

## Sustainability

# Embedding sustainability



## Sustainability roadmap

As a Group, it is our core purpose to accelerate our customers' drive towards net zero emissions and to improve road safety and the automation of vehicle applications. We do this through leadership and innovation in engineering and technology and we are well placed to support the transition towards a more socially and environmentally sustainable economy. It is our responsibility to continually improve our own sustainability credentials, as well as to support our customers and suppliers as they do the same. Sustainability principles lie at the very core of our business. By enhancing the safety of vehicles for all road users through the provision of our products and services, we seek to deploy our technology to improve road safety. One of our key objectives, a reduction in road based injuries and fatalities, is fundamentally aligned to sustainability principles. More recently, we have broadened our scope to improve safety in other potentially dangerous environments like defence and mining. Furthermore, we play a role in facilitating our customers' drive towards zero emissions through the automation of vehicles and our simulation products.

We are committed to the goal of becoming net zero for market based Scope 1 and 2 emissions by 2040 and working to be a net zero organisation by 2050. This will include the further development of initiatives to reduce our carbon emissions, waste and water usage, using improved methods of data collection so that more achievable targets can be set in the future. We also give priority to ensuring the health, safety and wellbeing of all our employees across the Group, via our Health and Safety Management System, associated procedures and strict auditing.

### Our key achievements since our last Annual Report include:

- There were no health, safety or environmental fines or breaches of legislation and we have no recorded fatalities or life changing injuries throughout the Group during the year
- There were no reportable incidents or lost time incidents during the year
- Successful re-certification of the ISO 45001 standard for Occupational Health and Safety Management Systems and the ISO 14001 standard for our Environmental Management Systems at Anthony Best Dynamics Limited and AB Dynamics GmbH
- Successful launch of a Group newsletter to all employees, which will be produced on a quarterly basis going forward
- 'Manage for excellence' programme piloted in the UK, which covers fundamental skills for our people managers
- Collection of Scope 3 emissions data expanded to include all material Scope 3 emissions for our UK locations
- Continued use of green renewable energy in the UK and Germany, including the use of solar panels at two of our UK sites, which generated a total of 133,119 kWh of power in FY 2024
- Completed assessment of our climate-related risks and opportunities in alignment with the recommendations of the TCFD (see report on pages 50 to 55)

- Successful Energy Savings Opportunity Scheme (ESOS) audit completed for our UK businesses with energy saving recommendations identified for implementation in future periods
- MSCI ESG rating of AAA achieved

### Our priorities for the next twelve months are:

- Continue to conduct regular Group HSE visits to each of our businesses to maintain our cycle of continuous improvement
- Extension of the scope for our Occupational Health and Safety Management System and Environmental Management Systems to include additional global subsidiaries
- Improve our recruitment practices through the continued implementation of our new recruitment system
- Continue to enhance and develop our corporate social responsibility programmes globally, focusing on community engagement and volunteering efforts
- Continue to expand our Scope 3 emissions data collection for the Group
- Implement the energy saving recommendations identified for implementation in the UK ESOS audit
- Encourage more staff across the Group to become Environmental Champions to help improve environmental performance by raising awareness of environmental issues within their areas
- Transition of overseas subsidiaries to renewable energy where possible

## Sustainability continued

### Embedding sustainability continued









### Sustainability roadmap continued

#### Sustainability governance

The Group has a robust structure of sustainability oversight and risk governance in place. At the highest level, the Board of Directors has ultimate oversight of, and responsibility for, our sustainability governance and strategy. Our Non-Executive Director and Chair of the ESG Committee, Louise Evans, supports the Board in this function. The ESG Committee reviewed the Group's sustainability performance over the course of four meetings during FY 2024. The ESG Committee has overall responsibility for translating our sustainability strategy into actionable plans, in compliance with relevant legal and regulatory requirements. The Board has received significant external input on sustainability this year, with feedback from the auditor, investors and sustainability experts.

#### Sustainable business goals

We considered our mission in relation to the United Nations Sustainable Development Goals (UN SDGs) and determined that our support for road safety, our alignment with innovation in transport and our commitment to our people support the UN SDGs as set out in the table.

UN SDG	Topic	Sustainable Development Goal target	AB Dynamics alignment	More information
 3 GOOD HEALTH AND WELL-BEING	<b>Health and safety</b>	Halve the number of global deaths and injuries from road traffic accidents	<ul style="list-style-type: none"> <li>AB Dynamics plc's core business model and purpose are to advance road safety through facilitating deployment of active safety systems, Advanced Driver Assistance Systems (ADAS) and automation</li> <li>The Group benefits from regulatory tailwinds on new vehicles to ensure OEM adherence</li> </ul>	Pages 34 and 35
 6 CLEAN WATER AND SANITATION	<b>Our people</b>	Achieve gender equality and empower all women and girls	<ul style="list-style-type: none"> <li>40% of the AB Dynamics plc Board is female in line with best practice</li> <li>We aim to further increase female representation across all levels throughout the business</li> <li>Sponsorship and support of women in STEM subjects</li> </ul>	Page 37
 6 CLEAN WATER AND SANITATION	<b>Environment</b>	Improve water quality by reducing pollution, reducing untreated waste water and minimising the release of hazardous chemicals and materials	<ul style="list-style-type: none"> <li>We acknowledge that water is a scarce resource and careful management of water consumption is essential to minimise our impact on water availability and quality</li> </ul>	Page 46
 7 AFFORDABLE AND CLEAN ENERGY	<b>Environment</b>	Accelerate action on modern renewable energy – especially in heating and transport	<ul style="list-style-type: none"> <li>Rapid development of EVs and autonomy has placed additional commercial pressures on OEMs to rapidly develop and deploy new technologies with a continued focus on R&amp;D</li> <li>We are committed to using renewable energy sources in our operations wherever possible</li> <li>Our products and services support this development goal</li> </ul>	Pages 42 to 46
 9 INDUSTRY INNOVATION AND INFRASTRUCTURE	<b>Sustainable products</b>	Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation	<ul style="list-style-type: none"> <li>We support the development of EVs through on-road testing of battery technology and charging infrastructure and laboratory testing of battery range</li> <li>ABD Solutions' core mission is to accelerate the transition to autonomy by providing retrofit solutions that reuse existing vehicles to automate vehicle applications</li> </ul>	Page 47
 11 SUSTAINABLE CITIES AND COMMUNITIES	<b>Transport and safety</b>	Increase safety of transport network and reduce impact of cities, in particular air quality	<ul style="list-style-type: none"> <li>The core mission of the Group is to advance road safety and support vehicle electrification, thereby reducing emissions within city centres</li> </ul>	Page 8
 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	<b>Environment</b>	Reduce waste generation by prevention, reduction, recycling and reusing	<ul style="list-style-type: none"> <li>We follow a waste management hierarchy of Prevention, Reuse, Recycling, Energy Recovery and Disposal, to ensure the reduction in waste sent to landfill</li> </ul>	Page 46
 13 CLIMATE ACTION	<b>Climate change</b>	Take urgent action to combat climate change and its impact and integrate climate change measures in policies, strategies and planning	<ul style="list-style-type: none"> <li>Through aiding development of EVs, we provide support to electrify the transport network which is critical to reducing GHG emissions</li> <li>Detailed disclosure of our Scope 1, 2 and 3 emissions provides clear evidence of integrating climate measures including installation of renewable energy, sourcing of energy from renewable only sources and revised travel policies</li> </ul>	Pages 42 to 46

## Sustainability continued

# Health and safety

## Safety first

We believe that the focus on safety is essential to delivering a high-performing, open and constructive safety culture. The Group is committed to continuous improvement in health and safety performance, which is a standing item at every Board meeting. This year, the Group has continued to improve upon its processes and procedures, with increased standardisation of reporting across its subsidiaries. This will enable us to share best practice and lessons learnt from incidents across the Group and to continue to set further Group-wide health and safety targets. In this way, the Group can actively promote a strong safety culture, striving to instil the same safe working principles in every employee wherever they are, and in whichever Group business they work.

