

The background features a series of thin, light gray concentric circles. A thick, solid orange ring is positioned in the middle of the composition. Several dotted orange lines, consisting of small circles, follow the path of the thick orange ring, creating a sense of motion or a trail.

# SUSTAINABLE BY DESIGN

2019

• **APTIV** •

# Table of Contents

SUSTAINABLE BY DESIGN: A NOTE FROM OUR CEO

APTIV AT A GLANCE

OUR MISSION: SAFE, GREEN, CONNECTED

ADDRESSING MOBILITY'S TOUGHEST CHALLENGES

GLOBAL SCALE - LOCAL SERVICE

PEOPLE: THE RIGHT FOUNDATION

Our Culture Reflects Our Values

Right Structure

Diversity Equals Innovation

Employee Engagement

Right Incentives

Mission Meets Impact

Aptiv in Action: Community Service

Safety Everywhere

PRODUCT: MAKING THE FUTURE REAL

Sustainable Product Development

Aptiv in Action: Selective Metal Coating

Partner Of Choice

Responsible Sourcing

PLANET: MORE SUSTAINABLE FUTURE

Reducing our Environmental Impact

Reducing Greenhouse Gas Emissions

Reducing Waste and Water Consumption

CORPORATE GOVERNANCE

BOARD OF DIRECTORS

3

4

5

6

7

8

9

10

10

10

10

11

12

13

14

15

15

16

17

18

19

19

20

21

22



*We believe that mobility has the power to change the world and Aptiv has the power to change mobility.*

# Aptiv: Sustainable by Design

## A NOTE FROM OUR CEO

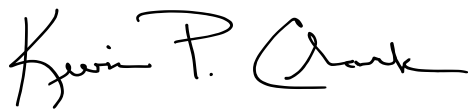
Aptiv is a global technology company enabling the safer, greener and more connected future of mobility. Our technologies make the world a safer place, significantly reducing vehicle-related injuries and fatalities. Our high-voltage solutions contribute to the development and adoption of increased vehicle electrification, which reduces CO2 emissions and increases fuel economy. Our software enables seamless connectivity between vehicles, their passengers and the environments in which they operate. In short, Aptiv's success emanates from a strong, sustainable business that makes the world a better place, a business that is Sustainable by Design.

But Aptiv's commitment to sustainability goes well beyond our portfolio of safe, green, and connected solutions -- it starts with what powers our business: our people. Their passion to always do the right thing, in the right way, extends beyond their work, as we actively engage our employees in our sustainability and community development efforts. Our strong corporate culture helps to attract and retain the best talent for Aptiv.

Ethical business practice is core to our culture. I am very proud that Aptiv has been recognized for the seventh consecutive year as one of the "World's Most Ethical Companies" by the Ethisphere Institute. We also consistently achieve record best-in-class Lost Work Day Case rates versus our industry peers. These accomplishments demonstrate our focus on ensuring an ethical and safe work environment.

Aptiv also continues to aggressively pursue initiatives to reduce emissions, waste, and water consumption in every region in which we operate, which the CDP acknowledged by promoting Aptiv to the exclusive Management Band level. We have rigorous programs in place to track the relevant KPIs, which ensure we set and deliver against meaningful targets in the years to come.

Looking forward, Aptiv commits to realize our mission of enabling a safer, greener, and more connected future for mobility, to live our core values and to continuously improve in making our products and facilities more sustainable. We will continue to build a strong company that delivers long-term value to our stakeholders, customers, employees, as well as to the environment and the communities in which we operate. Our efforts are creating a significant competitive advantage for Aptiv.



**Kevin P. Clark**  
President & Chief Executive Officer



**"APTIV'S SUCCESS EMANATES FROM A STRONG, SUSTAINABLE BUSINESS THAT MAKES THE WORLD A BETTER PLACE, A BUSINESS THAT IS SUSTAINABLE BY DESIGN."**

# APTIV AT A GLANCE

**\$22B**  
BUSINESS BOOKINGS  
IN 2018

**+10%**  
SALES GROWTH<sup>1</sup>

**\$14.4B**  
2018 REVENUE

**+13%**  
EPS GROWTH<sup>2</sup>

1. At constant foreign exchange and commodity rates. 2. Adjusted for restructuring and other special items.

## ACCELERATING GLOBAL GROWTH THROUGH SOFTWARE AND SYSTEMS INTEGRATION

Aptiv is a global technology leader, with more than 160,000 people across 126 manufacturing facilities and 15 major technical centers worldwide. With a presence in 44 countries, we address mobility's toughest challenges through our deep software and systems integration expertise, delivering market-relevant solutions for our customers.

