internet of Things networks converge, this leads to significant changes in network connectivity between systems that were traditionally 'air gapped.' While this provides **benefits like optimizing uptime and improving competitive advantage**, it also introduces new security challenges. The NEXTINTRUST programme enables us to overcome these challenges by leveraging identity, integration and insights across a layered security architecture for enacting proactive control strategies.*

Mike Rogers,
Chief Information Officer (CIO)

Value Creation

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 2021, Nexteer obtained its sixth successive Privacy Shield Certification, which illustrates our adherence to the EU-US Privacy Shield principles.

Nexteer has 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.

Nexteer's IS&P Council 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, making sure appropriate controls and measures are in place to ensure compliance.

Contributing to a Sustainable World Through Our Products

As the automotive industry speeds toward electrification and automation, EPS technology enables ADAS and AD features, as well as supports the unique needs of EVs. Nexteer was a leader in the industry's major conversion from Hydraulic Power Steering (HPS) to EPS in passenger vehicles, which resulted in an overall fuel efficiency savings of about 6% and the elimination of power steering fluid. Nexteer is also leading the industry in the next wave of HPS to EPS conversion, which is happening across larger vehicles such as heavy-duty trucks and light commercial vehicles.

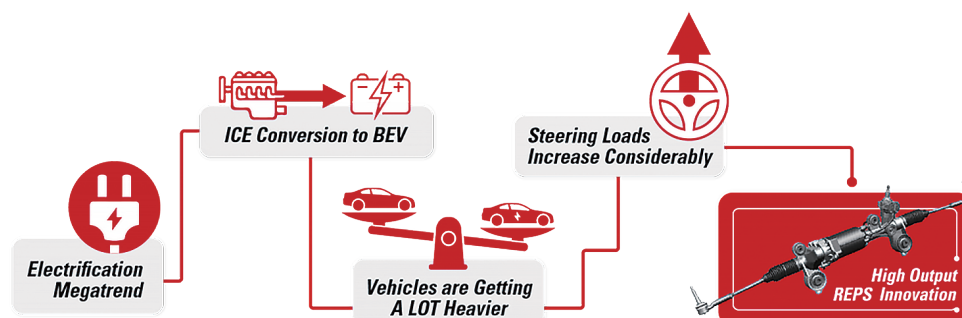
Over the years, Nexteer has produced more than 70 million EPS systems for more than 60 customers around the world. Our complete portfolio of EPS technology, touches the lives of millions of drivers around the world every day – defining their behind-the-wheel

experience with safety, comfort and fuel efficiency. These technologies are ready to support automakers as they make the transition to an increasingly electrified and automated future.

As an example, Nexteer's High-Output Rack-Assist EPS (HO REPS) has an increased steering load capability that enables drivers of heavier vehicles, like heavy duty trucks, to also benefit from improved fuel economy, enhanced steering feel and advanced safety features that were traditionally only found in the light-duty truck segment. Additionally, our HO REPS systems support the added weight of batteries in electric trucks and play a critical role in global automakers' transition towards EVs. During this transition to EVs, HO REPS systems are helping our customers ensure their vehicles maintain the branded steering feel customers have come to know and expect from that OEM.

Nexteer's Driveline and CIS technologies are also enabling the transition to EVs. Our Driveline halfshaft technologies solve EV challenges by enabling expanded durability and efficiency while providing outstanding noise, vibration and harshness (NVH) performance and lower mass. At the same time, our CIS technologies play an important role in electrification by offering reduced mass and packaging flexibility. In total, we estimate that 24% of our EPS, CIS and Driveline backlog is related to EV applications.

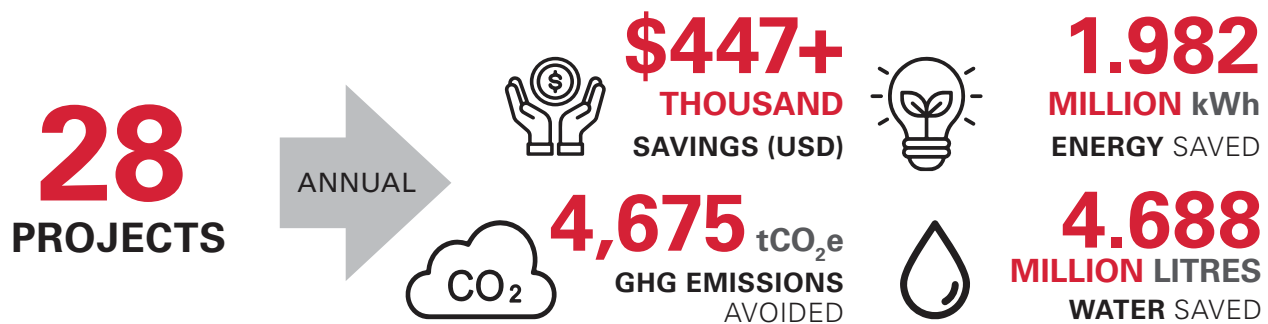
Beyond these examples and our current product portfolio, Nexteer's global R&D team also continues to explore new ways to further capitalize on megatrends and offer innovative solutions to OEMs' evolving product challenges. By using Nexteer's advanced steering and driveline technologies, our 60+ customers globally can pass on the advanced safety and performance benefits, including fuel efficiencies, to the customer – while enabling the transition to low-emission vehicles around the world.



In this section – Environmental, Health & Safety
 Reducing Our Environmental Footprint
 Keeping Our People Healthy & Safe

Environmental, Health & Safety

REDUCING OUR ENVIRONMENTAL FOOTPRINT



At Nexteer, we recognise the importance of environmental sustainability efforts as the world strives to transition to a low-carbon economy. As we continually enhance our efforts to meet and exceed environmental requirements, we regularly review our global policies and procedures to ensure we address environmental aspects such as climate change, air and greenhouse gas (GHG) emissions, waste, packaging, water, and land use and biodiversity.

Managing Our Environmental Impact

HKEX A2, A2.3, A3

Our Environmental Management System (EMS) has been in place for over 20 years – and most importantly, the environmental components are ISO 14001 certified. This management system has evolved, adapted, and improved to what it is today: a robust environmental management system structure that requires a high level of interaction with stakeholders such as employees, contractors, visitors, and management for the success of Nexteer's environmental programmes.

Our global Environmental Policy works with our EMS to set forth leadership commitment and guiding principles for our global facilities. It 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 which are in concert with our activities, products, and services

One way we ensure environmental excellence is by requiring that all manufacturing locations are ISO 14001 certified. To date, 93% of our manufacturing sites are certified, with all certificates being in good standing. Sites without certification are on track to become certified in 2022.

We also set relevant environmental goals like our year-over-year goal of reducing energy use by 2%, waste to landfill diversion by 2% and water use by 2% on a per

Environmental, Health & Safety

unit of production basis¹. To move us closer to achieving these targets in 2021, we implemented several projects estimated to result in savings of nearly \$447,678 annually. These projects include:

- Use of renewable energy (solar)
- Lighting retrofits
- Steam usage reductions
- Waste reductions
- Water reuse
- Process efficiencies

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. This means we also review and update our sustainability monitoring framework to account for our progress towards formal sustainability targets but also establish new goals and targets.

We also complete risk planning with annual updates to review for 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 procedures. As a result, we did not receive any environmentally based fines or monetary sanctions in 2021.

By integrating environmental management into our operations, we can limit our negative impacts on biodiversity, 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.

How Nexteer is Approaching Climate Change

HKEX A4, A4.1

Climate change poses a serious threat to our economies, social structures, communities, and environments to where we live and work. We are committed to proactively reducing adverse impacts to global climate change and our environmental footprint.

Nexteer responds to CDP Climate Change annually to provide feedback for requesting OEM customers. CDP's disclosure platform provides a mechanism for reporting in line with the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations. In 2021, Nexteer improved its year-over-year score by making the following progress:

- Increased governance through our Sustainability Steering Committee and the Climate Change Task Force (CCTF).
- Enhanced processes for identifying, assessing and responding to climate-related risks and opportunities.
- Continued to assess and to engage our value chain on climate-related issues.

