

# Sustainability in Motion

2024 SUSTAINABILITY SUMMARY REPORT

# A Note From Our CEO

#### **BUILDING A SUSTAINABLE FUTURE**

Every day, our employees around the world are developing innovative, sustainable products and services to power the software-defined future. A reflection of our values, sustainability permeates every aspect of our business, from how we develop our employees and serve our partners to how we support our communities and preserve our environment. From the sensor to the cloud, our unique full-system expertise enables us to anticipate the future needs of our customers and invest in the technologies necessary to make the world a better, safer place for generations to come.

As a global leader in the development and delivery of missioncritical intelligent systems, Aptiv understands that sustainability is a transformational journey that relies on our ability to support our people, products, platforms and planet. Our legacy has been built on our passion for innovation, which drives our teams around the world to continue to push the boundaries of what's possible.

It all starts with our employees — our most valuable asset — and we are committed to ensuring that they have the resources and training necessary to live our values while developing sustainable solutions to solve our customers' toughest challenges. We continue to invest in our world-class facilities, including our new technical center in Bengaluru, India, which opened last year, as well as in the development and retention of our global team. We continue to prioritize culture-defining experiences, including our annual Aptiv Innovation Awards, recognizing outstanding contributions from individuals and teams across functions and geographies. This annual event celebrates the many ways our people are transforming what we do provide our customers with flexible, full-system solutions that enable the life-cycle management of their products — and how we do it.

To realize a future with zero accidents and emissions, we are developing solutions with a safe, green and connected impact in mind. Aptiv active safety technologies are currently deployed across more than 55 million vehicles worldwide, and last year we introduced industry-leading solutions -

including battery management software, power electronics and automated parking systems – that improve vehicle safety and performance. We also expanded our portfolio of recycled-plastic products to include transmission brackets, wire shields and floor side rails. Our platforms enable customers to accelerate the path to the fully electrified, software-defined vehicle. Aptiv's Smart Vehicle Architecture<sup>™</sup> (SVA<sup>™</sup>) enables OEM partners to reduce weight, mass, labor and, ultimately, CO<sub>2</sub> emissions. And Wind River Studio works with a cloud-native software architecture and virtualized hardware to help customers across industries lower embedded software life-cycle costs. shorten time to market, accelerate innovation and capture new revenue opportunities.

By doing the right thing, the right way, we continue to reduce our environmental footprint and are on track to reach our 2025 sustainability goals and carbon neutrality by 2040. We remain focused on ensuring that our operations are streamlined and minimize risks to the environment. human rights, and data security across our supply chain. We continue to build diverse teams that develop innovative solutions with a positive impact on the environment. We are proud to be recognized by Ethisphere as one of the World's Most Ethical Companies for the 12th consecutive year -areflection of the strength of our Code of Conduct, which serves as the basis for putting our values into action.

This report outlines our annual progress and the commitments we have made to our customers, communities and employees in making the world a better place. As we navigate the complexities of an ever-changing world, we do so with purpose, integrity and an unvielding dedication to building for a sustainable future.



Kevin P. Clark Chairman and Chief Executive Officer

# **Our Sustainability Strategy**

#### AT APTIV, WE SET A HIGH BAR

We make **products** and solutions of the highest quality — designed, developed and manufactured responsibly — that transform society by enabling safer, greener and more connected mobility. In doing so, we take care of our **people** and communities, minimize our impact on the **planet** and manage our company according to a robust ethical **platform**.

CLICK HERE FOR OUR 2025 COMMITMENTS  $\rightarrow$ 

#### OUR FRAMEWORK FOR DELIVERING ON OUR MISSION

MISSION Why we do what we do		approach How we do business		IMPACT Our effect on the world
<b>SAFE</b> A future with zero accidents		<b>PEOPLE</b> Foster high-performing and engaged teams with safe, dynamic and inclusive workplaces	දුළුදු	STAKEHOLDER VALUE CREATION
GREEN A future with zero emissions CONNECTED		<b>PRODUCTS</b> Design and deliver solutions that make the world safer, greener and more connected		ENGAGED EMPLOYEES STRONGER COMMUNITIES
A future with seamless connectivity		<b>PLANET</b> Increase the efficiency of our processes and reduce our impact on the environment		SAFER VEHICLES GREENER WORLD
		<b>PLATFORM</b> Do the right thing, the right way		SEAMLESS CONNECTIVITY

# 2024 APTIV SUSTAINABILITY REPORT



# **Moving Forward Together**

#### PREPARING OUR PEOPLE FOR THE FUTURE

A focus on people is critical to building a sustainable future. We're passionate about attracting, developing and engaging a diverse and talented workforce united by the shared purpose of creating a safer, greener and more connected future of mobility.