 **\$1.4B**  
INVESTED IN ENGINEERING

 **18,600**  
SCIENTISTS AND ENGINEERS

 **6,500**  
SOFTWARE ENGINEERS

## Aptiv Business Segments

**APTIV IS THE ONLY PROVIDER OF AN INTEGRATED BRAIN AND NERVOUS SYSTEM**



### ADVANCED SAFETY & USER EXPERIENCE

Encompasses our deep expertise in centralized computing platforms, advanced safety systems and automated driving, while acknowledging the growth in areas that enrich the in-vehicle experience.



### SIGNAL & POWER SOLUTIONS

Leverages our heritage as a global architecture provider and systems integrator to deliver the high-speed data and high-power electrical systems required for feature-rich, highly-automated vehicles.

## RECENT RECOGNITION



**Ethisphere Institute:** 2019 World's Most Ethical Companies® for the seventh year in a row.



Included in the **FTSE4Good Index Series**; demonstrating strong environmental, social, and governance practices measured against globally recognized standards.



**Carbon Disclosure Project:** Volunteer respondent to the climate investor carbon and water reporting since 2012. CDP Score: B.



Included in the **Dow Jones Sustainability Indices (DJSI)**; DJSI tracks the stock performance of the world's leading companies in terms of economic, environmental and social criteria.



**Ranked #4** in the Autos & Parts industry category and included in the JUST U.S. Large Cap Equity ETF.



In 2019, Aptiv received a rating of A (on a scale of AAA-CCC) in the **MSCI ESG Ratings** assessment.

# Our Mission

Aptiv holds a leading position as a technology company innovating at the intersection of disruptive trends in the mobility industries. We use our portfolio of technologies to make vehicles safer, greener and more connected and enable the future of mobility. Our mission aligns with the UN's Sustainable Development Goals (SDGs).

## Aptiv Mission



SAFE

A society that sees **zero fatalities, zero injuries and zero accidents**



GREEN

**Zero Emissions:** Minimize the vehicle's total lifecycle environmental impact



CONNECTED

**Seamless integration** between the car, its passengers, and the world around it

## Industry Challenges

**94%**

of all accidents are caused by human error

\*NHTSA

**4.6**

metric tons of CO2 emitted from a typical passenger vehicle per year

\*EPA

**25B**

IoT connected devices globally

\*McKinsey & Company

**1.35 million**

road traffic deaths annually

\*World Health Organization

**#1**

air pollution is the number one environmental cause of death in the European union

\*European Environmental Agency

**6B**

smartphones globally by 2025, replacing the PC as consumers key connected device

\*IHS Markit

## Aptiv Technologies

- Perception systems and sensor fusion
- Active Safety software and multidomain controllers
- High fidelity / reliability interconnects and signal distribution
- Gesture and voice recognition for hands free control

- High Voltage wiring and electrical centers
- High Voltage connectors, plug-in chargers and cord sets
- Aluminum wire harnesses for light-weighting
- Architecture optimization for mass and weight reduction

- Secure connected gateways (Cellular, Satellite, DSRC, GPS)
- Wireless (Wifi, BT), Media Modules and Consumer Ports
- Over-The-Air (OTA) for Software and Firmware
- Edge Processing, cloud analytics and cybersecurity