We continue to work diligently to improve our CDP Climate Change response so that our score reflects our current actions and potential climate change impact awareness. Following is Nexteer's approach to climate change to comply with the HKEX Guidance on Climate Disclosures, which incorporates some elements of the TCFD recommendations. We plan to report to the CDP publicly with more robust information in future reporting cycles as our climate strategy and target-setting work is underway.

¹ We define a unit of production as a "fully assembled unit" ready for sale.

Environmental, Health & Safety

Governance. Sustainability at Nexteer, including climate change, is managed through a three-tiered governance structure (see page 9): The Board, Sustainability Steering Committee (SSC) and the Sustainability Working Group (SWG), a subset of which includes the CCTF.

The CCTF includes representation across operations, environmental, health and safety, legal, finance and risk management, investor relations, engineering, manufacturing operations, sales and marketing, supply chain and sustainability. The group's responsibility is to identify the impacts of climate-related physical and transitional risk. In 2021, the CCTF continued to collaborate with internal and external stakeholders to conduct TCFD-aligned climate risk assessments and identify vulnerabilities and adaptation measures to increase resilience to the impacts of climate change.

The Board – specifically, the Audit and Compliance Committee – has oversight of risk management, including Enterprise Risk Management (ERM) processes. Nexteer's Global Strategy Council and GOC, along with input from the SSC, ERM, finance, internal audit and other teams, prioritizes risks based on the magnitude and likelihood of occurrence in Nexteer operations. Risks are reviewed periodically with the frequency of review dependent on the impact to the company.

Taking climate action is not only an environmental impact, but also a matter of Nexteer's social responsibility. Nexteer has been, is, and strives to remain a responsible company. We recognise climate change as a material sustainability topic. As such, with our collective team intelligence on VUCA (Vision, Understanding, Clarity, Agility/Alignment), we shall continue to embrace climate considerations as part of our business operations.

Hervé Boyer,

Senior Vice President,
Global Chief Operating Officer and
North America Division President

Strategy. As mentioned earlier, our environmental management approach centres on several processes that monitor and identify opportunities to conserve energy and water resources, reduce air pollution and GHG emissions, recycle and reuse materials, while complying with all applicable environmental and climate-related laws, government regulations, and rules in countries where we operate. Our approach includes engaging with business leaders, experts, and local staff to identify and leverage collaboration to identify innovative opportunities to address some of our toughest challenges.

As part of our climate strategy, we will pursue opportunities like energy efficiency measures, renewable energy procurement and other decarbonization levers. These initiatives will help us align with commitments from our OEMs. In 2022, we are developing a detailed, climate roadmap that will define our strategy moving forward.

Exploring Renewable Energy in Mexico

In 2021, our Mexico operations executed a renewable energy agreement for our facilities in Juarez and Queretaro, Mexico. The agreement provides a total capacity of approximately 37-megawatt hours (MWh) of electricity, generated by solar arrays installed in San Luis Potosí, Mexico. This clean energy addresses approximately 80% of the energy our Mexico operations consume, which is equivalent to the emissions from more than 70,000 miles driven by an average passenger vehicle. Plus, the project is estimated to save Nexteer more than \$1.1 million annually.

Environmental, Health & Safety

Climate Risk Assessment and Scenario Analysis. Nexteer contemplates climate risks through established frameworks and processes, including:

- ISO14001 EMS (annually by independent third-party auditors and recertification every three years), and
- CDP (annual process).

In addition, to position our organization with climate risks resilience and in preparation of transition to low-carbon economy, we have undertaken a cross-functional physical risk assessment, including a climate scenario analysis aligned with applicable HKEX-TCFD guidance on climate disclosure. By exploring multiple scenarios, we can analyse 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 three scenarios included:

Scenarios	What to Expect	Example Trends for Nexteer
[Aggressive Action, Representative Concentration Pathway (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 stabilization scenario in which global GHG emissions effects are stabilized 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 stabilization.	<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

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. Moving forward, climate will continue to be part of our risk management process, and the outcome of this climate risk scenario analysis will inform our climate strategy. Our transition risk assessment is ongoing. Examples of risks we have identified include policy and regulation, market and reputation, and technology. We will continue to evaluate these risks and their impacts in line with the TCFD recommendations, and disclose our results in our future reporting efforts.

Environmental, Health & Safety

Climate Scenarios – Risks and Opportunities

	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

Risk Management. Our risk management process includes 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 impacts and opportunities like carbon taxes, reputation, cap and trade, and client preferences.

Our established policies and procedures are designed to deploy the most appropriate risk-specific responses – avoid, transfer, mitigate and share. Our risk management process looks like this:

- Review all top risks, identifying and evaluating enterprise-level risks and opportunities.
- Strategic priorities are developed for certain top-level risks, and KPIs and targets are created to manage these risks.
- Risks are identified and prioritized based on the impact to the company and the likelihood of occurrence. An inherent risk factor is assigned to

each identified risk. Risks that exceed a certain risk factor threshold are assigned to have mitigation strategies developed.

- Once implementing a mitigation strategy, the remaining residual risk is recorded.
- All moderate to high priority risks and their mitigation strategies are reviewed by senior management and presented to the Board's Audit and Compliance Committee annually.

Nexteer's cross-functional teams collaborate to consider best practices, partners with consultants, and learns from other companies to continually improve. Any lessons learned as part of a risk mitigation strategy are incorporated into future site planning, supplier selection process, and strategic development. Overall, Nexteer aims to manage risk by diversifying Nexteer's operations, and consider the potential for market fluctuations, political changes, supply shocks and quality control issues. Recognizing various stakeholders' current and emerging expectations pertaining to ESG disclosures, we continue to adopt a risk-based approach to enhance

Environmental, Health & Safety

our risk management and internal control practices. For example, through collaboration with internal and external risk management and/or assurance functions, we strive for continual improvement and enhancement of data quality, as well as the reliability of disclosed information, as our organization continues to advance our ESG journey.

Metrics and Targets. Based on our progress in 2021, we are working with external consultants to establish targets that are aligned to development of climate science.

Air & GHG Emissions

HKEX A1, A1.1, A1.2, A1.5

Almost all our GHG emissions result from our energy use to power our manufacturing facilities. Last year, we aimed to reduce annual energy usage on a per unit of production basis by 2%. Like many global organisations, our supply chain and operations continued to be disrupted by the global COVID-19 pandemic and microchip shortage. However, in 2021, Nexteer realized a 15.95% increase in production compared to 2020. This change in production resulted in a gain of efficiency and we achieved our energy reduction goal.

Our operations teams remained diligent in identifying and implementing energy, water and waste reduction

opportunities throughout the year. Specifically, we implemented 28 projects that are expected to reduce annual energy consumption by 1.982 million kilowatt hours (kWh). We estimate that these new projects will result in preventing the release of approximately 4,675 tonnes of carbon dioxide equivalent (tCO₂e) annually, which is the equivalent of taking more than 300 passenger vehicles off the road for a year.

Energy Efficiency Activities in Saginaw

Plant 3 in Saginaw, Michigan, US, completed a chilled water system project for better machine cooling. The two new chillers were combined with a new pumping system with a smaller pump, pressure sensors on the chilled water piping, and variable frequency drive controls on the pump motors. These improvements have led to a 45% reduction in chiller electrical consumption and a 67% reduction in electrical consumption in the pumping systems, with combined annual electrical savings of 1,244,600 KWh and \$87,122. Plant 3 also removed a steam coil during demolition activities in its chiphouse basement. This will save \$5,200 in energy costs and 936,000 pounds of steam usage annually.

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 page 42.