Regular health and safety reporting is carried out across the Group and all employees are encouraged to report any safety shortcomings and near misses. Near miss reporting is crucial if we are to understand and prevent incidents, which is why we encourage all our employees to communicate near misses so we can manage any emerging risks. This increasing focus on enhanced reporting, alongside the growth of the Group, means there has been an increase in the number of minor injuries being reported.

## Health and safety governance

Our health and safety organisational framework clearly defines those responsible and accountable for health and safety across our businesses. The Board is committed to maintaining a strong safety culture throughout the Group. Health and safety performance is reviewed by the Board at each scheduled Board meeting. The Executive Committee (Excom) has responsibility and authority to implement ongoing improvements to safety processes and systems, delegating responsibility to local subsidiary management where required. The Group requires that all employees take responsibility for their own safety and that they are mindful of the safety of those around them, thereby creating collective responsibility to ensure we meet our high standards for health and safety and that we continually improve them.

The Group Health and Safety Management System is now embedded at the Group's largest subsidiary, Anthony Best Dynamics Limited, and at AB Dynamics GmbH. We plan to extend the implementation of the system to include additional subsidiaries in FY 2025.

Local management teams are accountable for monitoring the health and safety methodology set by the Group, with each manager having received appropriate briefings on these requirements, and ensuring compliance with local regulatory requirements, culture and specific business needs. Group oversight is provided in the form of regular site visits by the Group Health, Safety and Environmental Manager, where processes are reviewed and training is provided.

All the subsidiaries within the Group must meet the key requirements of the Group's methodology, summarised as follows:

- Health and safety must remain an agenda item at every monthly management meeting. This ensures that teams identify issues in a timely manner, with a process of continuous improvement in place that underpins our strong safety culture
- Each subsidiary must create a Health and Safety Committee (if they do not already have one) and must hold Health and Safety Committee meetings quarterly. This allows for the sharing of best practice and the efficient roll-out of specific Group safety initiatives
- Ensure that each Committee has at least one trained health and safety representative who is certified to a recognised standard in the territory in which the business operates
- All incidents must be fully investigated with remedial actions and preventative measures put in place to ensure the incident does not reoccur and risks are mitigated going forward
- All subsidiaries must report to the Chief Executive Officer quarterly (within two weeks of each Committee meeting), providing a report which summarises the findings of this process and each subsidiary's health and safety metrics

## Health and safety training

All employees receive health and safety training (which includes accident prevention and handling of hazardous substances) as part of their induction process. The inductions consist of a reminder of both employer and employee legal requirements. Additionally, they highlight the main hazards which are found throughout the organisation and the control measures in place. This includes manual handling, hazardous materials, display screen equipment, vehicles and using workplace equipment. Emergencies are also covered including the actions to follow in the event of a fire evacuation. Risk assessments are included within the training and describe how workplace hazards are dealt with and how we apply control measures, including for our employees working at our customers' sites. These risk assessments are regularly reviewed and updated where necessary. Finally, environmental topics such as recycling and energy use are discussed, with guidance given on how to reduce any potential negative impacts.

In FY 2024, 48 health, safety and environmental inductions were completed at our UK subsidiaries, as well as first aid refresher training and other safety related training. All UK based staff also complete mandatory annual training which includes health and safety training, manual handling training and display screen equipment training. Additionally, our overseas subsidiaries completed health and safety training, high-voltage training, first aid training, emergency evacuation training and driver safety training during the year.

## Employee wellbeing

The Group places utmost importance on safeguarding the safety, health and wellbeing of our employees whether working in our offices, on clients' sites or from home. We ensure that the working environment is safe and conducive to healthy, content employees who are able to balance work and family commitments. We believe that a more proactive, wide-ranging approach to health and safety helps build trust with employees and helps them stay happy, healthy and productive. Our Mental Health and Wellbeing Policy covers a range of flexible working policies with the key objective being to enable employees to balance their working life with other priorities, thereby enhancing their wellbeing.

## Sustainability continued

### Health and safety continued

#### Safety first continued

##### Employee wellbeing continued

Our flexible working policy allows employees to request a degree of working from home, part-time working or job sharing, depending on function and location and in agreement with line managers. All employees are eligible to take career breaks or sabbaticals in consultation with their line managers.

Risk assessments, which are conducted by each of the Group's subsidiaries, are reissued to employees regularly throughout the year, to make sure the Group is keeping pace with the changing environment. The Group continues to monitor staff safety and wellbeing to ensure the workplace risks are minimised to a level as low as reasonably practicable.

##### Safety performance

We have a proud track record of safety performance and in FY 2024 we continued to invest in the tracking and prevention of incidents. All subsidiaries across the Group carry out risk assessments as part of their local health and safety programmes. Progress has been made during FY 2024 towards standardising and harmonising our risk assessments across the Group.

This year, we extended our more detailed risk assessment programme to include additional business units, with risk assessments completed for all operational and support departments of our UK businesses and DRI. These have been completed in consultation between the Group Health, Safety and Environmental Manager, the relevant department head or supervisor, and the staff. All assessments highlight the hazards associated with a part of the operation and are duly signed off by the team leader (who owns the risk) and all the staff concerned, so they understand the risks involved and the associated control measures. These risk assessments cover all identifiable risks to personal safety and are reviewed annually, with any mitigating actions reported.

We continue to work hard to prevent incidents across the Group, ensure our legal obligations are met and improve the overall health and safety performance of the Group. During the year, we recertified our accreditation to the ISO 45001 standard for Occupational Health and Safety Management Systems at Anthony Best Dynamics Limited and AB Dynamics GmbH, sending a positive message to our employees and stakeholders that health and safety is, and will continue to be, our top priority.

The table below records a summary of the Group's health and safety statistics for the year. In FY 2024, we are pleased to report that there were no reportable incidents or lost time incidents. The number of minor injuries, most caused by slips or falls, increased, primarily due to an increasing focus on reporting, as well as the growth in headcount of the Group. Minor injuries were treated by our locally trained first aiders, administering treatment for minor cuts or abrasions. All minor incidents or 'near misses' are reviewed regularly and where trends are identified, further control measures are introduced to reduce risks and prevent recurrence. The increase in near miss reporting represents good progress as an organisation willing to learn and improve on a continuous basis.

##### Employee safety

	2024	2023
Average employees	512	473
Reportable incidents	—	1
Lost time incidents	—	2*
Near misses	51	26
Minor injury, first aid cases (FAC)	26	16
Injury rate per 100 employees	5.1	3.8
Injury rate per 100,000 hours worked	3.1	2.2

\* Includes RIDDOR reportable incident.

Our data covers 100% of employees and includes contractors.

Lost time incidents are defined as an injury or illness sustained on the job by an employee that results in the loss of productive work time resulting in them being unable to perform regular job duties, taking time off for recovery or being assigned modified duties whilst in recovery. The minor injury rate is currently measured against first aid or medical treatment cases that did not result in a reportable incident or lost time injury.

The increase in minor injuries resulted in a rise in the overall injury rate per 100 employees from 3.8 to 5.1. This is mainly due to regular and enhanced reporting of minor incidents, which has been encouraged throughout the organisation to prevent recurrence.