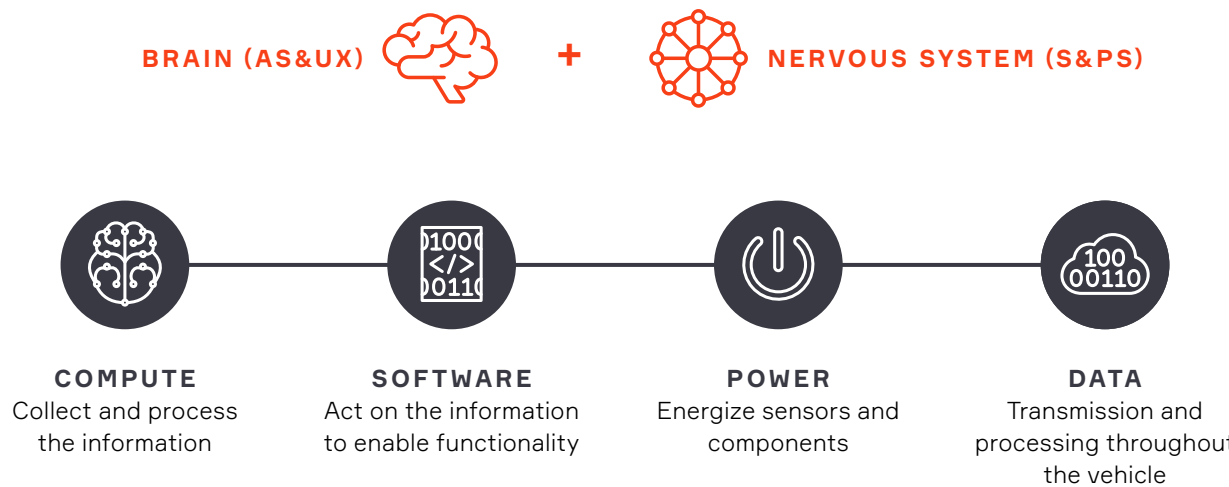
# Addressing Mobility's Toughest Challenges

We see a future that promises zero accidents on the road, zero emissions in the air, and a personalized driving experience inside every vehicle. It's a future made possible by our end-to-end portfolio of safe, green, and connected solutions that enable the future of mobility, save lives, and improve the planet.

Our customers simply cannot load more content into the vehicle, which is why Aptiv's unique position as the only provider of the brain (software and compute) and nervous system (power and data distribution) is allowing us to conceive, specify and deliver the advanced vehicle architectures of the future. These architectures are becoming more software-based, enabling features like advanced driver assistance systems and automated driving. Aptiv's industry leading capabilities makes us a partner of choice to our customers.



## Providing end-to-end solutions that enable the future of mobility



# Global scale - Local service

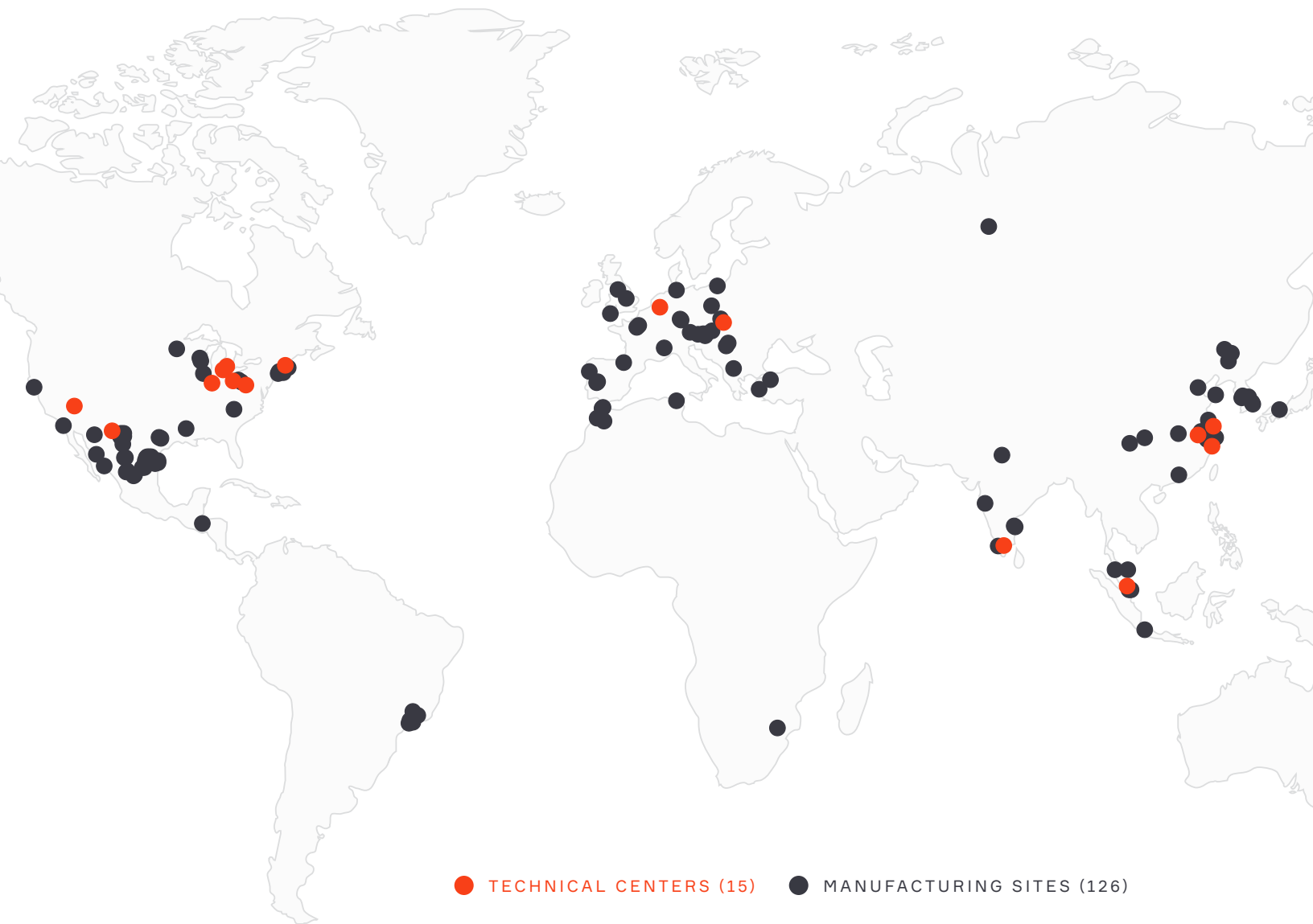
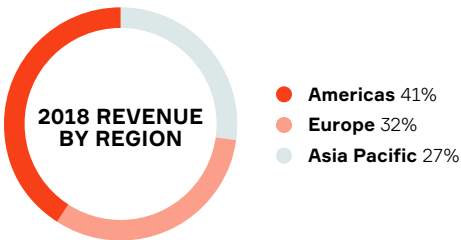
We have established a worldwide design and manufacturing footprint with a regional service model that enables us to engineer globally and execute regionally to serve our customers better. Our footprint also allows us to adapt to the regional design variations that global OEMs require in both developed and emerging markets.

