

# DOWLAIIS

## SLAVERY & HUMAN TRAFFICKING STATEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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**Dowlais Group plc**

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**Slavery & Human Trafficking Statement for the Financial Year Ended 31 December 2023**

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## 1 STATEMENT ON SLAVERY & HUMAN TRAFFICKING

Slavery can take various forms and may not always be obvious. It includes any form of slavery, servitude, forced, compulsory or bonded labour and human trafficking, all of which have in common the deprivation of a person's liberty by another to exploit them for personal or commercial gain ("**Slavery & Human Trafficking**").

Slavery & Human Trafficking is a crime and a violation of fundamental human rights. Dowlais Group plc ("**Dowlais**") and its subsidiary companies (collectively, the "**Group**") adhere to high ethical standards and are committed to investing in, implementing and enforcing effective systems and controls to safeguard against the risk of Slavery & Human Trafficking within its business operations and supply chains. The Group expects the same approach to Slavery & Human Trafficking from its suppliers.

This Slavery and Human Trafficking Statement outlines the steps taken by the Group to prevent Slavery & Human Trafficking occurring within their business operations and supply chains for the financial year ended 31 December 2023.

## 2 ORGANISATIONAL STRUCTURE, BUSINESSES & SUPPLY CHAINS

### *Dowlais*

Dowlais is located in the UK and is listed on the Main Market of the London Stock Exchange. It is the ultimate parent company of the Group, which is a specialist engineering group focused on the automotive sector. The Group aims to generate growth through a portfolio of transformative and innovative businesses, developing exceptional products that drive transformation.

The Group employs over 30,000 people in 19 countries across its three business units (GKN Automotive, GKN Powder Metallurgy and GKN Hydrogen (each a "**Business Unit**" and together the "**Business Units**")) and the Dowlais central functions. Group adjusted revenue in 2023 was approximately £5.4bn. For more information visit [www.dowlais.com](http://www.dowlais.com).

### *GKN Automotive*

GKN Automotive is the world's leading drive systems supplier, serving 90% of global vehicle manufacturers and with content on almost 50% of new light vehicles worldwide. GKN Automotive has over 25,000 employees, including in its joint venture in China, and 48 manufacturing facilities in 18 countries across the Americas, Europe and Asia. GKN Automotive had adjusted global revenues of approximately £4.4bn in 2023.

### *GKN Powder Metallurgy*

GKN Powder Metallurgy, the global leader in sintered metal products and the number two global supplier of powder metals, offers vertically integrated production capabilities that are unique among its competitors with a global presence. It has over 5,000 employees, 27 manufacturing sites and 3 global innovation centres in 11 countries across the Americas, Europe and Asia. GKN Powder Metallurgy had adjusted global revenues of approximately £1bn in 2023.

### *GKN Hydrogen*

GKN Hydrogen is an early-stage growth business focused on developing and commercialising proprietary metal hydride technology to store and secure hydrogen in a safe, compact and green

manner that can be used in a wide range of industrial and commercial applications. GKN Hydrogen had global revenues of approximately £5m in 2023.

### ***The Group's Supply Chains***

The Group's Business Units make use of local and global supply chains to supply raw materials, components and services to support their operations. They work directly with suppliers from over 50 countries. The Group spent over £0.78bn on various commodities in 2023.

Set out below are the top 10 countries in which the Group's direct suppliers are located and the Group's top 5 purchased direct commodities, in each case ranked by expenditure in 2023.

<b>Top 10 countries by supplier location</b>		
1.	<b>USA</b>	
2.	<b>Germany</b>	
3.	<b>China</b>	
4.	<b>Mexico</b>	
5.	<b>Korea</b>	
6.	<b>Brazil</b>	
7.	<b>India</b>	
8.	<b>Italy</b>	
9.	<b>Spain</b>	
10.	<b>France</b>	

<b>Top 5 direct commodities purchased</b>	
1.	<b>Steel</b>
2.	<b>Metal Powders</b>
3.	<b>Forgings</b>
4.	<b>Scrap</b>
5.	<b>Tubes</b>

Strong relationships with the Group's suppliers are vital in helping the Group achieve its strategic objectives. The Group aims to establish longstanding relationships with strategic suppliers, in whom it has confidence, not only in the quality and reliability of their products and services, but also in their ethical standards and approach to protecting human rights.