Looking forward, in FY 2025 we plan to build upon the successful implementation of the Group Health and Safety Management System in the UK and Germany by extending this to include additional subsidiaries. Specific targets in relation to the system implementation will be included in the local leadership teams' performance objectives and incentives. In addition, the Group Health, Safety and Environmental Manager will continue to conduct regular visits to each of our businesses to maintain our cycle of continuous improvement and also to provide training to employees.

## Sustainability continued

# Our people

## Engagement

The Group recognises the importance of communicating with all employees to help maintain trust and confidence between all parties. This is achieved by various formal processes and ad-hoc actions throughout the year. On a formal basis, our CEO conducts regular all-staff briefings and meetings are held throughout the year between employees and their line managers to ensure that personal objectives are aligned with the Group's strategy and that development needs and career aspirations are identified. Based on local requirements, weekly, monthly or quarterly management team meetings are held to provide a forum for Group updates. Internal announcements are issued on a regular basis and include business updates, guidance on maintaining a safe working environment and matters of general interest. The Group's website is used for the distribution of preliminary and interim announcements and press releases.

Through workforce engagement, the views of our employees are heard at Board level and are considered in Board discussions and decision making. To further support employee engagement, all employees will be invited to participate in employee surveys. These will be conducted annually, beginning in November 2024 with the introduction of a mid-point pulse survey to stay connected to the sentiment of our employees. We also successfully launched a Group newsletter to all employees starting in July 2024 which will be produced on a quarterly basis.

Our vision and values underpin the Group's strategy, processes and culture. Our vision is to 'provide world-class innovative automation and vehicle application solutions created sustainably with passion by our people, delivering excellent products and services to our partners'. Our key values: customers, people, diversity, innovation, excellence and responsibility, ensure our behaviours, culture and personal values align with those of the business and enable us to continue to drive the strategy forward. Embedding our values across the Group was a continued focus for FY 2024, particularly in our recently acquired businesses. Values were introduced as part of our performance appraisal process in FY 2024 and managers are encouraged to discuss these with employees.

## Equality, diversity and inclusion

We recognise that being a truly diverse and inclusive Group is crucial to our values and to our ability as a business to grow, innovate and attract and retain talent. Different experiences, views and opinions allow us to consider a range of opinions when making decisions, which we believe results in better outcomes for the business and for our stakeholders. We operate globally and recognise the cultural differences that may exist in the countries in which we do business. We do not tolerate any form of discrimination. We are committed to equality of opportunity in all our employment practices, procedures and policies. When we hire or promote someone, we choose the best candidate irrespective of age, race, national origin, disability, religion, sex, gender reassignment, sexual preference, marital status or membership/non-membership of any trade unions. All staff are provided with a safe, secure and healthy environment in which to work, regardless of where in the world they are located.

We aim to create an environment where the contributions of all staff are recognised and valued, and everyone is treated with dignity and respect. We do not tolerate any form of bullying or harassment within the Group. We apply the same standards when we select business partners. The ESG Committee is responsible for setting the Group's approach to equality, diversity and inclusion.

## Key values

### 1 Customers

We create valuable partnerships with our customers through collaboration to understand and deliver their requirements.

### 2 People

We empower people by supporting and challenging each other to thrive. Integrity and respect are at the forefront of everything we do.

### 3 Diversity

We recognise the importance of strengthening, improving and enriching our culture and practices through diverse opinions, skills and people.

### 4 Innovation

We inspire creativity by giving people the space to challenge the 'now' and engineer for the future.

### 5 Excellence

We are never satisfied with the status quo. We invest in our people, products and processes by encouraging learning and self-enrichment to deliver world-class services and products to our customers.

### 6 Responsibility

Personal ownership and commitment to ourselves, our customers, our shareholders and the environment. We are always looking for opportunities to improve the sustainability of our operations.

Further details on the Group's engagement with stakeholders, including the material topics discussed with investors and corporate governance bodies, are contained in the Section 172 statement on pages 56 and 57.



## Sustainability continued

### Our people continued

#### Equality, diversity and inclusion continued

As a Group, we believe training, development and progression opportunities must be available to all staff. We offer flexible working opportunities such as working remotely or part-time and flexible hours according to the requirements of the position.

While ability and aptitude remain the determining factors in the selection, training, career development and promotion of all employees, the Group is conscious that engineering continues to have inherent disadvantages for women and other under-represented groups. We have continued in our efforts to address these disadvantages during FY 2024, both in our role as a Corporate Partner to the Women's Engineering Society (WES) and via our partnership with Smallpeice Trust Arkwright Engineering Scholarship, in which we mentor 16-year-old students who are considering further education or a career in engineering.

The Board recognises the importance of diversity in all forms, including the diversity of gender identity, ethnicity, age, disability, neurodiversity, sexual orientation, geography, social and cultural background and belief. We recognise the gender imbalance in the profession and have been working to improve the Group's gender mix. A significant proportion of the Group's workforce are engineers and technicians and this remains a continued area of focus, given the known under-representation of women in these roles globally. At present, women represent 17% of our overall workforce. The Board notes the recommendations of the Hampton-Alexander and Parker Reviews and the Financial Conduct Authority (FCA) in relation to increasing Board and Executive Committee (and direct reports) gender and ethnic diversity. We are proud to note that within the senior management team, the proportion of female representation is at 21% while the Group Board is at 40%, in line with these recommendations.

Set out opposite is an analysis of the Group's employees by gender at 31 August each year (excluding VadoTech Group due to data availability).

#### Employees by gender

	2024			2023		
	Male	Female	Prefer not to say	Male	Female	Prefer not to say
Board	60%	40%	—	60%	40%	—
Executive Committee	83%	17%	—	83%	17%	—
Senior management	79%	21%	—	84%	16%	—
Other employees	82%	17%	1%	82%	16%	2%
All employees	82%	17%	1%	82%	17%	1%



Mighty Girls is an organisation based in Wiltshire, UK, that supports and encourages girls aged 8–18 to develop confidence and try new skills. It works with several schools across Wiltshire and Somerset and is funded by the National Lottery Community Fund.

Earlier this year, Mighty Girls organised a Coding Boot Camp event at Bath University, where girls learnt coding skills and met with women working in STEM careers. AB Dynamics was pleased to sponsor the event, and I met all the girls attending. I provided an overview of AB Dynamics' products and a view of life as a software engineer. The girls quickly showed an interest in the talk, demonstrations and videos and engaged enthusiastically with our staff. We also shared ideas with them around future roles they could aspire to.

**Jennie Franks**, Lead Software Engineer

Since the start of the year, we have been running monthly sessions for new employees at the AB Dynamics offices as part of our project to increase inclusivity. The sessions provide an informal setting for new starters to discover aspects of the Company outside their usual departments, to meet other new starters and to hear from key members of staff. The initiative, led by Jennie Franks and I, is supported by the Royal Academy of Engineering as part of a pilot scheme to improve inclusivity in the engineering profession. The sessions are proving to be popular, with feedback from our new staff indicating they are highly beneficial in settling quickly into the Company, with comments like: "they have made me feel welcomed and valued in the business", "definitely made me feel more comfortable approaching other people within the business" and "a good way to settle in and see how the Company works between departments."

**Mark Radley**, Senior Engineer

## Sustainability continued

### Our people continued

#### Attracting and retaining young talent

Attracting and retaining young talent within the Group is a key strategic element of ensuring the sustained growth of the business for the future. After introducing our graduate scheme in FY 2022, we have gone on to successfully place four graduates.

Additionally, two students completed a placement year with ABD Solutions during the year and DRI has a consistent flow of placement students assisting in its Human Factors department.