## GLOBAL ENGINEERING

### STRATEGIC FOOTPRINT CLOSE TO CUSTOMERS

enables Software and Systems Architects / Engineers regular and close collaboration during development and launch

**SCALE AT COMPETITIVE COSTS** from non-customer facing roles in best cost countries, with the ability to work across platforms and product lines to enable design reuse



# The Right Foundation

Aptiv has a clear mission and strategy for delivering leading mobility platforms to the world. The key enabler of this strategy is our business foundation, and at the core of that foundation is our people, led by an overarching mission to create safer, greener and more connected solutions that enable the future of mobility.

## OUR MISSION MATTERS

A simple, compelling, and memorable mission is critical to any organization's success. It attracts and retains talent. And it drives the engagement that in turn delivers performance. Ask any Aptiv employee what his or her mission is, and you'll inevitably receive the same response: to build a safer, greener and more connected world.

***"In a world in which 94% of accidents are influenced by driver error, our active safety solutions play a crucial role in reducing fatalities by helping prevent the accident altogether... and I am proud to work on technologies that make a difference."***

Chad, Engineering Group Manager



*"Every day, we come to Aptiv from diverse cultures and backgrounds, but what makes our work meaningful is collaboration. We are united across the world in pursuit of our mission to deliver safer, greener, and more connected technologies that enable the future of mobility. Today, for this generation and the next, diversity is more than gender, more than ethnicity, more than equal representation; it is about being human and the welcoming of new and fresh ideas to innovate that future."*



**Mariya Trickett**  
**Senior Vice President and**  
**Chief Human Resources**  
**Officer**



# Our Culture Reflects Our Values

At Aptiv, employee engagement surveys continue to rank clarity of mission highest among our cultural attributes, contributing to our more sustainable culture, driving best-in-class performance across the company.

Our culture represents a system of organizational values and beliefs that serve as a common denominator to unite our diverse workforce and inform how we select, promote, and reward our best people. The outcome is a culture of execution, creating value for all of our stakeholders.

WHY WORK AT APTIV?