Aptiv is committed to making that vision a reality by enabling the right people, with the right skills and tools, to build sustainable products and services to power the software-defined future.

This commitment guides our approach to enhancing our employee experience to foster an

irresistible, innovative and inclusive workplace — one that reflects the diversity of the communities in which we operate.

Our aim is not just to attract top talent but also to inspire our people to achieve their full potential, making Aptiv a talent magnet and a high-performing organization.



**Obed Louissaint** Executive Vice President and Chief People Officer

#### DIVERSITY AND INCLUSION IN 2023

- 0% pay equity gap
- 46% internal fill rate
- 49% women
- 47% ethnic diversity

# Inspiring Innovation Through Recognition

#### MAKING APTIV IRRESISTIBLE TO TOP TALENT

To accomplish our goal of creating a safer, greener and more connected future of mobility, we need the best people. And to attract and retain the best people, we must make our organization an irresistible place to work.

In part, that means recognizing and rewarding exceptional performance through programs such as the Aptiv Innovation Awards (AIA).

The AIA started in 1995 and has grown every year since to encompass more of Aptiv's business. Awards include the One Aptiv Award, the Innovator of the Year Award, the Team Innovation Award and the Rising Star Award. Receiving an award is a coveted honor among our employees.

In 2023, award submissions came from every business unit and region in which we operate. 2023 was also a record year for the event's reach and engagement, with nearly three times the number of submissions to the Team Innovation Award category. Our technical center in Kraków, Poland, hosted the event and streamed it live around the globe.

The response to the AIA event was overwhelmingly positive, showing that a little recognition goes a long way toward making Aptiv an irresistible workplace for top talent.





#### NEW TECHNICAL CENTER IN INDIA

Aptiv opened a state-of-the-art technical center in Bengaluru, India, to provide the tools and facilities needed to enable our people to learn, grow and do their best work. The location employs experts in the areas of cybersecurity, advanced safety, connectivity and digital cockpit solutions and will support our OEM customers worldwide.



#### LEADERSHIP DEVELOPMENT

At Aptiv, we take a personalized approach to employee development through internal leadership development programs focused on supply chain management, finance, tax and IT. Our Global Leadership Development Program also provides Aptiv employees from a variety of functions with the opportunity to upskill through hands-on leadership training in a collaborative environment.



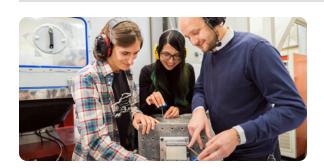
#### INTERNAL TALENT MARKETPLACE

Aptiv's internal talent marketplace connects Aptiv employees with opportunities inside the company to help them grow, and to help managers discover great talent. Our internal fill rate grew from 40 percent in 2022 to 46 percent in 2023.



#### WOMEN'S NETWORKS

Aptiv's employee-led women's networks provide support, inspiration and empowerment through an inclusive forum focused on personal and professional development in every major technical center worldwide. In 2023, we added eight locations to our women's networks, helping promote our goal of creating equal career opportunities across genders and making Aptiv a premier destination for female talent.



#### LOOK-ACROSS PROGRAM FOR ENHANCED SAFETY

Our innovative "safety look-across" program fosters a culture of safety by meticulously analyzing safety incidents, identifying root causes and implementing robust solutions across all global sites. Our dedicated team executes a comprehensive review process to ensure that all cases and proposed measures are disseminated to every site worldwide. Our passion for results makes us a leader in workplace safety, as reflected in our low 2023 lost workday case rate of 0.097 per 100 employees.