I started at ABD as a placement student in the mechanical design department. It was an interesting year, working mostly on the advanced vehicle driving simulator (aVDS) Mk2, designing parts for it and helping with some of the testing. Being able to collaborate with and bounce ideas off the other design engineers and the technicians in the workshop dramatically improved my engineering and design skills before I returned to university. Returning as a graduate student has been a fun and challenging experience. I've been given more responsibilities and some exciting projects; it has also allowed me to rotate to other departments. My first rotation away from design has been to the verification and validation department. It has been incredibly valuable to see projects from a completely different perspective, in particular directly seeing how decisions made in design impact other departments.

**Alistair Knight**, Current graduate and former placement student

We also continued our summer placements this year with five students completing internships across the Group. As we continue our apprenticeship scheme through FY 2024, we are pleased to share that we received the Large Apprentice Employer of the Year award in recognition of the outstanding commitment and support our business has made to our apprentices throughout the apprenticeship programme with Wiltshire College & University Centre.

#### Talent and career development

The Group remains committed to attracting and retaining key talent and supporting their ongoing career development through life-long learning. This provides benefits for both the Group, through a more highly skilled workforce, and the individual employee, who gains both qualifications and experience that they can use to further their careers whilst with the Group and in any future roles elsewhere.

The Group's talent mapping and succession planning processes have continued to play a key role in facilitating staff development and enabled a significant proportion of employees to take on wider responsibilities either through formal promotional opportunities or growth in current roles during the year.

Targeted leadership training is also an integral part of ensuring our workforce remains engaged and innovative, whilst enabling the Group to grow a diverse pipeline for key roles and leadership positions. To further demonstrate the Group's commitment to developing internal talent, the second ABD Professional Development Programme (PDP) commenced in June 2024 for twelve employees globally. The UK launched a pilot 'manage for excellence' programme which covers fundamentals to set a common base for our people managers. This four module programme spans 18 months, providing in-classroom training and on-the-job time to put learnings into practice.

#### Retention

##### Average number of employees by region

In recent years, our continued efforts to develop our talented employees and enhance staff engagement and wellbeing have resulted in consistently strong retention rates. Average length of service is currently 4.3 years, with annual employee turnover at 12% (FY 2023: 13%) across the Group (excluding VadoTech Group due to data availability).



As someone who is completely new to the automotive Human Factors industry, DRI has provided a warm welcome. I've been interning for the Human Factors department for four months, and the experience has been both comprehensive and exciting. Working alongside DRI's Human Factors engineers has given me the opportunity to see what it's like to carry out intriguing projects in industry first hand. It has been awe inspiring to be able to utilise the knowledge I've gained from my MS Human Factors degree in the real world in such a welcoming environment, and the Human Factors engineers have proven to be excellent mentors that I can learn from each day. Aside from the wonderful experience I've had with the Human Factors department, the rest of the DRI staff are just as knowledgeable, passionate and welcoming.

**Alan Cheam**, Current placement student

##### Average number of employees by region



## Sustainability continued

### Our people continued

#### Retention continued

##### Annual employee turnover by year

	2024*	2023
Total annual employee voluntary turnover (no.)	43	50
Total annual employee voluntary turnover (%)	12%	14%
Total annual employee turnover (no.)	80	82
Total annual employee turnover (%)	12%	13%

\* VTS data not included as recently acquired.

Building upon the improvements made to recruitment practices in prior years, through FY 2024 a new recruitment system has been piloted in the UK to further improve candidate experiences and hiring timelines. The system has also introduced updated mechanisms to reduce biases across the recruitment process, which is critical to curating a workforce diverse in opinions, skills and people. Once fully tested, the system will be rolled out to the broader Group.

The Group has continued to make a proactive effort to promote internal applications for open positions and, as a result, 14 vacancies were filled by internal candidates during the year, excluding promotions. This has been supported by the ongoing implementation of talent mapping processes.

Annual performance evaluations are undertaken as part of the Group's Performance Excellence Cycle. Where recent acquisitions have occurred, this is implemented as part of the integration plan. DRI will introduce its formal performance review process in FY 2025 and VadoTech Group and VTS in FY 2026. Salary reviews are aligned with performance evaluations to ensure employees are paid fairly and correctly for the position they perform. All employees have the opportunity to benefit from a discretionary performance based bonus with the exception of some employees within recent acquisitions.

We continually review our benefits and total compensation packages across the Group. We offer a comprehensive range of benefits to our staff which reflect local regulations and market practices and, where appropriate, include annual performance related bonuses, employer matching contributions into retirement schemes, life insurance, income protection and private health cover.

Through a detailed benchmarking exercise, we can confirm that these packages are above or in line with local market regulations and the competitive environment within which we operate.

We also have other forms of workplace recognition in place. We regularly organise social events to celebrate success and to highlight key achievements within the Group as well as workplace employee appreciation efforts.

#### Training opportunities

The Group is committed to ensuring that all employees have access to the training required to support their skills and career development.

100% of employees received training in FY 2024 (FY 2023: 100%) and courses taken during the year included: Introduction to Systems Engineering, Simulink Model Management and Architecture, INCOSE Systems Engineering certification, Level 4 Customs Practitioner Award and Prince2 Foundation.

Globally, our mandatory compliance training modules include: anti-bribery and corruption, cybersecurity awareness, DSE training (Display Screen Equipment), manual handling, mental health awareness for employees and managers, modern slavery, customer service, bullying and harassment for managers, health and safety essentials and equality, diversity and inclusion modules.

#### Graduates and apprentices

Maintaining a diverse pipeline of talent is at the core of our sustainability strategy and is key to fulfilling our future customer requirements. We offer a range of opportunities and tailored programmes to early career starters with hands-on experience and training, equipping the new generation of employees with the right skills and ensuring that knowledge is retained within the business. We partner with local schools, colleges and universities, offering interesting and rewarding apprenticeships, placement schemes and work experience.

As of 31 August 2024, two graduates are enrolled in our two-year graduate scheme. The rotational graduate scheme is a structured training programme aimed at equipping graduates with both soft skills and technical development opportunities across the business. In FY 2024, we also offered work experience in the UK to a local school together with our Arkwright scholars.

As the Group's global presence grows, ensuring that high-quality early career opportunities are available to all is a key focus. The Group aims to actively expand the reach of work experience, apprenticeship and graduate programmes to more young people from lower social economic backgrounds, to help increase social mobility in the local communities in which it operates.



Created by the Royal Academy of Engineering (RAE), the Graduate Engineering Engagement Programme (GEEP) supports UK engineering students and recent graduates from under-represented backgrounds into engineering employment. The programme is a collaboration across industry with over 300 volunteers from more than 50 companies taking part since 2015.

This year's volunteer mentors from AB Dynamics were Dr James Routh (Chief Executive Officer), Giorge Koulin (Software Engineer – rFpro), Jonathan Barry (Senior Software Engineer – ABD), Mark Radley (Senior Systems Engineer – ABD) and I. In addition to the scheduled programme, AB Dynamics hosted a site visit for our GEEP mentees in July 2024. This two-day event provided participants with a comprehensive overview of AB Dynamics as an engineering organisation.

Jonathan Barry and I represented AB Dynamics at the 2024 GEEP Graduation Ceremony where Jonathan took part in a panel discussion, hosted at the Institute of Directors in London, UK.

**Jasper Barrett**, Project Manager



# Sustainability continued

## Our people continued

### Community partnerships

#### CSR strategy

In line with the Group's expanding global presence and global subsidiary governance framework, our corporate social responsibility (CSR) policy and strategy encompass five key guiding criteria, of which all CSR activities are required to meet at least two: environment, social opportunity, community, diversity and inclusion and industry. The model represents the Group's growing global focus and continued ambitions to put CSR at the heart of our business model. These criteria are underpinned by our values: customers, people, diversity, innovation, excellence and responsibility.