### 3 POLICIES

The Group's approach to Slavery & Human Trafficking is integrated into its broader approach to ethics, business conduct and risk management. There are Group policies that set out principles and specific requirements which its Business Units must comply with. However, the Group recognises that its Business Units have different operations, supply chains and risk profiles. Therefore, Business Units are permitted to adopt their own policies and procedures tailored to their operations and management structures, provided that they comply with the minimum standards required of the Group.

The following Group policies are relevant to Slavery & Human Trafficking:

#### ***Our Code***

To ensure that everyone working for the Group understands what is expected of them, Dowlais has adopted 'Our Code', which sets out the standards and behaviours expected of all Group employees and workers, whatever their job and wherever they are located, without exception. It's there to guide how they must behave, do their jobs and interact with other employees and stakeholders.

Our Code makes it clear that Dowlais expects all Group employees and representatives to behave with the highest ethical standards and to conduct themselves in a way which reflects Dowlais' values.

Our Code can be accessed [here](#).

#### ***Human Rights Policy***

The Group's Human Rights Policy sets out the Group's approach to respecting human rights. It is the Group's policy to ensure that human rights are respected in the way the Group runs its business and through its processes, behaviours, operations and conduct. The policy sets out, amongst other things, the principles of the Group's approach to Slavery & Human Trafficking.

The Group's Human Rights Policy can be accessed [here](#).

#### ***Anti-Slavery & Human Trafficking Policy***

In furtherance of the principles set out in the Group's Human Rights Policy, Dowlais has adopted an Anti-Slavery & Human Trafficking Policy. This policy sets out the Group's requirements on preventing Slavery & Human Trafficking in its businesses and supply chains. The policy provides that Business Units are not permitted to work with suppliers who are unwilling to comply with the Group's zero-tolerance approach and must monitor their suppliers for any suspected incidents of Slavery & Human Trafficking.

The Group's Anti-Slavery & Human Trafficking Policy can be accessed [here](#).

#### ***Conflict Minerals Policy***

The Group's Conflict Minerals Policy sets out the Group's policy to adopt procedures, to the extent required by applicable laws or customer expectations, to seek to identify whether any supplied minerals used in our products constitute or contains Conflict Minerals (as defined under the policy).

Where it is identified that any material being purchased by the Group constitutes or contains Conflict Minerals, it is the Group's policy to not use (or to cease to use) that material.

The Group's Conflict Mineral Policy can be accessed [here](#).

### ***Supplier Code of Conduct***

Dowlais has adopted a Supplier Code of Conduct, which applies globally to the Group's suppliers and sets out what the Group expects of its suppliers, regardless of any conflicting local business practices or social customs. The Group expects its suppliers to operate business in a way which respects human rights, dignity and fundamental freedoms, and the Supplier Code of Conduct contains an express requirement not to engage in any form of Slavery & Human Trafficking. The Supplier Code of Conduct also contains audit rights which entitle the Group to audit its suppliers in order to verify compliance.

The Group's Supplier Code of Conduct can be accessed [here](#).

### ***Whistleblowing Policy***

All employees across the Group are responsible for the detection and reporting of actual or suspected Slavery & Human Trafficking in any part of the Group's businesses or its supply chains.

Dowlais encourages its employees to Speak Up when they identify issues of concern, including related to suspected Slavery & Human Trafficking. The Group's Whistleblowing Policy is intended to ensure that all employees and third parties with whom the Group deals feel confident that they can raise matters of concern, without being subjected to harassment, victimisation or any other detriment or retaliation.

Where employees do not feel able to report concerns to their manager or someone else within the Group, they are able to report via a confidential and anonymous whistleblowing hotline which is available to all employees across the Group. The hotline is operated by an independent external service provider, which allows employees to speak in confidence to someone who is neither their line manager nor another employee. The external provider reports all employee disclosures to the Group's legal & compliance functions, who investigate calls to the hotline independently from management. The hotline is a free-phone telephone number, which is widely publicised at all Group sites and via Business Unit intranet sites.