Metrics	2019* (tCO ₂ e)	2020* (tCO ₂ e)	2021** (tCO ₂ e)	Change Vs. Prior Year (%)
Scope 1 GHG Emissions – Direct**	58,810	47,811	44,439	-7.05%
Scope 2 GHG Emissions – Indirect**	200,446	178,894	185,160	3.50%
Scope 3 GHG Emissions – Other indirect	10,216	3,293	3,860	17.21%
Total GHG Emissions* (tCO₂e)	269,473	229,999	233,459	1.50%

* Scope 1 – Direct energy consumption arises from the utilization of natural gas, propane, gasoline and diesel fuel during Nexteer's operations. The fuels consumption reporting follows the GHG Protocol and the US EPA Greenhouse Gas Mandatory Reporting Rule (GHG MRR) methodology and its emissions factors. Scope 2 – Indirect energy consumption arises from the consumption of purchased electricity and steam heating. The energy consumption reporting follows the GHG Protocol and the Saginaw, Michigan, US location uses emission factors developed by the Edison Electric Institute (EEI) for our regional utility provider, whereas all remaining facilities use IEA country emissions factors for calculation of emissions of electricity use. Steam heating is calculated following the US EPA Center for Corporate Climate Leadership's Emission Factors for Greenhouse Gas Inventories (April 1, 2021). 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 (April 1, 2021). Scope 1, 2 and 3 GHG emissions have been restated for 2019 and 2020 due to enhancement and use of more specific (e.g., country and/or utility-provider based) emission factors.

** For 2021, in addition to manufacturing locations included in our prior years' published reports, certain energy usage scope also included our non-manufacturing locations such as technology centres and office buildings. We retroactively adjusted certain scope 1 and scope 2 numbers for consistency.

Environmental, Health & Safety

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 operations. For example, Scope 3 GHG emissions sources included in Nexteer's GHG inventory are GHG emissions occurring from waste generated in manufacturing operations and business travel. Though not a mandatory disclosure requirement at this point, as we strive to better manage carbon footprints within and outside of our operation boundaries, we aim to include additional Scope 3 categories in the future, which is expected to significantly increase our Scope 3 calculations.

Summary of Energy Use by Fuel Type**HKEX A2.1**

The table below presents a breakdown of our energy usage in kWh for 2021. Even with increased production volumes, our overall energy usage in 2021 decreased by 0.98% when compared to 2020. On a per unit of production basis, our energy use decreased by 16.77%.

Summary of Energy Use by Fuel Type

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

Energy Source* & **	2019 Energy Consumption* (kWh)	2020 Energy Consumption* (kWh)	2021 Energy Consumption (kWh)	Change (%)
Natural Gas	314,568,791	255,588,527	235,568,420	-7.83%
Fuel Oil	—	—	—	0.00%
Coal	—	—	—	0.00%
Electricity	384,684,228	344,045,710	352,352,280	2.41%
Heat	1,358,334	1,222,779	5,841,949***	377.76%
Steam	—	—	—	0.00%
Cooling	—	—	—	0.00%
Gasoline	2,714,537	1,697,849	1,931,744	13.78%
Diesel	2,765,675	2,116,048	2,142,153	1.23%
Propane	1,959,617	2,486,120	3,360,046	35.15%
Total Energy Use (kWh)	708,051,182	607,157,033	601,196,593	-0.98%
Energy Use Intensity (kWh/Unit Production)	25.55	24.61	20.48	-16.77%

* We are restating energy usage for 2019 and 2020 due to enhanced data collection and review process.

** For 2021, in addition to manufacturing locations included in our prior years' published reports, certain energy usage scope also included our non-manufacturing locations such as technology centres and offices.

*** An additional manufacturing plant began purchasing heat in 2021.

Environmental, Health & Safety

Summary of Air Pollutant Emissions (US only)

HKEX A2.1

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 2021 due to process equipment reductions.

Pollutant (lbs)	2019*	2020*	2021	Change (%)
Ammonia	2,030	1,781	1,633	-8.26%
CO	9,321	8,031	10,307	28.25%
Lead	<1	0.28	0.26	-6.54%
NO _x	124,160	107,550	107,854	0.28%
PM ₁₀ (Primary)*	66,070	61,525	62,152	1.02%
PM _{2.5} (Primary)	4,820	4,229	3,880	-8.26%
SO ₂	633	550	547	-0.45%
VOC	94,671	88,173	75,416	-14.47%

* We are restating 2019 and 2020 PM₁₀ (Primary) emissions due to enhanced data collection.

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, which eventually result in the release of methane, a potent GHG. 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. No materials from the United States are disposed of internationally.

Every year, we aim to divert total waste from the landfill by 2% per unit of production from the previous year. In 2021, we produced 4,885 tonnes of hazardous waste and 33,697 tonnes of non-hazardous waste. This amounts to 0.0001664 tonnes of hazardous waste per unit of production and 0.0011480 tonnes of non-hazardous waste per unit of production. In 2021, we reused, recycled, composted and recovered 89% of our waste streams.

Environmental, Health & Safety

Reducing Hazardous Waste in Poland

To reduce hazardous waste disposal in our Tychy, Poland plant, we developed a coolant recovery and recycling system for the aluminium machining processes. The coolant used is recovered and sent back into the process for subsequent reuse, thereby eliminating the need for disposal of this material. Approximately 11,000 kilograms of waste is diverted from disposal, saving us \$20,474 annually.

Summary of Hazardous and Non-Hazardous Waste Treatment

Treatment Method	2019		2020		2021	
	Treatment of Global Hazardous and Landfilled Waste (tonnes)	Treatment of Global Non-Hazardous Landfilled Waste (tonnes)	Treatment of Global Hazardous and Landfilled Waste (tonnes)	Treatment of Global Non-Hazardous Landfilled Waste (tonnes)	Treatment of Global Hazardous and Landfilled Waste (tonnes)	Treatment of Global Non-Hazardous Landfilled Waste (tonnes)
Reuse	426	962	481	725	184	2,635
Recycling	434	40,145	346	29,506	1,019	28,253
Composting	0	41	0	20	0	24
Recovery	1,342	462	1,404	285	1,804	279
Incineration	338	135	361	200	974	129
Landfill	119	2,858	10	2,378	28	2,330
Other	2,378	172	1,561	209	629	45
Deep Well Injection	0	0	0	0	0	0
On-site Storage	0	0	45	1	247	2
Total Waste (tonnes)	5,037	44,774	4,208	33,323	4,885	33,697
Waste Generation Intensity (tonnes per unit of production)	0.0001733	0.0015402	0.0001705	0.0013506	0.0001664	0.001148

Packaging

HKEX 2.5

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. 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.

At this time, Nexteer has no policies on the procurement and usage of raw materials that would minimise the

impact on the environment and natural resources. 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 EMS processes. For more information about how we engage with suppliers, please see page 54.

Environmental, Health & Safety

Water

HKEX A2, A2.2, A2.4

Water serves vital functions in our manufacturing processes – from non-contact cooling water, parts washing, heating and limited landscaping use. We consistently perform well on our CDP Water submission. Our 2021 submission placed us amongst 43% of companies in our activity group that reached CDP's "management band," defined as a company taking coordinated action on water issues.

Every year, we aim to reduce our water consumption by 2% on a per unit of production basis. In 2021, we consumed 968,033,317 litres of water globally which was a 7.38% increase from the prior year. On an intensity basis, this works out to 33 litres per unit of production – a decrease of 9.74% from 2020. We achieved our water reduction intensity target by implementing several water reduction projects, estimated to save 4,688,200 litres of water annually. Going forward, we will continue to improve our processes and implement additional water conservation and efficiency programmes to achieve this annual per unit of production target.

Our environmental engineers are responsible to perform applicable environmental and water-related risk assessments as part of our ISO 14001 EMS at each manufacturing location. The process starts with applying an understanding of the context in which the organisation operates, including issues that can affect the intended outcomes of the EMS and relevant needs and expectations of relevant interested parties like 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 the type and impact to the company.