# **Realizing the Vision of the Automotive Industry**

#### PREPARING OUR PRODUCTS FOR THE FUTURE

The automotive industry has a vision. We talk about it in different ways, but we all want the same things: the elimination of accidents and fatalities, electrified vehicles that charge quickly and maximize battery life, and the ability to comfortably and conveniently navigate the world.

But the truth is, delivering these solutions is difficult. The world is full of unknown obstacles, variables and challenges just around the corner. The road ahead isn't mapped, and the skies are not always blue. To realize our vision, we are going to have to solve some really tough challenges. At Aptiv, we are uniquely positioned to support both the brain and the nervous system of the vehicle and to take those challenges head-on and deliver the future we all want.



**Bill Presley** Vice Chairman and Chief Operating Officer

# **Predictive BMS Optimizes** the EV's Battery

#### PRACTICAL AND ACCESSIBLE

Aptiv's products have already helped eliminate 220 million tons of  $CO_2e$  emissions — demonstrating the power that vehicle electrification has to deliver a greener future of mobility. But to ensure that electric vehicles are sustainable over time, it's essential to optimize the most expensive asset on the vehicle: the battery.

In 2023, Aptiv unveiled a cutting-edge predictive battery management software (BMS) solution that leverages physics-based algorithms to model the complex inner workings of a battery, using a digital twin.

Traditional BMS relies on phenomenological measurements of the battery, reacting to changes in voltage, current and temperature. However, reactionary approaches are less efficient than predictive options. Aptiv's predictive BMS reduces degradation and improves battery safety and performance with real-time analytics, including remote health monitoring and anomaly alerts.

In addition to improving day-to-day charging performance, BMS is a powerful tool to reduce costs, save space and limit waste. Currently, portions of the EV's battery capacity are inaccessible to the consumer. This practice is known as grace capacity and provides a buffer against battery degradation, but it adds to the overall cost and mass of the battery without increasing driving range.

The introduction of predictive BMS offers a practical alternative to grace capacity by helping OEMs get the most from the vehicle's entire battery. It enables them to achieve greater performance from a battery that takes up less space, has less overall cost and weight, and has a smaller environmental impact.

By reducing degradation, BMS also ensures that the battery has a role to play long after it comes off the road for good — such as enabling its reuse in grid storage energy applications.



"We all want the same things: the elimination of accidents and fatalities, electrified vehicles that charge quickly and maximize battery life, and the ability to comfortably and conveniently navigate the world."

Bill Presley Vice Chairman and Chief Operating Officer

# $\overline{\phantom{a}}$

SAFE

55 million+ vehicles with Aptiv's active safety products

#### AUTOMATED PARKING

Aptiv introduced four different types of automated parking features on our ADAS platform — Surround View, Memory Parking, Auto Park Assist and Auto Park Valet — providing higher performance and greater availability for consumers.

#### APTIV RAPID POWER RESERVE

Aptiv introduced Aptiv Rapid Power Reserve (ARPR) as a reliable alternative to traditional 12V lead-acid batteries. Powered by advanced ultracapacitor technology, ARPR can provide instantaneous backup power to safetycritical systems, such as computing, steering and braking.

#### GREEN

220 million tons of CO<sub>2</sub>e emissions eliminated

#### **ENABLING NACS**

Aptiv's innovations in charging inlets and harnesses enable OEMs to quickly transition to the emerging North American Charging Standard (NACS) for electric vehicles. With our technologies, OEMs can take advantage of the largest charging infrastructure in North America.

#### **RECYCLED OCEAN PLASTIC**

To help reduce the environmental impact of ocean plastic, Aptiv subsidiary HellermannTyton partnered with Ford to develop the first automotive part made from 100% recycled ocean plastic: a cable lead on the Ford Bronco Sport. Since its initial launch, the product line has expanded to include transmission brackets, wire shields and floor side rails.

# S

#### CONNECTED

100% of applicable controllers and compute platforms embedded with overthe-air connectivity

#### WIND RIVER STUDIO

Aptiv continues to leverage Wind River Studio, improving cloud-scale automation and increasing developer productivity by 25%. Thanks to virtualized, shift-left testing, 20% of bugs are detected and fixed sooner during the development phase, helping us achieve faster time to market.