In May 2024, we extended access to the whistleblowing hotline so that it is now also available to third parties with a connection to the Group, including our suppliers. This provides third parties with an alternative and accessible method of communication with the Group to raise any concerns they may have. We are in the process of communicating this change and expect this to be completed during the second half of 2024.

## **4 DUE DILIGENCE & ASSURANCE**

### ***Within the Group's Business Units***

Dowlais and its Business Units follow standard recruitment procedures and make use of reputable employment and temporary labour agencies in sourcing its labour. The Group conducts due diligence on any new agency and also conducts checks on its employees as part of the onboarding process, including ensuring the Group's employees have the right to work in the country in which they are located.

### ***Within the Group's supply chains***

All Business Units are required to undertake due diligence on their suppliers when they are first engaged. The due diligence process is intended to mitigate a range of risks, including the risk of Slavery & Human Trafficking in the Group's supply chain, and includes reputational checks, ownership and denied parties and media screening checks. This process helps assist in identifying any suppliers that are known or suspected of engaging in Slavery and Human Trafficking. During 2023, GKN Automotive conducted a due diligence exercise supported by a recognised third-party due diligence provider to understand Human Rights risks within its global direct supply chain for its German operations in readiness for compliance with the German Supply Chain Due Diligence Act, which included an assessment for Slavery & Human Trafficking risks. During 2023 such searches did not raise any issues of concern. GKN Powder Metallurgy conducts risk assessments based on the nature of the procured goods or services. In all cases, where issues of concern are identified, more extensive due diligence is undertaken.

The Group recognises that it faces challenges with transparency across each tier of its supply chain. Whilst the Group focuses its efforts on conducting due diligence on the Group's direct suppliers, it also mandates that these suppliers conduct due diligence on their own supply chain.

### ***Leadership assurance***

The Group expects all leaders within the Group to take responsibility for combatting Slavery & Human Trafficking, and engages in an annual leadership assurance process, to ensure they understand their responsibilities and are confident that the policies and procedures within their area of responsibility are adequate.

## **5 SLAVERY & HUMAN TRAFFICKING RISK ASSESSMENT & MANAGEMENT**

The Board of Dowlais has ultimate accountability for managing the risk of Slavery & Human Trafficking, supported by the Sustainability, Legal, Human Resources and Procurement functions who have day to day responsibility for this risk.

During the first half of 2024 we have worked with an external expert to further assess the human rights risks across our own operations and supply chain to understand our salient human rights risks, which include risks related to Slavery & Human Trafficking.

In parallel, we've reviewed the relevant policies set out in section 3 above, and how these have been implemented across our business and our direct suppliers to ensure that the identified risks are being adequately managed and to identify any areas for future improvement.

### ***Own operations***

We have applied the following methodology to assess the risk of Slavery & Human Trafficking within our operations:

- we examined the inherent country risks for each of the locations in which we have operations using industry recognised global indicators;
- we reviewed workforce characteristics to understand whether there are any particularly vulnerable groups based on the inherent country risks identified, for example: migrant workers, agency workers and gender;

- we reviewed our people data relating to health and safety, diversity, worker voice (through surveys, presence of worker committees and worker representation) and grievance/complaints to identify any trends or themes which would indicate any risks within our operations; and
- we assessed the effectiveness of our policies and procedures to manage the risks.

As a result of this review, we have identified the following salient human rights risk which is of relevance to our understanding of the risk of Slavery & Human Trafficking within our operations:

- potential for forced labour relating to vulnerable agency labour workers in sites located in higher risk areas (Asia and Hungary), particularly those recruited from overseas.

Following this review, the Group has considered the risk of Slavery and Human Trafficking taking place in the Business Units. Taking into account the locations of the operations of the Business Units, the roles being performed (and the skills and qualifications needed to perform those roles) by the Group's employees and workers, the policies adopted by the Group and the Business Units and the assurance processes in place, the recruitment processes adopted by the Group, the limited use of agency workers and the strong relationships we have with the limited number of agencies used in recruitment processes, the access and security controls at its sites and the absence of reports of concerns or incidents regarding forced labour, the Group has concluded that the risk of Slavery and Human Trafficking occurring within its operations is low and the risks are being adequately managed.