Whilst our fundamental approach remains unchanged, our model takes a more holistic encompassing approach, linking together our five pillars:

- **Community:** committed to strengthening and maintaining relations and being actively involved in the local regions where we operate, creating mutual synergies for both our business and our communities
- **Social opportunities:** committed to demonstrating our understanding of social responsibility in the context of wider systemic inequalities, we strive to improve social mobility, supported by our belief that, irrespective of their background, talent and drive should be the only factors influencing an individual's development opportunities and outcomes
- **Diversity and inclusion:** committed to the promotion of diversity within the STEM environment and within the armed forces, acknowledging that the best results come from a diverse workforce
- **Industry:** recognising the value of partnerships with our customers and communities to increase awareness of the Group
- **Environmental:** committed to actively seeking ways to reduce our environmental impact, through linkage with both industry and communities. Adding environmental to our new strategy demonstrates our aim to become an integral player within the communities and environments in which we operate



## Sustainability continued

### Our people continued

#### Community partnerships continued

In March 2024, DRI was sponsor of the FIRST Robotics Competition in California. The competition challenges high school robotics teams to design, build and operate robots that can accomplish tasks in a sports arena-like environment. The competition is the culmination of years of development by these young engineers in training. The robots are designed with very specific requirements and must be able to pick up items, aim and launch those items and climb a chain, all while having the opposing robots attack them. Several DRI staff members, including Nate Kuhl, Dante Kruse and I, volunteered at the event and were blown away by the creativity and ingenuity exhibited by the competitors. DRI plans to continue to support the FIRST Robotics Competition going forward.

**Jordan Silberling**, General Manager, DRI



## Sustainability continued

# Environment

We are committed to environmental sustainability, both globally and in our local communities, and reducing our environmental impact. It is our mission to empower our customers to accelerate the development of vehicles that are not only safer, but also more efficient with less of an impact on the environment. We are continually looking for opportunities to improve; environmental sustainability is essential.

## Our commitment

We are committed to the goal of becoming net zero for market based Scope 1 and 2 emissions by 2040 and working to be a net zero organisation by 2050. Our definition of net zero is to reduce greenhouse gas emissions to zero or to a residual level consistent with reaching net zero emissions at the global or sector level, and to neutralise any residual emissions by the net zero target date, and any GHG emissions released into the atmosphere thereafter with certified emission reductions. Our net zero commitments are in line with the United Nations and Science Based Targets initiative (SBTi) definition.

In FY 2024, the focus of the Group has been on expanding the scope of Group-wide data collection, in particular for Scope 3 emissions, in order to identify a clear path towards our net zero objectives. Simultaneously, we have continued to identify and implement initiatives to reduce our carbon emissions, waste and water usage wherever possible, with annual reduction targets in place at a subsidiary level.

We continue to develop the quality and range of Scope 3 carbon emission data that we will ultimately report on. Significant time and resources are being invested in this area to validate the data that is being collected, which will ensure that future carbon reduction planning decisions are based on robust information. The nature of

this detailed validation work means that it will take time to complete, which is reflected in the commitment timeframes stated above.

As a business that is growing rapidly, we know that our absolute emissions will increase unless we can decouple our growth from the adverse impacts that our operations have on the environment. In the short-term, we aim to complete the Group-wide collection and validation of all material Scope 3 emissions by the end of FY 2026. We will then use this data to produce a detailed decarbonisation roadmap, including establishing our targets in accordance with the SBTi, which we will aim to publish in the next three to five years.

In this report, for the first time we include information on our climate-related risks and opportunities in alignment with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). See pages 50 to 55 for the TCFD report.

## Our approach

We are actively seeking steps to reduce our environmental impact to achieve our net zero goal. The focus of our ongoing emissions reduction efforts includes greenhouse gas emissions, energy consumption, the use of renewable energy, water resources and the reduction and management of waste. The Group's commitment to transparency includes the regular public disclosure of our emissions.

We established the Net Zero Working Group (NZWG) in FY 2023\* to oversee our carbon reduction plan and implement the activities and functions required to meet our objectives. This includes the development of a comprehensive engagement programme and climate awareness groups throughout all our businesses. The NZWG is comprised of representatives from all Group subsidiaries with Environmental Champions within each subsidiary to promote awareness and best practice. The NZWG is chaired by the Group CEO and its work is overseen by the ESG Committee, which in turn provides regular progress reports to the Board.

\* Formerly referred to as the Carbon Neutral Working Group, its name was updated to align with the Group's net zero emissions targets during FY 2024.

We have also partnered with Auditel, a leading carbon solutions company, to assist us in reducing our carbon emissions and related costs as, in the near term, we aim for verification with ISO 14068-1 (Climate change management – Transition to net zero – Part 1: Carbon neutrality).

The Group recognises the importance of creating environmental awareness, protecting the environment and using natural resources efficiently by continuously reducing the environmental impacts of our operations and services. In turn, the Board and senior management are committed to continually measuring, monitoring, evaluating and improving the environmental performance of all the Group's operations. We will continue to deploy green technology wherever possible and appropriate, and to make careful and considered decisions in all our operations to reduce our current carbon footprint.

We are focused on finding ways to reduce our impact across the whole value chain to achieve our net zero commitments. Beyond our own operations, we will also continue to assist the global automotive sector to develop new technologies and processes that will reduce CO<sub>2</sub> emissions.

## Our strategy

Our strategy is to reduce our global GHG emissions through improving efficiency to reduce consumption and waste.

- Scope 1 associated emissions are being addressed through the adoption of green fuels and upgrading of facilities and equipment to be more efficient or to use alternative greener energy sources
- Scope 2 associated emissions are being addressed by implementing energy efficient practices and upgrading facilities to aid in energy efficiency. We are also using certified renewable energy, verified with REGO certificates
- Scope 3 emissions tracking continues to be developed to ensure we have a clear understanding of these emissions, so that we can plan a clear and effective route to achieve our reduction targets

# Sustainability continued

## Environment continued

### Improvements in FY 2024

In FY 2024, we continued to develop our approach towards reducing carbon across our operations. Some of the significant milestones include:

- Collection of Scope 3 emissions data expanded to include all material Scope 3 emissions for our UK locations
- Improvements made in the collection of standardised data across the Group and the development of the Group's carbon reduction plans
- Successful re-certification of the ISO 14001 standard for our Environmental Management System applicable to Anthony Best Dynamics Limited, our largest subsidiary, and AB Dynamics GmbH, our largest German subsidiary
- Continued use of green renewable energy in the UK and Germany, including the use of solar panels at two of our UK sites, which generated a total of 133,119 kWh of power in FY 2024
- Completed assessment of our climate-related risks and opportunities in alignment with the recommendations of the TCFD (see report on pages 50 to 55)
- Successful Energy Savings Opportunity Scheme (ESOS) audit completed for our UK businesses with energy saving recommendations identified for implementation in future periods
- MSCI ESG rating of AAA achieved

### Managing environmental performance

The Group's activities can be summarised as largely manufacturing and assembly operations, combined with office based research, product development and vehicle testing. Therefore, the Group's main direct impact on the environment is limited to the consumption of heating and power in its manufacturing operations, and fuel or electricity for customer vehicles while providing test services or developing and testing products. The Group does not use its own logistics or freight. We recognise the importance of monitoring, controlling and improving our environmental performance in order to meet our net zero targets.

We are expanding our Scope 3 emissions coverage and during the year we undertook a comprehensive project with our external advisers to better understand our Scope 3 baseline carbon footprint, allowing us to begin to collect data for all material categories for the UK part of our business. Note that the data relating to the new categories is not yet available for the global Group and is therefore excluded from the reported GHG emissions values.