#### APTIV CONNECT ROLLS OUT GLOBALLY

Aptiv Connect uses innovations in connectivity and highspeed data acquisition to provide fleet managers with access to a wide range of data about the operation of their vehicles. Fleet managers can save more than \$2,500 per vehicle by reducing unexpected downtime, improving fuel economy and streamlining vehicle operations.



### **Empowering Sustainable** Innovation

#### PREPARING FOR THE FUTURE OF THE PLANET

Realizing meaningful sustainability goals requires empowering our entire organization to identify opportunities where Aptiv can make a positive impact at every level.

Building sustainable innovation into our culture enables us to work together as one team to accomplish our shared mission, and a systematic approach ensures that our targets align with evidence-backed standards across every stage of the production process, from sourcing to disposal. Above all, we recognize that protecting the environment is not merely the right thing to do; it is essential for ensuring our continued success and the future resilience of our industry.



**Joe Palmieri** Senior Vice President, Supply Chain Management

# Building a More Sustainable Culture

#### **20TH SUSTAINABILITY AWARDS**

2023 marked the 20th year of Aptiv's annual internal Sustainability Awards, and it was the largest one yet. More than 1,000 projects were submitted from around the globe, highlighting a wide variety of initiatives reflecting Aptiv's values, from process improvement projects to sustainable material sourcing initiatives to STEM events for children.

The Sustainability Awards were launched in 2003 to harness our team's passion and innovation to meet our sustainability targets in four key areas: reducing greenhouse gas (GHG) emissions, reducing waste, ensuring responsible water consumption and creating a positive community impact. In the awards' first year, we received about 100 submissions, but the number has expanded rapidly as we have built a culture driven by sustainability and employees across the globe have sought out new, innovative ways to contribute to Aptiv's sustainability goals.

Winners in 2023 included a wide range of process improvements and community engagement activities, including a rainwater collection system in our Cochin, India, facility that will save approximately 10,000 liters of water per year; a process improvement project in Nuremberg, Germany, that significantly reduced the amount of gold used in various terminal components; and a donation by Aptiv's Juarez, Mexico, technical center to provide unique STEM-focused educational opportunities to 65,000 students in Juarez public schools.

Incentives aimed at motivating our employees to think sustainably have led them to plant over 400,000 trees, cut our total water consumption per employee in half since 2013, and increase our renewable energy sourcing to 33 percent.

We will continue to work as one team throughout our organization to find innovative ways to reduce our environmental impact and give back to the communities in which we operate.



"Realizing meaningful sustainability goals takes industry alignment and a systematic approach to collectively address the future needs of the planet."

Joe Palmieri Senior Vice President, Supply Chain Management



#### **OUR COMMITMENT TO SCIENCE-BASED TARGETS**

The United Nations Science Based Targets initiative (SBTi) sets targets for businesses, nonprofits and government agencies to align their sustainability goals with the standards outlined by the Paris Agreement and limit rising global temperatures to an increase of no more than 1.5° C. In 2023, SBTi approved Aptiv's near-term science-based emissions reduction target. We have made a commitment to reduce absolute Scope 1 and 2 GHG emissions 100 percent by 2030 and to reduce absolute Scope 3 GHG emissions 47.4 percent within the same time frame, from a 2021 base year.



#### **CLIMATE CHANGE**

We are on target to reduce our Scope 1 and 2 carbon emissions 25 percent by 2025, from a 2021 baseline, thanks to efforts to improve energy efficiency and increase sustainable energy sourcing at multiple facilities across the globe. We currently have solar panel projects at 14 sites worldwide, generating more than 17 million kWh of electricity and eliminating nearly 9,800 tons of CO<sub>2</sub>e emissions. Globally, Aptiv is powered by over 30 percent renewable energy sources. We completed ISO 50001 energy efficiency certification at four of our most energy-intensive sites in 2023 and have completed certifications at a total of eight sites to date — in line with our goal of certifying our 10 most energy-intensive sites by 2025.