### ***Our supply chain***

We have applied the following methodology to assess the risk of Slavery & Human Trafficking within our supply chain:

- reviewed our direct supplier types and locations;
- reviewed upstream key commodity supply chains for scrap metal, powder metals, forgings, steel, and mechatronics; and
- reviewed available Group company supply chain maps and, where data was not available, used other proxy data sets (expert advisor data sets) to map likely sources midstream and upstream to the raw material sources.

As a result of this review, we have identified the following salient human rights risk which is of relevance to our understanding of the risk of Slavery & Human Trafficking within our supply chain:

- forced labour risk, largely relating to the extended tin, tantalum, tungsten and gold (3TG) supply chain which is particularly relevant to mechatronic products we manufacture (in the Democratic Republic of Congo) and scrap metal (in India, Brazil and China).

The Group has considered the risk of Slavery and Human Trafficking taking place in the Business Units' supply chains during the year. We continue to apply our existing due diligence processes to our direct suppliers. As further noted in section 4 above, our visibility beyond our direct supply chain is limited. While there is an expectation that all our suppliers adhere to our Supplier Code of Conduct and there is an absence of reports of concerns, there are systemic risks which have been identified above and therefore we plan to undertake further work over the coming year to understand how we can assure and address systemic modern slavery risks throughout our supply chain.

## 6 TRAINING & AWARENESS

The Group's Business Units provide targeted and regular training to employees on the Group's policies, including in relation to Our Code, the Group's Human Rights Policy, Anti-Slavery & Human Trafficking Policy and Whistleblowing Policy.

Dowlais, GKN Automotive and GKN Powder Metallurgy each also have a bespoke online training programme on ethical conduct, which includes specific training on identifying Slavery & Human Trafficking in the Group's business and supply chains. The training aligns with and supplements Our Code, and must be completed every two years.

During 2023, the Business Units also took actions to raise employees' awareness of the Group's whistleblowing platform, using online and offline media as appropriate. It is a requirement of the Group's Whistleblowing Policy that all of the Group's sites display posters which promote the details of the applicable phone numbers, web address and QR codes to communicate whistleblowing concerns.

Whistleblowing cases are regularly reviewed by Business Unit and Group Executive Teams and by the Audit Committee and the Board of Dowlais. During 2023, there were no reported concerns regarding Slavery and Human Trafficking across the Group's operations or supply chain. The Executive Teams, Audit Committee and Board of Dowlais will continue to monitor the nature of issues reported through the Group's whistleblowing hotline. The integrity of this process is an important part of the Group's risk management in this area, and the Audit Committee and Board of Dowlais will continue to review this each year to ensure its ongoing effectiveness.

## 7 KEY PERFORMANCE INDICATORS

The Group continues to monitor and evaluate the effectiveness of the steps that it is taking to ensure that Slavery and Human Trafficking is not taking place within the Group or its supply chains by:

- monitoring any reports that may indicate that Slavery & Human Trafficking practices or the risk of potential Slavery & Human Trafficking practices have been identified;
- monitoring the findings of any internal investigations in this area; and
- monitoring training completion records.

## 8 OUTLOOK FOR 2024

Building on our salient human rights risk assessment, the Group will continue to develop appropriate levels of due diligence to combat the risk of Slavery & Human Trafficking, including in the Group's supply chains.

Dowlais will also:

- continue to provide ongoing support to all Business Units in reviewing and investing in their operations and procedures to ensure that risks of Slavery & Human Trafficking are considered and addressed;
- continue to review and improve its supplier due diligence and risk assessment processes; and
- continue to educate and promote a speaking up culture within the Group and its supply chain,

encouraging everyone to raise concerns.

## **9 SECTION 54 OF THE MODERN SLAVERY ACT 2015**

This statement is made on behalf of Dowlais Group plc in accordance with the Modern Slavery Act 2015.

This statement applies to Dowlais Group plc and all of its Group companies, which includes those within GKN Automotive, GKN Powder Metallurgy and GKN Hydrogen. A full list of Dowlais' subsidiaries as at 31 December 2023 is available in the Notes to the Company Balance Sheet within the Group's 2023 Annual Report.

## **10 APPROVAL**

The Board of Dowlais Group plc approved this statement on 27 June 2024 and it is signed on its behalf by:



**Liam Butterworth**  
**Chief Executive Officer**  
**Dowlais Group plc**

**Dowlais Group plc**

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