At the time of reporting, we do not have any water sourcing issues globally. As each new location is established and goes through its due diligence process, water sourcing is one of many items considered. As we believe access to clean water is fundamental, all our facilities include fully functioning water supply, adequate sanitation and hygiene services for employees.

Summary of Total Water Use by Source

Water Sources	2019 Water Consumption (Litres)	2020 Water Consumption (Litres)	2021 Water Consumption (Litres)	Change (%) from 2020 to 2021
Groundwater*	–	–	10,507,000	–
Municipal water supplies or other waste utilities	1,020,908,288	879,516,517	941,211,794	7.01%
Rainwater collected directly and stored by the plant	–	350	1,000	185.71%
Surface water, including water from wetlands, rivers, lakes and oceans	–	–	–	0.00%
Waste water from another organisation	23,242,000	21,971,994	16,313,523	-25.75%
Total Waste (Litres)	1,044,150,288	901,488,861	968,033,317	7.38%
Water Generation Intensity (Litres/Unit Production)	37.7	36.5	33.0	-9.74%

* Groundwater is now being used at one manufacturing plant after reuse of an existing extraction well.

Environmental, Health & Safety

Saving Water and Waste in India

In Bangalore, India, a water savings project was initiated to collect and reuse Reverse Osmosis (RO) reject water in the toilets. This led to a savings of 4,599,000 litres of water in 2021. In Pune, efforts were made to reduce the consumption of cooling tower water, saving 43,200 litres and \$5,333. In Chennai, raw water usage was reduced to save \$1,143 and 46,000 litres annually. Additionally, the amount of paper used in the office areas in Bangalore was reduced by transitioning to digital communications. This led to a reduction of 20,000 sheets of paper, as well as enhanced data security of these communications.

Shortening the Supply Chain for Waste Transport

Beginning in February 2021, the Saginaw Wastewater Treatment Plant (WWTP) initiated a new project to transport the rinse water/acid mixture that accumulates in the containment pits of two phosphate coating operations. Previously, this mixture was collected and trucked to an off-site facility for disposal. However, to reduce disposal costs and trucking fees, this mixture is now trucked over and pumped directly into the tanks at the onsite WWTP. When the contracted waste transporter is scheduled to transport a different waste stream from these operations, they also check the level in the containments and transport any rinse mixture – often multiple loads in one day – to the WWTP for treatment prior to discharge to the local WWTP. This results in:

- A significant cost avoidance – more than \$100,000
- Less hazardous material transported – more than 275,00 gallons
- Reduction in miles being travelled by diesel trucks – nearly 5,000

Land Use & Biodiversity

HKEX A3, A3.1

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 2021, 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.

KEEPING OUR PEOPLE HEALTHY & SAFE

Nexteer culture has been one of shared attitudes, values, goals and practices that characterize our organisation. We embed the idea that “safety is everyone’s job” into this culture. We commit to protecting the health and safety of each employee, visitor, and contractor on our premises through proactive programmes that achieve safe and healthy working conditions.

Fostering a Safety-first Culture

HKEX B2, B2.3

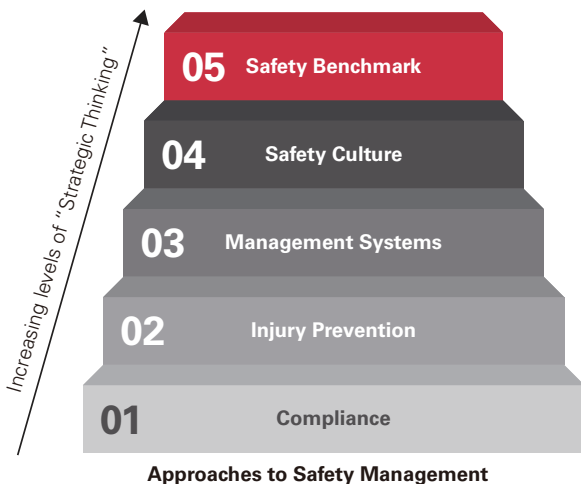
At Nexteer, we continue to enhance our health and safety management systems with a clear vision for global alignment. Aligned with ISO 45001 standards, our global Health and Safety Policy sets forth leadership commitment and guiding principles for our global facilities, like our Environmental Policy. Our Health and Safety Policy, together with our health and safety management systems, emphasizes the role of every Nexteer employee in identifying health and safety risks, collaborating on solutions, and implementing actions.

Our health and safety management systems are built upon a foundation of 25 safety topics, including:

Environmental, Health & Safety

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

We focus on preventing re-occurrences by implementing robust measures and dashboard systems to monitor and achieve zero injuries, illnesses and fatalities. We live and lead a culture of health and safety through ongoing education, training and awareness (see page 49 for more information). 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 health and safety 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 health and safety topics in our health and safety management systems. When plant audits are conducted, they consist of thorough plant walk-throughs and interviews with these health and safety champions.

Beyond our efforts to ensure compliance with applicable health and safety laws, 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.

Because of our Nexteer culture of health and safety, our global facilities received 56 National Safety Council awards in 2021, including a Corporate Culture of Safety Award.



Nexteer employees received their COVID-19 vaccine.

Returning to Work Safely

To keep our teams engaged on good safety practices during the ongoing COVID-19 pandemic, we continue to reference the recommendations we developed in 2020 in our comprehensive Safe Work Playbook. The Playbook includes practical recommendations based on guidelines from the Centres for Disease Control and Prevention, World Health Organisation and local health authorities to address several scenarios we may face while returning to work. All employees are required to follow the Playbook and received proper training upon returning to work. Our facilities continue to implement additional measures in accordance with requirements applicable to their geographic regions.

Environmental, Health & Safety

HKEX B2.1

The number and rate of work-related fatalities occurred in each of the past three years, including 2021, are reported as follows.

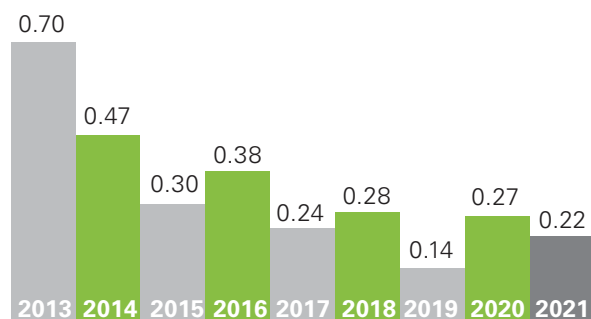
Number and Rate (per 100 workers) of Work-Related Fatalities

2019	0	0
2020	0	0
2021	0	0

HKEX B2.2

At Nexteer, we track and report on our global lost workday case rates on a monthly and annual basis, our total global recordable incident rates, and our total work-related injury and illness rates. 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.

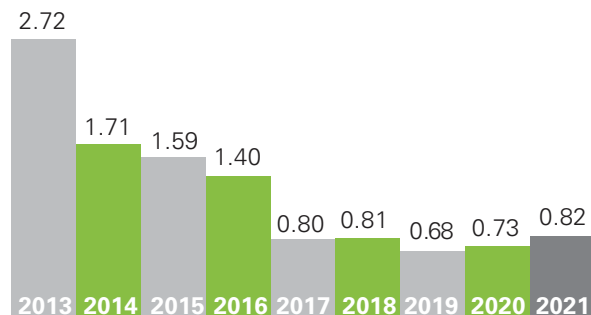
Global Lost Workday Case Rates by Year



Recordable incidents include all work-related fatalities or illnesses resulting in days away from work activity, job reassignment, or medical treatment beyond basic first aid.

In our business, these two metrics are widely considered to be industry norm and are more accurate than other health and safety metrics like lost days due to work injury, which can be skewed by a single person who loses many days of work due to an injury or illness.