#### WATER

At Aptiv, we know the impact fresh water has on the health of the communities in which we operate. Although our operations are not water-intensive, we work hard to reduce water consumption at sites located in regions with water scarcity, through process improvements and water-capture initiatives. In total, our efforts saved over 83 million liters in 2023 — in line with our target of reducing water consumption in high-risk areas by 2 percent per year by 2025.



#### **WASTE & PACKAGING**

In addition to reducing costs and complexity, eliminating waste and packaging can have a positive impact on the environment. For example, the team at Aptiv's manufacturing facility in Suzhou, China, standardized the design of the trays used in our radar production line to allow the same trays to be utilized from raw material to packaging — eliminating 15 tons of plastic waste and 49 tons of  $CO_2e$  emissions and saving \$95,000 annually.



# The Right Thing, the Right Way

#### **BUILDING A FOUNDATION FOR THE FUTURE**

As we set a course to the future of mobility, it is important to be flexible and responsive to the challenges ahead. After all, success is not about knowing exactly which roads to take but instead knowing how to handle uncertainty along the way.

Aptiv is committed to providing our employees with the tools and training needed to always do the right thing, the right way — even when faced with uncertainty.

Our culture is built on a system of values and beliefs that unite our workforce. At the foundation of that culture is Aptiv's Code of Conduct, which helps ensure that we comply with all applicable legal requirements and policies and serves as a guide to navigating our complex, ever-changing business environment. Our training and communications are made available across multiple channels throughout the year to reinforce the responsibility that each of us has to conduct business with integrity and to speak up if we become aware of potentially unethical conduct by others.

Only by living our values can we succeed in our mission to make the world safer, greener and more connected and build a strong, sustainable business that delivers long-term value to all of our stakeholders.



#### Kate Ramundo

Executive Vice President, Chief Legal Officer, Chief Compliance Officer and Secretary

# **Supply Chain Resiliency**

#### **MANAGING RISKS**

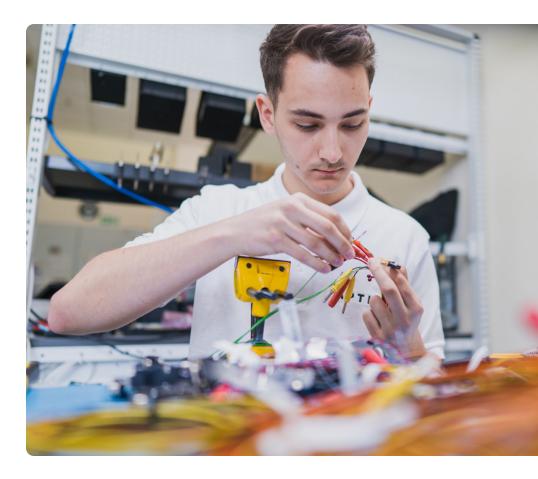
An ethical approach to business requires a holistic view of the entire value chain. As we invest in new technologies, we strive to ensure end-to-end visibility throughout our supply chain. In 2021, we developed a digital twin of our supplier network to build that view.

This is a custom tool we developed internally using graph database technology to keep our customers connected — one that moves the supply chain network from a "just in time" sourcing model to a resilient model that is designed around "just in case" best practices.

We have mapped our supplier network through multiple levels of sub-supply. We are developing alternative sources so we can ensure that our customers remain connected across the globe.

To improve supply stability and reduce our environmental impact, where locally available sources of supply exist, we endeavor to source suppliers that are local to the customer, with separate supply chain networks supporting every region in which we do business.

By developing a multifaceted approach that prioritizes responsible sourcing and resiliency management, we are ensuring a stable, ethical and sustainable business model for years to come.