The categories which are currently included in the Scope 3 emissions data for the Group disclosed below are as follows:

- Category 1: Purchased goods and services – currently we collect data for water supply and treatment
- Category 6: Business travel – currently we collect data on air travel, automotive hire and hotel usage

We are continuing to review the following categories, which we believe will capture all emission types that are material to the Group, and have begun collecting data for our UK locations:

- Category 1: Purchased goods and services
- Category 2: Capital goods
- Category 3: Fuel and energy-related activities
- Category 4: Upstream transportation and distribution
- Category 5: Waste generated in operations
- Category 6: Business travel
- Category 7: Employee commuting
- Category 9: Downstream transportation and distribution

This year, the Group has continued to build on its environmental reporting processes and procedures across its subsidiaries to provide a unified framework. The main tools used to track and monitor our environmental impact across our sites are our Environmental Management Systems. Both internal and external environmental audits have been completed at Anthony Best Dynamics Limited and AB Dynamics GmbH, resulting in a successful surveillance audit of our ISO 14001 accredited Environmental Management System. Over the next year, we aim to implement this across all UK subsidiaries, standardising reporting and enabling us to set further environmental targets in FY 2025.

Our environmental reporting covers all entities over which the Group has financial control for the financial year ended 31 August 2024, i.e. all our subsidiaries. Data for businesses acquired during each reporting period is also included where available.

We are pleased with our environmental performance for the year and can confirm that we have not received nor paid any environmental fines nor penalties either in the last twelve months or in the previous five years.

## Sustainability continued

### Environment continued

#### Energy and greenhouse gas emissions for FY 2024

The Group's emissions are broken down by Scope 1, Scope 2 and some Scope 3 emissions. Scope 2 emissions associated with the Greenhouse Gas Protocol 'market based' method have also been calculated, in addition to 'location based' Scope 2 emissions.

Excluding the impact of acquisitions, in FY 2024 the Group's total Scope 1, 2 and 3 emissions (market based) increased by 56% year on year and 43% on an intensity basis (per £m of revenue) year on year. This was driven by an increase in Scope 3 emissions from business travel, which increased by 70%. This was in part due to improvements in the completeness of reporting and availability of information, as well as being related to the growth of the business, which has driven an increase in travel requirements in areas such as business development and customer support.

Our total energy consumption increased by 32% year on year on an absolute basis. This was primarily due to an increase in the Company-owned vehicle use, as our testing services sector saw increased activity levels in the year. The Group has continued to implement measures to decrease our natural gas consumption, which resulted in a 15% reduction in energy consumption from gas.

Anthony Best Dynamics Limited and AB Dynamics GmbH also have subsidiary level targets to reduce electricity and gas usage by 5% per annum as part of their certified ISO 14001 Environmental Management Systems. Across the two sites, a combined 15% reduction was achieved in FY 2024.

#### GHG emissions

	Units	Absolute emissions (including Venshure Test Services)							Like-for-like emissions (excluding Venshure Test Services)						
		2024			2023			YoY % change in total	2024			2023			YoY % change in total
		UK	Global (excl. UK)	Group	UK	Global (excl. UK)	Group		UK	Global (excl. UK)	Group	UK	Global (excl. UK)	Group	
<b>Scope 1 total</b>	tCO <sub>2</sub> e	<b>110</b>	<b>393</b>	<b>503</b>	129	228	357	41%	<b>110</b>	<b>349</b>	<b>459</b>	129	228	357	29%
Gas	tCO <sub>2</sub> e	<b>95</b>	<b>19</b>	<b>114</b>	109	18	127	-10%	<b>95</b>	<b>19</b>	<b>114</b>	109	18	127	-10%
Company owned vehicle use	tCO <sub>2</sub> e	<b>15</b>	<b>374</b>	<b>389</b>	20	210	230	69%	<b>15</b>	<b>330</b>	<b>345</b>	20	210	230	50%
<b>Scope 2 (location based)</b>	tCO <sub>2</sub> e	<b>154</b>	<b>947</b>	<b>1,101</b>	184	371	555	98%	<b>154</b>	<b>839</b>	<b>993</b>	184	371	555	79%
<b>Scope 2 (market based)</b>	tCO <sub>2</sub> e	<b>70</b>	<b>726</b>	<b>796</b>	112	362	474	68%	<b>70</b>	<b>618</b>	<b>688</b>	112	362	474	45%
<b>Total Scope 1 and 2 (location based)</b>	tCO <sub>2</sub> e	<b>264</b>	<b>1,340</b>	<b>1,604</b>	313	599	912	76%	<b>264</b>	<b>1,188</b>	<b>1,452</b>	313	599	912	59%
<b>Total Scope 1 and 2 (market based)</b>	tCO <sub>2</sub> e	<b>180</b>	<b>1,119</b>	<b>1,299</b>	241	590	831	56%	<b>180</b>	<b>967</b>	<b>1,147</b>	241	590	831	38%
<b>Scope 3 total</b>	tCO <sub>2</sub> e	<b>1,051</b>	<b>869</b>	<b>1,920</b>	798	332	1,130	70%	<b>1,051</b>	<b>869</b>	<b>1,920</b>	798	332	1,130	70%
Business travel	tCO <sub>2</sub> e	<b>1,050</b>	<b>868</b>	<b>1,918</b>	797	331	1,128	70%	<b>1,050</b>	<b>868</b>	<b>1,918</b>	797	331	1,128	70%
Water supply and treatment	tCO <sub>2</sub> e	<b>1</b>	<b>1</b>	<b>2</b>	1	1	2	0%	<b>1</b>	<b>1</b>	<b>2</b>	1	1	2	0%
<b>Total Scope 1, 2 and 3 (location based)</b>	tCO <sub>2</sub> e	<b>1,315</b>	<b>2,209</b>	<b>3,524</b>	1,111	931	2,042	73%	<b>1,315</b>	<b>2,057</b>	<b>3,372</b>	1,111	931	2,042	65%
<b>Total Scope 1, 2 and 3 (market based)</b>	tCO <sub>2</sub> e	<b>1,231</b>	<b>1,988</b>	<b>3,219</b>	1,039	922	1,961	64%	<b>1,231</b>	<b>1,836</b>	<b>3,067</b>	1,039	922	1,961	56%



## Sustainability continued

### Environment continued

#### Energy and greenhouse gas emissions for FY 2024 continued

##### Emissions intensity

	Units	Absolute emissions (including Venshure Test Services)			Like-for-like emissions (excluding Venshure Test Services)		
		2024	2023	YoY % change in total	2024	2023	YoY % change in total
Revenue	£m	<b>111.3</b>	100.8	10%	<b>110.3</b>	100.8	9%
Intensity by revenue (Scope 1 and 2 market based)	tCO <sub>2</sub> e per £m revenue	<b>11.7</b>	8.2	43%	<b>10.4</b>	8.2	27%
Intensity by revenue (Scope 1, 2 and 3 market based)	tCO <sub>2</sub> e per £m revenue	<b>28.9</b>	19.5	48%	<b>27.8</b>	19.5	43%

##### Energy consumption by type

	Units	2024			2023			YoY % change in total
		UK	Global (excl. UK)	Group	UK	Global (excl. UK)	Group	
<b>Total electricity</b>	kWh	<b>874,518</b>	<b>1,339,584</b>	<b>2,214,102</b>	1,003,808	744,540	1,748,348	27%
Purchased electricity	kWh	<b>741,399</b>	<b>1,339,584</b>	<b>2,080,983</b>	888,875	744,540	1,633,415	27%
On-site generated electricity (solar)	kWh	<b>133,119</b>	—	<b>133,119</b>	114,933	—	114,933	16%
<b>Gas</b>	kWh	<b>519,867</b>	<b>102,386</b>	<b>622,253</b>	635,716	97,049	732,765	-15%
<b>Company owned vehicle use</b>	kWh	<b>60,734</b>	<b>1,558,117</b>	<b>1,618,851</b>	78,372	892,995	971,367	67%
<b>Personal vehicle company use</b>	kWh	<b>69,823</b>	<b>311,616</b>	<b>381,439</b>	72,462	143,970	216,432	76%
<b>Total energy consumption</b>	kWh	<b>1,524,942</b>	<b>3,311,703</b>	<b>4,836,645</b>	1,790,358	1,878,554	3,668,912	32%

##### Notes:

Emissions for the Group are calculated using methodologies consistent with the Greenhouse Gas (GHG) Protocol: A Corporate Accounting and Reporting Standard. Source data (meter readings) has been used wherever possible; where this is not available, this has been supplemented by billed data and an amount of estimated data.