Global Recordable Incident Rates per Year

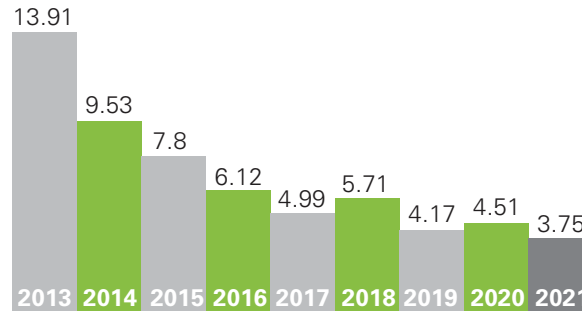


In 2021, we saw a decrease in our lost workday rates and an increase in our recordable rate. The COVID-19 pandemic was a contributing factor as global lockdowns resulted in less hours worked, negatively impacting the rate calculations. Additionally, absenteeism due to the virus resulted in greater-than-normal people movement resulting in greater risk for injury.

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 licensing. Treating a work-related injury and illness case may look like dispensing over-the-counter medication at the strength or dosage dictated on the label, or providing hot or cold therapy, eye patches, massages or drinking fluids to relieve heat stress. We continue to see a decrease in our work-related injury and illness rates.

Environmental, Health & Safety

Total Work Related Injury/Illness Case per 100 Employees



Staying Vigilant with Employee Health & Safety Training

Nexteer's safety education starts on the first day of employment – employees receive six hours of safety awareness training prior to walking out on the manufacturing floor. This awareness training provides an understanding of workplace risk and how to identify, report and correct them. Some elements of this training include:

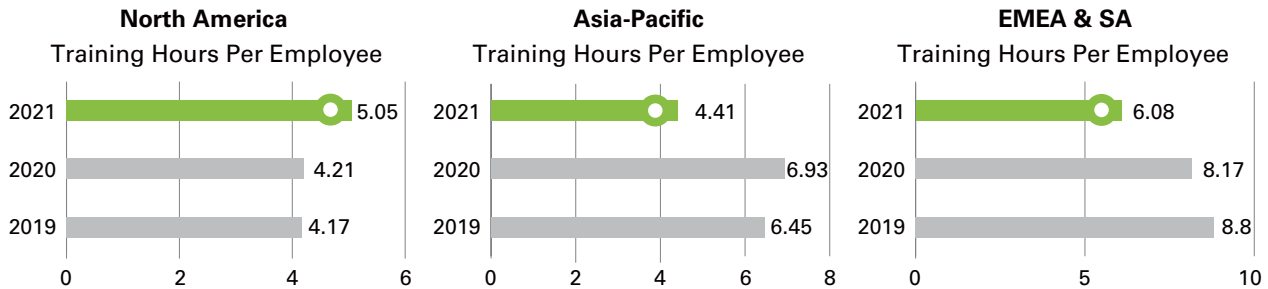


The awareness training is then followed by on-the-job training, department-specific training and orientation, which may include more detail about personal protective equipment, standardised work instructions and job-specific hazards. Nexteer continues to provide certified health and safety training on an ongoing basis. All employees receive weekly safety nudges, participate in monthly safety talks, and complete specific training modules based on their job.

Ensuring that all employees are properly trained in health and safety is a top priority for Nexteer. The graph below presents the number of hours per person of health and safety training delivered to employees by geographic region. We continue to utilize safety training hours provided as a leading indicator in our performance measurement.

Environmental, Health & Safety

More Than 63,000 Safety Training Hours Completed



Sharing and Recognizing Health and Safety

Best Practices

Identifying, recognizing and sharing health and safety best practices are critical to reduce work-related injuries and continuously improve our processes. As such, we establish a regular cadence for Nexteer plants to share their health and safety best practices at monthly global operations meetings. One to two plants are selected annually for internal recognition of our Health and Safety Best Practice Award.

Our 2021 Health and Safety Best Practice Award winner was Poland for their enhanced "Fall Hazard Protection," which addressed working from heights. Poland installed several new, certified anchorage points across several pieces of equipment. They also updated their procedures to incorporate several additional visual aids and forms to identify any potential risks as it relates to working from heights. Our second Health and Safety Best Practice Award winner was Morocco for their extensive COVID-19 prevention training and safety awareness. The team also established internal auditors to evaluate that the plant's COVID-19 protocols were being followed across every department.



One of our plants in Mexico celebrates a year without any accidents.

Environmental, Health & Safety

Poland's Happy and Healthy Nexteer Programme

Happy and Healthy Nexteer is an internal programme hosted by our Poland operations. The goal is to improve our employee's wellbeing through three ways:

Happy and Healthy Nexteer Webinars. Organized once a month, the topic of the webinars depends on the theme of a given month. For example, in October we focused on the prevention of cervical cancer for women, and in November, we focused on the prevention of prostate cancer for men. We also hosted webinars about coping with stress, healthy eating, managing emotions and more. The objective is to improve our mental and physical wellbeing by learning from specialists and experts in the field.

Nexteer Inspires. Our employees form groups to pursue their common passions. We currently have 10 groups. Each with its own cadence of regular meetings, trainings and trips. For example, there is a group for mountain hikers who organize trips depending on the weather. The objective of Nexteer Inspires is to foster cross-functional collaboration among our employees and create an environment where employees can learn from and inspire each other through their passions.

Psychological Support. With the support of external specialists, we established an open telephone line, where a coach and/or psychologist is available to help our employees in difficult life situations. Through this programme, we may also arrange individual intervention support in exceptional situations, such as the loss of a family member.

Innovating Ergonomics: Nexteer Ergo Cup Competition

2021 represented 15 years of Nexteer's Annual Ergonomic Competition. The Nexteer Ergo Cup is an award that recognises the development of innovative ergonomic solutions and education within the company. Three Ergo Cup awards are given to recognise team-driven solutions, engineering-driven solutions and programme initiative solutions. Additionally, Ergo Excellence awards are given in seven categories: 1) Most innovative, 2) Greatest simplicity, 3) Greatest read across, 4) Greatest risk reduction, 5) Continuous improvement, 6) Designing it right and 7) Honourable mention.

The objective of this annual competition is to recognise ergonomic innovation and generate enthusiasm for creating a workplace that fits the employee, not 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 almost 900 ergonomic lessons in the database.

In 2021, we received 63 entries from the China, India, Mexico, Morocco, Poland and the United States. Winners included:

- **Engineering Ergo Cup.** Redesigned fixture that eliminates ergonomic risk to the operator's wrist and reduced load time by 20%.
- **Team Ergo Cup:** Redesigned the area where finished goods are packaged, which eliminates twisting and manual lifting of the pallet bottoms.
- **Programme Initiative Ergo Cup.** Created a monthly, proactive ergonomic audit. Outcomes from the audit are submitted to an open issue log with corrective actions, owners and follow-up until the issue is closed.

Environmental, Health & Safety

2021 Safety Calendar Colouring Contest

To engage Nexteer team members and their families in a family-friendly safety competition, we hosted a colouring contest where Nexteer kids submitted original works of art depicting a safety subject, such as home evacuation, bike safety, hunter's safety, camping safety, safety at school and more. Out of the more than 60 submissions, the top artworks were voted on to be featured in our 2022 Health & Safety Calendar. With this fun competition, Nexteer brought to life our motto that "safety is everyone's job," while helping to educate the next generation on safety best practices.



One of our winning submissions for the 2021 safety calendar colouring contest.

In this section – Supply Chain

Our Supplier Expectations

Supply Chain Disruption and Risk Management

Supply Chain

HKEX B5.1

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.

858 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, as well as quality, throughout our supply chain.

Environmental. We expect our entire supply chain to adhere specifically to the principles contained within Nexteer's Corporate Social Responsibility (CSR) Supplier Principles, which are outlined within our NSRs. New suppliers must electronically acknowledge our CSR Supplier Principles upon system set-up. Specifically, the CSR Supplier Principles:

- 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 government 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 health and safety of our employees, 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 we comply with all applicable laws, government regulations, and rules in the countries where we operate.