#### SUPPLIER CODE OF CONDUCT

- Affirmation by 100% of our key direct suppliers of their alignment with Aptiv's Code of Conduct or their own comparable code
- Standard-setting for Aptiv's supply chain on fundamental sustainability principles

#### **SCREENING & MONITORING**

- At selection and throughout our relationship with suppliers, real-time screening and monitoring of supply chain risks, including regulatory, compliance, reputational and financial risks
- Continual evaluation of changing laws and regulations to ensure up-to-date risk assessments of suppliers

#### ENGAGEMENT

- Deployment of Aptiv's sustainability training video to 100% of key direct suppliers
- Direct engagement with our supply chain to enhance transparency and provide targeted compliance messaging



#### **ETHICS & COMPLIANCE AWARENESS**

Aptiv's culture of compliance is the foundation of the Platform pillar. Providing our team with the tools, training and support to speak up if they become aware of unethical behavior helps us meet those goals. We implement many initiatives year-round to educate our employees about ethics and compliance, including featuring senior executives in Compliance Spotlights, providing targeted risk-and role-based training, and distributing a monthly newsletter to highlight the compliance topics that are most relevant to our business.



#### **APTIV DRIVE LINE**

Aptiv promotes open dialogue across all levels by providing our stakeholders with multiple channels to be heard, including the Aptiv Drive Line, our confidential ethics helpline. The Drive Line is operated by an independent third party 24 hours a day, seven days a week. Available at <u>driveline.aptiv.com</u>, it offers translation services in 16 languages. We treat all reports confidentially, investigate them thoroughly, react promptly and appropriately, and do not tolerate any form of retaliation.



#### **ETHICAL RECOGNITION**

Aptiv has been designated one of the World's Most Ethical Companies 12 years in a row by Ethisphere, a global leader in defining and advancing the standards of ethical business practices.



# **About This Report**

This report contains information about Aptiv's financial and nonfinancial results that are not presented in accordance with Generally Accepted Accounting Principles (GAAP). Specifically, environmental (i.e., CO<sub>2</sub>e emissions, water consumption and waste disposal), workforce, community involvement, product quality and governance metrics are nonfinancial, non-GAAP measures.

This report has been prepared in accordance with the GRI Standards (Core option), the SASB standard, and TCFD recommendations. Unless otherwise noted, all data is as of December 31, 2023, and references to currency are expressed in U.S. dollars (USD). The scope of the environmental and social metrics included in this report represent at least 75 percent of Aptiv's total revenue.

New acquisitions are included in this report within three years from the date of acquisition. Prior-year comparatives and base-year figures are not updated nor restated for changes in emissions factors, subsidiary acquisitions or disposals of subsidiaries.

For additional details, visit our <u>Sustainability website</u>.

#### FORWARD-LOOKING STATEMENTS

This presentation, as well as other statements made by Aptiv PLC (the "Company"), contain forward-looking statements that reflect, when made, the Company's current views with respect acquisitions and financial performance. Such forward-looking statements are subject to many risks, uncertainties and factors relating to the Company's operations and business environment, which may cause the actual results of the Company to be materially different from any future results. All statements that address future operating, financial or business performance or the Company's strategies or expectations are forward-looking statements. Factors that could cause actual results to differ materially from these forward-looking statements include, but are not limited to, the following: global and regional economic conditions, including conditions affecting the credit market; global inflationary

pandemic and the difficulty in predicting its future course and its impact on the global economy and the Company's future operations; uncertainties created by the conflict between Ukraine and Russia, and its impacts to the European and global economies and our operations in each country; fluctuations in interest rates and foreign currency exchange rates; the cyclical nature of global automotive sales and production; the potential disruptions in the supply of and changes in the competitive environment for raw materials and other components integral to the Company's products, including the ongoing semiconductor supply shortage; the Company's ability to maintain contracts that are critical to its operations: potential changes to beneficial free-trade laws and regulations, such as the United States-Mexico-Canada Agreement; changes to tax laws; the ability of the Company to integrate and realize the expected benefits of recent transactions; the ability of the Company to attract, motivate and/or

retain key executives; the ability of the Company to avoid or continue to operate during a strike or a partial work stoppage or slowdown by any of its unionized employees or those of its principal customers; and the ability of the Company to attract and retain customers. Additional factors are discussed under the captions "Risk Factors" Financial Condition and Results of Operations" in the Company's filings with the U.S. Securities and Exchange Commission. New risks and uncertainties arise from time to time, and it is impossible for us to predict these events or how they may affect the Company. It should be remembered that the price of the ordinary shares and any income from them can go down as well as up. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information. future events and/or otherwise. except as may be required by law.