*“At Aptiv, we are ambitious in what we want to accomplish, which allows us to push the boundaries of possibility and helps us stay competitive in the market as innovators. We encourage a lot of collaboration.”*

Natalie, Quality Manager



## Our Values

- 

WE PLAY TO WIN
- 

WE ARE ONE TEAM
- 

WE THINK AND ACT LIKE OWNERS
- 

WE ACT WITH URGENCY
- 

WE HAVE A PASSION FOR RESULTS
- 

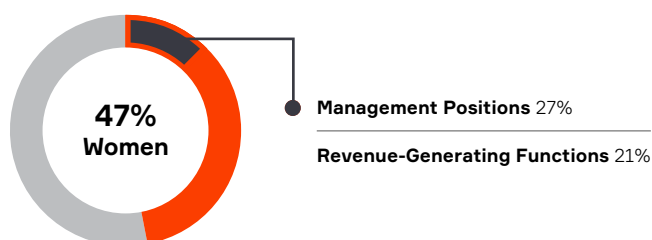
WE OPERATE WITH RESPECT

## RIGHT STRUCTURE

Beyond the right culture and portfolio of products, we believe it is essential to have the right people, in the right frame of mind, organized in the right way. To attract top talent, Aptiv has expanded our presence around the globe, reinforcing our customer-centric tech centers and leveraging our cross-Aptiv scale to create workplace environments that support our industry.

Our empowered organization means we are flat and networked, enabling clear ownership and accountability while staying flexible to meet local requirements. Over the last few years, Aptiv has focused on delayering management while investing to enhance our global engineering capabilities.

### PERCENTAGE OF FEMALE REPRESENTATION IN APTIV'S WORKFORCE



## DIVERSITY EQUALS INNOVATION

At Aptiv, we know that diversity comes in many forms. As our company evolves to meet the mobility needs of the future, diversity of thought and experiences are critical to delivering on our mission. In addition to talent and skill, we believe race, culture, ethnicity, gender, and age diversity are vital to our success. As a result, we partner with various recruitment organizations to build deep and diverse talent pools at all levels of the organization. We also strive to help young girls and women develop educational and vocational opportunities in STEM fields. Aptiv regularly holds Women in Tech events focused on increasing diversity and supporting the career progression of women at Aptiv.

At Aptiv, the virtues of differences foster innovation and drive more differentiated thinking which creates more opportunities for our businesses and our leaders. Aptiv's Diversity Equality & Human Rights Policy [here](#) →

## EMPLOYEE ENGAGEMENT

One of the key ways we deliver on our mission to create safer, greener and more connected solutions that enable the future of mobility is through our enterprise of 160,000 highly engaged employees.

Aptiv invests in training and development curriculum that ensure our employees have the appropriate resources for empowered careers. We also focus on providing our workforce holistic incentives, enticing career development plans and competitive compensation.

Engaged employees are productive employees, and Aptiv is constantly interacting with our workforce to ensure that they are heard and provide the feedback and support they need to develop their careers at Aptiv. Key to our employee engagement is our range of communications tools which include quarterly all-employee broadcasts, monthly global leadership calls and our interactive employee mobile app.

## RIGHT INCENTIVES

In addition to having the right portfolio of technologies and the right people organized the right way, at Aptiv we provide incentives to encourage our values, behaviors and sustainable results to which we aspire.

We maintain a strong performance culture, aligning management compensation with the creation of long-term sustainable shareholder value.

- For our executive population, a substantial portion of pay is at-risk. [See more here](#) →
- Our Board of Directors conducts annual pay-for-performance alignment reviews.
- Incentive metrics strongly reflect the company's focus on delivering results the right way, through Aptiv's Strategic Results Modifier (SRM), whereby approximately 10% of the annual incentive plan is tied to achieving goals that support the sustainability of the business, notably in the areas of culture, talent, and quality.
- Long-term compensation is designed to attract, retain and motivate talent.

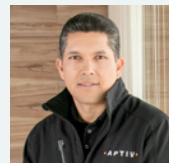
# Community Involvement

## MISSION MEETS IMPACT

The passion our employees share to make the world safer, greener and more connected doesn't stop when they go home at the end of the day. It extends to the communities in which we live and work, and is reflected in the numerous hours of volunteerism our employees have engaged in each and every year. In 2018 alone, Aptiv employees supported over 200 local and charitable initiatives around the world aligned to our corporate mission.

Aptiv actively encourages and supports our teams' efforts by sponsoring community activities during normal working hours and offering paid time off for volunteerism. Our community programs allow employees across our sites to organize volunteer events, make charitable contributions and facilitate educational programs with recognized global partners. We deliver measurable results where it matters most – in our communities most in need.