Like the policies outlined in our own Code of Conduct (see page 15), we expect that our suppliers do the same and enforce policies that include but are not limited to:

- Providing a safe and healthy working environment
- Offering competitive wages and benefits
- Establishing reasonable working hours
- Allowing freedom of association
- Providing training and supporting development of employees
- Intolerance of harassment, discrimination, and forced and child labour

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. Non-compliance 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.

Supply Chain

Building Positive Supplier Relationships

HKEX B5.2

To maintain and grow our relationships with our suppliers, we hosted several supplier engagement events in 2021.

- **Supplier Annual Conference:** We invited over 900 suppliers to join our virtual conference and awards ceremony. This year, there were nine winners of the Superior Customer Service Awards and multiple recipients of the Perfect Quality Awards.
- **Annual Supplier Sustainability Survey:** As part of our materiality assessment, we survey our suppliers annually to hear about their sustainability efforts, but also what they consider important to Nexteer. In 2021, more than 100 suppliers participated, and common themes including climate change and labour practices to promote awareness on environmental and social aspects.
- **Leadership Message:** We shared a personalized video from our Vice President of GSM introducing our self-assessment questionnaire (SAQ) and emphasizing the importance of sustainability for Nexteer and the value chain.
- **Supplier Golf Outing:** In 2021, we held two fundraising golf events in collaboration with our suppliers. In June, 22 supplier teams each joined us, and in September, 31 supplier teams. The events raised approximately \$40,000 toward 20 scholarships to Nexteer interns, high school seniors, college students and students pursuing skilled trades (see more on page 59).



One of our 2021 fundraising golf events.

How We Assess Suppliers

HKEX B5, B5.2, B5.3

Our GSM function continues to enhance our process to assess and monitor potential environmental and social risks along our supply chain. In December 2020, we communicated to all our direct material suppliers about the requirements of an annual self-certification of our CSR Supplier Principles, which is completed by answering a self-assessment questionnaire (SAQ) and submitting supporting evidence.

During 2021, the SAQ was implemented and administrated through the Nexteer Sustainability Audit application contained within our supply chain management electronic platform. The SAQ will help us further engage suppliers on all ESG issues. Failure to comply with SAQ requirements result in a new business hold.

Nexteer reserves the right to conduct audits of supplier submissions based 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. Since implementation in mid-year 2021, 39 direct material suppliers' SAQs have been audited 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.

Supply Chain

Encouraging Environmental 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 follow 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.

SUPPLY CHAIN DISRUPTION AND RISK MANAGEMENT

In the wake of the ongoing COVID-19 pandemic – apart from human health – no other issue has been more prevalent than supply chain disruption. We proactively monitor for potential risks to supply chains through a subscription to a third-party risk management tool. The GSM 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, major disruptions include the semiconductor shortage and reduced performance of the global ocean transportation network. Through these significant disruptions, Nexteer maintained close contact with suppliers, aligned the Nexteer manufacturing network, and worked with customers to minimise impacts throughout the extended value chain.

In this section – Community

Our Nexteer Cares Approach

Nexteer Cares in Action

Community

Nexteer takes great pride in our long-standing commitment to local communities – we've been giving back for more than 110 years.

OUR NEXTEER CARES APPROACH

HKEX B8, B8.1, B8.2

Nexteer's policies related to CSR and its CSR programme – called **Nexteer Cares** – are well-documented. They specifically address community investments, volunteering, memberships and focus areas for our contributions. The policies offer guidance to demonstrate our commitment to community involvement and how we assess community needs in terms of financial and/or contributions of our time.

We will strive to continue our local engagement in the communities in which we operate. We give priority to organisations that operate in communities where Nexteer employees live and work, where Nexteer representation is welcomed on governance boards or leadership teams, and where volunteer opportunities for Nexteer employees exist.

Our focus areas for strategic involvement and employee engagement in our communities are defined as:

- **Proactive community involvement.** Forging partnerships that enhance our relationship with the community and through active participation in various Board of Director positions
- **Careers and education.** Hosting programmes that help create career awareness and build skills for work readiness opportunities for the youth in our communities
- **Science, technology, engineering, mathematics (STEM) education.** Promoting 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

In the past five years, we've contributed more than **\$2.1 million** and more than **72,000** employee volunteer hours to support charitable causes and community programmes in the communities where Nexteer employees live and work around the world. In 2021 specifically, we contributed \$0.2 million and our employees volunteered more than 15,000 hours of time to local charitable efforts.

Supporting our Home

In 2021, Nexteer supported four funds administered through the Saginaw Community Foundation in Saginaw, Michigan, US:

- Steering the Future Fund
- Community Improvement Fund
- Education Fund
- Nexteer Scholarship Fund

In the past five years, these funds have invested more than \$400,000 in projects. These funds focus on providing community support through three distinct approaches:

- Providing scholarships to students pursuing college degrees in STEM or business fields
- Providing competitive grants to local organisations in communities where Nexteer does business
- Providing discretionary charitable grant dollars, often with a volunteer component, to meet community needs

The Steering the Future Fund is administered by a volunteer committee of Nexteer employees who review charitable grant applications and allocate funds based on the merits of each application and the amount of funding requested. Each application requires a Nexteer team member to be the project sponsor. To be eligible for funding, applicants must demonstrate that the activity to be funded meets one or more of our focus areas.

Community

In 2021, we funded more than \$23,000 in projects through Steering the Future, including STEM programmes supporting outdoor education and STEM minority representation, the READ Association encouraging literacy, and Camp Fish Tales, supporting those in our community facing special challenges.

COVID-19 Efforts in 2021: Giving Back in a Different Way

As the world continued to be impacted by the COVID-19 pandemic, Nexteer continued to support our communities through vaccination clinics, supporting the needs of local health departments, raising awareness and sharing supplies when possible.

Our Nexteer teams also found ways to be impactful around the globe:

- **Brazil:** The Brazilian team collected toys around the holidays and hosted a clothing drive.
- **China:** Employees helped set up the third Nexteer Library in a primary school in the Gansu Province. Nexteer has donated over 3,000 books, new bookshelves, reading desk and chairs to the libraries.
- **France:** The Nexteer team focused on recycling bottle caps to purchase a wheelchair for a local organisation. They also collected basic food items for those facing food insecurity and participated in walking events to raise funds for those facing mental challenges.
- **Germany:** The team assisted with cleaning the village near the office site.
- **India:** Nexteer employees donated essential medicine and medical equipment to the Mahanthalingapura Primary Health Centre, which serves more than 40 nearby villages.
- **Italy:** The Nexteer team helped a local school painting fences.
- **Mexico:** Nexteer employees collected 300,000 plastic bottle caps to raise funds that support kids in need battling cancer. Additionally, the team supported special education by donating to the local United Way to help upgrade their facility.
- **Poland:** The Poland team participated in several charity running events throughout the year. The team also volunteered their skills to renovate the facilities at Zameczek and Rudoltowicach. The team also collected personal hygiene products for those in need.
- **United States:** More than 150 Nexteer and United Auto Workers Local 699 team members volunteered to build 10 ramps as part of Project Independence, a volunteer effort coordinated by the United Way of Saginaw County and the Disability Services Network that designs, donates and builds exterior home mobility ramps in the Great Lakes Bay Region. The Nexteer team also greeted hospital employees throughout the region with a morning snack to thank them for their efforts during an incredibly challenging year.

NEXTEER CARES IN ACTION

In 2021, Nexteer employees took part in numerous **Nexteer Cares** initiatives designed to keep neighbourhoods clean, residents healthy and students learning. Following are just a few examples.