For FY 2024, the UK government's GHG Conversion Factors for Company Reporting 2024 (DEFRA factors) were used for fuels and UK electricity. Emissions factors provided by Carbon Footprint Ltd and US EPA were used for operations in other locations globally.

Scope 1 vehicle emissions include Group owned vehicles and those that are controlled by the Group for testing purposes.

The Scope 2 emissions associated with the Greenhouse Gas Protocol 'market based' method have been calculated in line with the Greenhouse Gas Protocol guidance. This figure has been calculated using residual-mix emissions factors where available (Germany and UK). In our other operating regions where residual-mix emissions factors were unavailable, country-specific emissions factors have been used instead (as per the location based method) in line with the Greenhouse Gas Protocol guidance. Where sites consume grid electricity backed by REGOs, this has been taken into consideration within the calculations.

Business travel data is inclusive of private vehicles used for business purposes, train travel, air travel, car hire and hotel stays. Metering and monitoring improvements continue to be implemented to capture and improve the Company's data stream.

## Sustainability continued

### Environment continued

#### Water management

Water usage data across the Group continues to be collected this year so we are able to set a baseline and future targets to reduce water consumption can be identified and established across the business. The Group's usage of water is minimal and predominantly relates to cleaning, bathrooms and staff refreshments. Water is not widely used in the design, manufacturing or servicing of our products; however, we acknowledge that water is a scarce resource and careful management of water consumption is essential to minimise our impact on water availability and quality.

As part of our improved monitoring processes, FY 2024 has seen an increase in reporting for water usage. Data is now being collected for our testing facilities in China, as well for VTS since its acquisition, which has led to a significant increase in the Group's reported total freshwater withdrawal. A number of our subsidiary sites are based in shared or leased premises and water consumption is included in lease fees; therefore, water consumption data for those businesses is not available.

#### Group water withdrawal

	2024	2023
Freshwater withdrawal (m <sup>3</sup> )	<b>7,176</b>	1,960
Intensity ratio (m <sup>3</sup> per £m revenue)	<b>64.5</b>	19.4

#### Waste management

The Group remains committed to identifying and assessing environmental risks, such as packaging waste, arising from all operations. Waste management initiatives are encouraged and supported by the Group and materials are recycled where practicable. Local management teams are committed to good environmental management practices and are responsible for implementing the necessary initiatives to meet their local obligations. Each facility participates in recycling paper, plastic, cardboard and wood from pallets and continues to focus on reducing energy consumption through the efficient use of heating and lighting.

All Company waste (both hazardous and non-hazardous) is managed in a sustainable manner, complying with all relevant environmental legislation and regulations as they relate to each location and community we operate in. We follow a waste management hierarchy of Prevention, Reuse, Recycling, Energy Recovery and Disposal, to ensure the reduction in waste sent to landfill and the associated reduction in GHG emissions support our net zero ambition. Our Environmental Management System contains procedures for waste management and frequent reminders are made to ensure waste is recycled wherever possible.

In FY 2024, 98% of all waste produced by the Group was non-hazardous, with 46% being recycled and the remainder being treated, sent to landfill or used in waste to energy programmes. Our waste management intensity ratio decreased slightly during the year to 2.4 (2023: 2.6) as a result of our continued focus on eliminating waste.

At a subsidiary level, Anthony Best Dynamics Limited and AB Dynamics Europe GmbH have an ongoing waste reduction target of 5% per annum and continue to recycle over 60% of waste generated as part of their certified ISO 14001 Environmental Management Systems.

#### 2024 waste management

	Unit	Non-hazardous waste	Hazardous waste	Total waste
Tonnes to landfill	Metric tonnes	125.9	—	125.9
Tonnes recycled	Metric tonnes	121.3	—	121.3
Tonnes incinerated	Metric tonnes	12.4	—	12.4
Tonnes treated	Metric tonnes	0.3	5.1	5.4
<b>Total</b>	<b>Metric tonnes</b>	<b>259.9</b>	<b>5.1</b>	<b>265.0</b>

#### Waste management intensity

	Unit	Non-hazardous waste	Hazardous waste	Total waste
Intensity ratio	Tonnes per £m revenue	2.3	0.1	2.4

#### Waste by type

Material type	Unit	Hazardous waste	Non-hazardous waste	2024 total waste	2023 total waste
Gases (in containers), paints, adhesives, oils, batteries, accumulators, etc.	Metric tonnes	5.1	—	<b>5.1</b>	1.5
Paper/cardboard	Metric tonnes	—	33.9	<b>33.9</b>	12.7
Other mixed commercial waste	Metric tonnes	—	138.0	<b>138.0</b>	205.0
Plastic and plastic packaging	Metric tonnes	—	76.5	<b>76.5</b>	28.4
Metal	Metric tonnes	—	3.6	<b>3.6</b>	5.0
Wood	Metric tonnes	—	7.4	<b>7.4</b>	5.6
Electrical/electronic	Metric tonnes	—	0.5	<b>0.5</b>	0.2
<b>Total</b>		5.1	259.9	<b>265.0</b>	258.4

## Sustainability continued

# Sustainable products

In line with the UN SDG 9 (Sustainable Innovation), our ambition is to continue to be a pioneer of innovation and support in the development of the EV market, through testing of battery technology and charging infrastructure. ABD Solutions' core mission is to accelerate the transition to autonomy by providing retrofit solutions that reuse existing vehicles to automate vehicle applications, helping our customers achieve their sustainability targets.

### Resource efficiency and product innovation

We integrate sustainability into our product design by considering key factors such as energy and resource efficiency. Our suite of products does not have a high carbon footprint, and our simulation business, which enables OEMs to replicate the set-up of a particular vehicle and drive it around various settings virtually, reduces emissions by taking cars off the road. By encouraging our customers to use track testing and simulation, we significantly reduce the CO<sub>2</sub> emissions compared to on-road vehicle testing. Wherever possible, we minimise our raw material use and avoid the use of conflict materials in our manufacturing processes. We use minimal levels of hazardous substances in our production process but continue to examine how we can improve this. We are looking at our product life cycle management to consider how emissions can be reduced in line with the Group's net zero target.

As a Group, we have implemented several measures to encourage resource efficiency across our operations. These include meeting all energy needs in the UK from renewable sources, water conservation initiatives, raw material efficiency, waste minimisation initiatives, including a centralised waste and recycling facility, and resource recovery projects like our solar panels on two UK facilities. We have worked closely with our supply chain to review the sustainability risks associated with procurement and to implement initiatives to reduce life cycle carbon, through programmes to reduce packaging and source locally where possible.

We lead through engineering innovation and technology. Our employees are encouraged to generate new ideas relating to new products, new processes, major improvements or technology breakthroughs. We remain passionate about technology and aim to lead new trends in our market through our engineering design centre and simulation centre of excellence, responsible for innovative products like our new generation of driving simulators.