Our Local Presence: Partnering with our Communities

- Partnered with local police and sheriff departments, as well as purchased equipment for local fire departments and conducted a community-wide HazMat training effort.
- Actively participated in leadership positions with local Chambers of Commerce, Business Partnership Networks, Saginaw Future, GLB Manufacturers Association, Business Leaders of Michigan, and the United Way.
- Chaired the United Way of Saginaw County Campaign.
- Continued to support onsite blood drives and offer our volunteer services for our community members who struggle with food insecurity.



Nexteer employees participate in an Earth Day planting and clean-up activity.

Community

Careers: Building Career Awareness and Exposure

- Participated in career fairs.
- Volunteered with career readiness programmes like Junior Achievement.
- Mentored students through the Heritage High School Mentoring Programme, Great Lakes Bay Chief Science Officers Programme, career talks and local readiness interviews.
- Introduced students and potential talent to a manufacturing environment through tours.

Education: Developing the Next Generation of Automotive Leaders

From mentorship programmes to the Nexteer Scholarship Fund, we pride ourselves on supporting students pursuing opportunities in STEM education and enabling students to discover career opportunities in manufacturing and STEM-rich environments. For example:

Nexteer Scholarship Fund Golf Outings. Given the importance we place on education, the Nexteer team challenged itself in 2021 to hold two golf outings with our supplier community to raise additional funds for scholarships. The events raised approximately \$40,000, which allowed us to diversify the types of scholarships and offer more than 20 scholarships to students.

We also created the Nexteer Mike Richardson Future Leader Scholarship to honour a former Nexteer President and Executive Board Member. This prestigious award requires a nomination from a supervisor and completing essay questions. It is the largest scholarship we currently award at Nexteer. Mr. Richardson plays a role in the final candidate selection and sends a personal note of congratulations to the winner.



Nexteer employees in Queretaro, Mexico collected plastic bottle caps to raise money for children battling cancer.

FIRST Robotics Sponsorship and FIRST® LEGO® League Competition. In 2021, we hosted two FIRST® LEGO® League competitions, STEM-focused robotics competitions for local Michigan students. The first was held virtually in early 2021, which presented a challenge to the planning team with more than 400 students who participate – and their cheering squad of parents, siblings and other friends and relatives. In December 2021, the team decided to host in person with the proper COVID-19 precautions in place. This gave the students the opportunity to advance to state-level competitions. More than 70 Nexteer volunteers, coaches and supporters contributed their time and talents toward a successful event.

Strengthening Neighbourhoods: Community Sustainability Initiatives

In 2021, we promoted sustainability efforts by speaking at local conferences and promoting recycling efforts. We also worked with local conservation and sustainability groups to clean up neighbourhoods and create a safer, greener environment for residents. For example:

Earth Day. 45 Nexteer volunteers planted 40 trees, cleared sidewalks and picked up trash on more than 10 lots in Saginaw, in collaboration with the Saginaw Basin Land Conservancy.

World Environment Day. Our Nexteer team worked with the Saginaw Basin Land Conservancy to host a neighbourhood clean-up – removing 4,000 pounds of



Nexteer employees volunteered at the East Side Soup Kitchen in Saginaw, Michigan, U.S.



Nexteer employees donated over 3,000 books to a third Nexteer Library in the Gansu Province in China.

In this section – Reporting Indices

HKEX ESG Reporting Guide

GRI Standards Reporting Index








SASB Reporting Index

UN SDGs











trash and debris from vacant lots in Saginaw.

Reporting Indices

HKEX ESG REPORTING GUIDE











HKEX Aspect and KPIs	Relevant Nexteer Focus Area	2021 Response
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		Air & GHG Emissions, page 41 Waste, page 43
A1.1: The types of emissions and respective emissions data		Air & GHG Emissions, page 41
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)		Air & GHG Emissions, page 41
A1.3: Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g., per unit of production volume, per facility)		Waste, page 44
A1.4: Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g., per unit of production volume, per facility)		Waste, page 44
A1.5: Description of emission target(s) set, and steps taken to achieve them		Air & GHG Emissions, page 41
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		Waste, page 43

Reporting Indices











HKEX Aspect and KPIs	Relevant Nexteer Focus Area	2021 Response
A2: Use of resources Provide information on Nexteer's policies on the efficient use of resources, including energy, water and other raw materials		Managing Our Environmental Impact, page 36 Water, page 45
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)		Air & GHG Emissions, page 42
A2.2: Water consumption in total and intensity (e.g., per unit of production volume, per facility)		Water, page 45
A2.3: Description of energy use efficiency target(s) set, and steps taken to achieve them		Managing Our Environmental Impact, page 36
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		Water, page 45
A2.5: Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced		Packaging, page 44
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		Managing Our Environmental Impact, page 36 Land Use & Biodiversity, page 46
A3.1: Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them		Land Use & Biodiversity, page 46
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		How Nexteer is Approaching Climate Change, page 37
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.		How Nexteer is Approaching Climate Change, page 37

Focus Area: Social








Reporting Indices

HKEX Aspect and KPIs	Relevant Nexteer Focus Area	2021 Response
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		Our People Approach, page 20
B1.1: Total workforce by gender, employment type (for example, full-or part-time), age group and geographical region		Our People, page 17
B1.2: Employee turnover rate by gender, age group and geographical region		Our People, page 19
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		Fostering a Safety-first Culture, page 46
B2.1: Number and rate of work-related fatalities occurred in each of the past three years including the reporting year		Fostering a Safety-first Culture, page 48
B2.2: Lost days due to work injury		Fostering a Safety-first Culture, page 48
B2.3: Description of occupational health and safety measures adopted, how they are implemented and monitored		Fostering a Safety-first Culture, page 46
B3: Development and Training Provide information on the policies improving employees' knowledge and skills for discharging duties at work. Description of training activities		Developing our Talent, page 21
B3.1: The percentage of employees trained by gender and employee category (e.g., senior management, middle management)		Developing our Talent, page 22
B3.2: The average training hours completed per employee by gender and employee category		Developing our Talent, page 23

Reporting Indices

HKEX Aspect and KPIs	Relevant Nexteer Focus Area	2021 Response
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		Upholding Human Rights & Labour Standards, page 16
B4.1: Description of measures to review employment practices to avoid child and forced labour		Upholding Human Rights & Labour Standards, page 16
B4.2: Description of steps taken to eliminate such practices when discovered		Upholding Human Rights & Labour Standards, page 16
B5: Supply Chain Management Provide information on Nexteer's policies on managing environmental and social risks of the supply chain		Our Supplier Expectations, page 54 How We Assess Suppliers, page 55
B5.1: Number of suppliers by geographical region		Supply Chain, page 53
B5.2: Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored		Building Positive Supplier Relationships, page 55 How We Assess Suppliers, page 55
B5.3: Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.		Our Supplier Expectations, page 54 How We Assess Suppliers, page 55
B5.4: Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.		Encouraging Environmental Practices, page 56
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		Prioritising Product Safety and Quality, page 33
B6.1: Percentage of total products sold or shipped subject to recalls for safety and health reasons		Consumer Safety, page 34

Reporting Indices

HKEX Aspect and KPIs	Relevant Nexteer Focus Area	2021 Response
B6.2: Number of products and service-related complaints received and how they are dealt with		Quality Assurance Process, page 33
B6.3: Description of practices relating to observing and protecting intellectual property rights		A Focus on Research & Development, page 26
B6.4: Description of quality assurance process and recall procedures		Quality Assurance Process, page 33 Consumer Safety, page 34
B6.5: Description of consumer data protection and privacy policies, how they are implemented and monitored		Cybersecurity, page 34
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		Preventing Corruption, page 16
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		Preventing Corruption, page 16
B7.2: Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored		Preventing Corruption, page 16
B7.3 Description of anti-corruption training provided to directors and staff		Preventing Corruption, page 16
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		Our <i>Nexteer Cares</i> Approach, page 57
B8.1: Focus areas of contribution (e.g., educational, environmental concerns, labour needs, health, culture, sport)		Our <i>Nexteer Cares</i> Approach, page 57
B8.2: Resources contributed (e.g., money or time) to the focus area		Our <i>Nexteer Cares</i> Approach, page 57

Reporting Indices

GRI STANDARDS REPORTING INDEX

Title	Disclosure	GRI Standards Disclosure Title	2021 Response
General	2-1	Organisational details	Annual Report, page 2
	2-2	Entities included in the organisation's sustainability reporting	Annual Report, page 103
	2-3	Reporting period, frequency and contact point	About this Report, page 10
	2-4	Restatements of information	Air & GHG Emissions, page 41
	2-6	Activities, value chain, and other business relationships	About Nexteer, page 4
	2-7	Employees	Our People, page 17
	2-9	Governance structure and composition	Annual Report, page 78
	2-10	Nomination and selection of the highest governance body	Annual Report, page 85
	2-11	Chair of the highest governance body	Annual Report, page 78
	2-12	Role of the highest governance body in overseeing the management of impacts	Managing Sustainability at Nexteer, page 9
	2-13	Delegation of responsibility for managing impacts	Managing Sustainability at Nexteer, page 9
	2-14	Role of the highest governance body in sustainability reporting	Managing Sustainability at Nexteer, page 9
	2-15	Conflicts of interest	Annual Report, <i>Directors' Report</i> , <i>Corporate Governance Report</i>
	2-16	Communication of critical concerns	Annual Report, page 87 Company Website https://www.nexteer.com/corporate-governance/
	2-19	Remuneration policies	Annual Report, page 87
	2-20	Process to determine remuneration	Annual Report, page 87
	2-22	Statement on sustainable development strategy	A Message from Leadership, page 2

Reporting Indices

Title	Disclosure	GRI Standards Disclosure Title	2021 Response
	2-26	Mechanisms for seeking advice and raising concerns	Strong Governance Practices, page 15 Company Website https://www.nexteer.com/corporate-governance/
	2-27	Compliance with laws and regulations	Ethics, Compliance and Integrity, page 15
	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 • 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) • 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	Stakeholder Engagement, page 14

Reporting Indices

Title	Disclosure	GRI Standards Disclosure Title	2021 Response
Material Topics	3-1	Process to determine material topics	Our Approach to Materiality, page 11
	3-2	List of material topics	Our Approach to Materiality, page 13
	3-3	Management of material topics	<i>Throughout full Sustainability Report</i>
Economic Performance	201-1	Direct economic value generated and distributed	Annual Report, page 96
	201-2	Financial implications and other risks and opportunities due to climate change	How Nexteer is Approaching Climate Change, page 37
	201-3	Defined benefit plan obligations and other retirement plans	Annual Report, page 112
Indirect Economic Impacts	203-2	Significant indirect economic impacts	Our <i>Nexteer Cares</i> Approach, page 57
Anti-corruption	205-2	Communication and training about anti-corruption policies and procedures	Preventing Corruption, page 16
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 2021.
Energy	302-1	Energy consumption within the organisation	Air & GHG Emissions, page 42
	302-3	Energy intensity	Air & GHG Emissions, page 42
	302-4	Reduction of energy consumption	Air & GHG Emissions, page 42
	302-5	Reductions in energy requirements of products and services	Contributing to a Sustainable World Through Our Products, page 35
Water	303-1	Interactions with water as a shared resource	Water, page 45
	303-5	Water consumption	Water, page 45
Biodiversity	304-2	Significant impacts of activities, products, and services on biodiversity	Land Use & Biodiversity, page 46

Reporting Indices

Title	Disclosure	GRI Standards Disclosure Title	2021 Response
Emissions	305-1	Direct (Scope 1) GHG emissions	Air & GHG Emissions, page 41
	305-2	Energy indirect (Scope 2) GHG emissions	Air & GHG Emissions, page 41
	305-3	Other indirect (Scope 3) GHG emissions	Air & GHG Emissions, page 41
	305-7	Nitrogen oxides (NOX), sulphur oxides (SOX), and other significant air emissions	Air & GHG Emissions, page 43
Waste	306-1	Waste generation and significant waste-related impacts	Waste, page 43
	306-2	Management of significant waste-related impacts	Waste, page 43
	306-3	Waste generated	Waste, page 44
	306-4	Waste diverted from disposal	Waste, page 44
	306-5	Waste directed to disposal	Waste, page 44
Supplier Environmental Assessment	308-1	New suppliers that were screened using environmental criteria	Our Supplier Expectations, page 54
Employment	401-1	New employee hires and employee turnover	Our People, page 19
Occupational Health and Safety	403-1	Occupational health and safety management system	Fostering a Safety-first Culture, page 46
	403-2	Hazard identification, risk assessment, and incident investigation	Fostering a Safety-first Culture, page 47
	403-4	Worker participation, consultation, and communication on occupational health and safety	Innovating Ergonomics: Nexteer Ergo Cup Competition, page 51
	403-5	Worker training on occupational health and safety	Staying Vigilant with Employee Health & Safety Training, page 49
	403-6	Promotion of worker health	Poland's Happy and Healthy Nexteer Programme, page 51

Reporting Indices

Title	Disclosure	GRI Standards Disclosure Title	2021 Response
	403-8	Workers covered by an occupational health and safety management system	Fostering a Safety-first Culture, page 46
	403-9	Work-related injuries	Fostering a Safety-first Culture, page 49
	403-10	Work-related ill health	Fostering a Safety-first Culture, page 49
Training and Education	404-1	Average hours of training per year per employee	Developing our Talent, page 23
	404-2	Programmes for upgrading employee skills and transition assistance programmes	Developing our Talent, page 21
Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	Our People, page 18
Human Rights Assessment	412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Our Supplier Expectations, page 54
Supplier Social Assessment	414-1	New suppliers that were screened using social criteria	Our Supplier Expectations, page 54
Customer Health and Safety	416-1	Assessment of the health and safety impacts of product and service categories	Prioritising Product Safety and Quality, page 33
	416-2	Incidents of noncompliance concerning the health and safety impacts of products and services	Prioritising Product Safety and Quality, page 33

Reporting Indices

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	2021 Response
Energy Management	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	TR-AP-130a.1	Air & GHG Emissions, page 42
Waste Management	(1) Total amount of waste from manufacturing, (2) percentage hazardous, (3) percentage recycled	TR-AP-150a.1	Waste, page 44
Product Safety	Number of recalls issued; total units recalled	TR-AP-250a.1	Prioritising Product Safety and Quality, page 33
Materials Sourcing	Description of the management of risks associated with the use of critical materials	TR-AP-440a.1	Packaging, page 44
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 2021.

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>3.6 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>Keeping our People Healthy & Safe, page 46</p> <p>Ethics and Integrity, page 15</p> <p>Our Supplier Expectations, page 54</p> <p>Prioritising Product Safety and Quality, page 33</p> <p>Reducing Our Environmental Footprint, page 36</p> <p>Our <i>Nexteer Cares</i> Approach, page 57</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>Our <i>Nexteer Cares</i> Approach, page 57</p>

Reporting Indices

UN SDG	Relevant Nexteer Focus Area	Most Relevant SDG Targets	Examples of Nexteer's Contributions
	  	<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>Ethics and Integrity, page 15</p> <p>Our People, page 17</p> <p>Our Supplier Expectations, page 54</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>Reducing Our Environmental Footprint, page 36</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>Ethics and Integrity, page 15</p> <p>Our Supplier Expectations, page 54</p>

Reporting Indices

UN SDG	Relevant Nexteer Focus Area	Most Relevant SDG Targets	Examples of Nexteer's Contributions
 <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>Reducing Our Environmental Footprint, page 36</p> <p>Creating Value Through Innovation, page 26</p> <p>Our <i>Nexteer Cares</i> Approach, page 57</p>
 <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>Reducing Our Environmental Footprint, page 36</p> <p>Our Supplier Expectations, page 54</p>