All our employees undergo rigorous training on product safety issues and to raise their awareness of their environmental protection responsibilities. This year, we also introduced specific training workshops on quality control, precautionary testing and product safety which all relevant staff attended, to ensure the highest environmental, quality and safety standards are maintained.

### Responsible sourcing

In order to achieve our sustainability goals, it is vital that we develop, educate and work closely with our supply chain to uphold the ethical, human rights and environmental criteria that are at the heart of our business. We recognise the need for a proactive and engaged supply chain strategy that meets our own high standards and that of our stakeholders. Our communications and relationships with customers, suppliers and advisers are managed within each subsidiary by senior management, and the Group expects the same high standards of expertise and business principles to be maintained in such dealings. Our aim is to ensure that there is consistency across our international entities, to enable us to monitor compliance. We have chosen to operate under a centralised, head office-controlled framework but devolve responsibility for compliance within this framework to operating divisional or jurisdictional management, with the aim of global harmonisation around local requirements and legislation.

### Supplier due diligence

Our supply chain is geographically diversified. All suppliers need to remain compliant with the legal framework in their respective countries. Before new suppliers are selected, they are subject

to a due diligence assessment which involves on-site visits and checks to determine if they are 'fit for purpose'. This includes an assessment of their financial strength, environmental credentials and quality assurance. All suppliers are required to have a quality management system in line with ISO 9001 and, in line with these requirements, are audited by an independent third party annually and re-accredited every three years. We select suppliers for audit based on our supply chain risk assessments. Throughout the course of the year, these audits assess each supplier's approach to anti-bribery and corruption, human rights, data protection, modern slavery and health, safety and environmental issues amongst other matters. If any risks are identified, the Group works with suppliers to address them. Suppliers are then monitored in line with our non-conformance process, for environmental quality and safety issues, with any corrective actions recorded and monitored.

We intend to work with our suppliers to build mutually beneficial, long-term partnerships, to ensure measurable, long-term sustainability improvements throughout our supply chain. We will continue to focus on and roll out our Company supplier assurance and management schedule. This encompasses supplier audits to ensure our supply chain continues to meet our performance standards and simultaneously delivers on our social and environmental standards.

### Prompt payment

We understand the importance of predictable payments when operating a business and encourage good practice across the Group. When entering into new agreements for the supply of goods and/or services, our subsidiaries are responsible for agreeing appropriate payment terms. Group companies are encouraged to abide by the payment terms they have agreed, so long as they are satisfied that the supplier has provided the goods or services in accordance with the agreed terms and conditions.

## Sustainability continued

# Ethics and compliance

We are committed to ensuring that the behaviours and practices of our organisation, including those within our supply chains, reflect our own high ethical standards and compliance with applicable laws and standards. We strive to conduct business honestly, openly and with integrity, as this approach will support our long-term success and sustainability. We hold our leaders accountable for ensuring their businesses operate according to the strict ethical standards we expect. We have in place a series of Group policies forming a global subsidiary governance framework to guide our actions and those of our employees, suppliers and partners to ensure good governance and ethical behaviour across our Group. These policies include human rights, anti-bribery and corruption, modern slavery, conflicts of interest, competition and anti-trust. These policies are now reviewed annually and can be located on our website.

## Human rights and modern slavery

We are committed to respecting human rights in accordance with international human rights principles, and these are integral to our business operations. The Group aims to manage and mitigate the risks associated with potential human rights breaches and modern slavery and to ensure we have transparency across our subsidiaries, via the implementation of standardised policies and methodologies forming part of the Group's global subsidiary governance framework. The ESG Committee maintains responsibility for oversight of compliance with the Group's human rights principles with the overall objective of ensuring good governance, oversight and monitoring of our supply chain and wider supplier relationships. Local management teams remain accountable for observing the operational approach set by the Group, with each manager receiving appropriate briefings on these requirements and ensuring compliance with local regulatory requirements, culture and specific business needs.

Underpinning this approach are robust policies and procedures, together with appropriate training, which give our workforce and other business partners guidance on dealing with breaches of human rights standards (such as human trafficking and child

labour) and modern slavery and the measures we take to tackle such issues within our organisation and supply chain. All human rights abuses will be acted upon and appropriate action will be taken in a timely manner. We continue to believe that our exposure to the risks of human rights abuses and modern slavery is low within our business and supply chain, and we are confident that the policies and procedures that we have in relation to anti-slavery and human trafficking are in compliance with the Modern Slavery Act 2015 and our public statement, to this effect, is available on the Group's website ([www.abdplc.com](http://www.abdplc.com)). Further, our internal policies in relation to human rights and modern slavery are published in English on our website and are available locally for our workforce in four languages.

## Whistleblowing

The Group aims to create a working environment where honest and open communication is encouraged and employees feel comfortable raising concerns.

Whilst we believe we have a robust framework in place and an embedded commitment to always doing the right thing, where these high standards have not been met, we encourage our workforce to come forward and speak up via our whistleblowing portal. The portal is accessible 24 hours a day, 365 days of the year through an internet URL and mobile phone app. Our whistleblowing policy aims to encourage openness, reports can be made anonymously and we guarantee legal protection for all whistleblowers, even if they turn out to be mistaken. All reports made through this tool are investigated in line with the Group's whistleblowing policy and are supervised by our independent Non-Executive Directors.

No new whistleblowing reports were received in FY 2024 and two cases, which had been reported in our previous financial year and remained open, were resolved without the need for further action.

## Anti-bribery and corruption

We prohibit bribery and all forms of fraud and will take legal or disciplinary action in all cases of actual or attempted fraud across all operations. We have a Group-wide policy, which is reviewed annually by the Audit and Risk Committee, on anti-bribery and corruption which has been circulated to every member of staff globally through the Group's HR portals and QMS systems. Employees receive online training on anti-bribery and corruption to improve their understanding of the Group's requirements and embed compliance. The policy and training modules are available in the four key languages spoken across the Group.

## Information systems and technology

The Group believes it has robust and secure information technology (IT) systems with security controls and procedures in place, although we acknowledge that no IT system can be completely secure. The Group IT Manager is responsible for the integrity and security of the IT systems and strategy. The Group has processes in place for externally conducted penetration testing, business contingency, data back-up and recovery, and there are various processes, software and hardware in place to prevent data security breaches and unauthorised access to the Group's systems. These cybersecurity policies and procedures are reviewed annually. The Group also holds regular cybersecurity awareness training for staff in the majority of its operations, to ensure that our employees remain vigilant to cybersecurity breaches.

To further strengthen our overall security position, we have committed to submitting the Information Security Management System (ISMS) of several of our key businesses to be certified by the leading international standard TISAX®. TISAX® provides a catalogue of requirements, covering virtual, physical and social aspects of information security, specific to the automotive industry. This catalogue is referred to as the Information Security Assessment (ISA) and forms the basis of the assessment.

## Sustainability continued

### Ethics and compliance continued

#### Information systems and technology continued

This standard also provides the European automotive industry with a consistent, standardised approach to information security systems. It has been developed by automotive industry security experts and is based on international ISMS standard ISO/IEC 27001.

To that end, the Group will be enhancing its current information security practices, technology and procedural controls to identify and protect the information assets it owns or controls to ensure an elevated level of confidentiality, integrity and availability for the benefit of our customers and suppliers.

#### Tax transparency

The Group is committed to compliance with all applicable tax laws and regulations in all areas it operates in or is required to make filings in. The Group operates a Group-wide anti-facilitation of tax evasion policy which is reviewed annually by our Audit and Risk Committee. All required tax filings are made accurately and on time with the relevant authorities. We are committed to a transparent and open approach to reporting on tax and do not engage in aggressive tax planning or tax avoidance schemes.