*"It makes me extremely proud to be in a company with such great people who dedicate their time to help those most in need in their communities. Aptiv is a company committed to creating a better world through our innovative products, sustainable processes, technology, and of course, our remarkable people."*



**Alejandro Quiroz**  
President, Aptiv Latin America





# Aptiv in Action

## PLANET

To celebrate Earth Day and create a green ecological environment, the Changchun plant in China organized a tree planting activity where each department was responsible for planting and watering a tree. Across the globe in 2019, the Aptiv Foundation donated 160,000 trees to the National Forest Foundation to replenish the areas impacted by fires. Additionally, 27 manufacturing facilities in Mexico participated in the “Basura Challenge”, where they collected garbage from community areas, parks and schools to improve the cities in which they work. Aptiv is committed to help build a greener world.



## EDUCATION

Aptiv remains a long-time supporter of STEM education around the world – providing team mentors to high school students, donating funds to support 25 First Robotics teams and granting sponsorships to Greenlight for Girls, an international organization dedicated to inspire girls of all ages and backgrounds to pursue STEM subjects. We also have global university partnerships where we volunteer, including AGH Poland, Carnegie Mellon, Georgia Tech, Karlsruher Institute for Technology, MIT, National University of Singapore, RWTH Aachen University, Xian Jiaotong University, and Zhejiang University.

So many people in our communities need educational support. Aptiv develops connections with institutions to provide resources to students and improve education. In each of the last two years, through the Aptiv Foundation, the Troy Technical Center in Michigan donated 2,800 lbs. of bulk school supplies to the Lighthouse of Oakland County for children in southeastern Michigan. Employees gathered together to fill more than 1,600 backpacks with these supplies, and to make new connections in the process.



## SOCIAL IMPACT

Organized by the Depaul Charity, Aptiv teams in Europe competed in a raft race where they collected funding for the homeless. In India, Kerala state faced its worst flooding in 100 years. The local Aptiv team helped their affected neighbors in many ways, from supplying groceries and meals for more than 1,300 families in three rehabilitation camps to contributing food, water, clothing, and financial aid to victims. Building a strong, sustainable business that makes the world a better place is at the very foundation of our culture. It's who we are at Aptiv.

# Safety Everywhere

At Aptiv, safety is more than a guiding principle. Our portfolio of advanced driver assistance systems makes driving safer and so it should come as no surprise that we are also committed to being a leader in employee health and safety. To that end, we implement proactive safety measures to protect employees in various workplace scenarios, and continue to help improve operational performance.

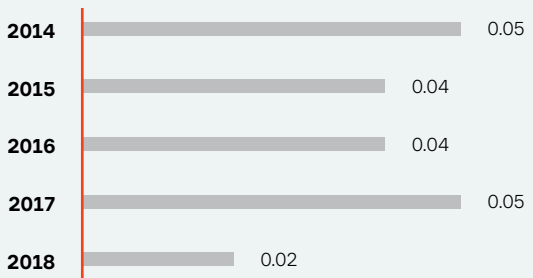
We have defined processes to assess occupational health and safety risks, ensuring mitigation based on key performance indicators from third-party certification for ISO45001. EH&S conducts internal audits annually for all manufacturing sites and every four years for corporate sites. We have targets for lost work day case rates, safety incident rates, safety habits training, and number of training hours per employee.

In 2018, Aptiv once again achieved top quartile performance for Lost Work Day Cases versus our peers for the fifth year in a row. We conducted an average of 4.66 hours of safety training per employee. These safety training sessions included topics such as machinery safety, ergonomics, ISO 45001, and emergency response. Additionally, 80 Aptiv sites received the National Safety Council Occupational Achievement Excellence Award.

## LOST WORK DAY CASES ANNUAL RATES

Aptiv has been in the top quartile of Lost Work Day Cases (LWDC) of our peers for the last five years.

### LWDC per 100 employees



*We value the health and safety of every one of our employees*

\*Aptiv's LWDC rate is best-in-class versus industry peers





# Making the Future Real

Our culture of innovation has enabled us to develop significant intellectual property and advanced technology solutions to continually meet the growing demands of our customers. We have a team of more than 18,600 scientists, engineers, and technicians focused on developing innovative solutions that make vehicles safer, greener and more connected than ever before. These exceptional men and women are located at engineering development centers all around the world, including our 15 major technical centers in China, Germany, India, Mexico, Poland, Singapore, and the United States.

As the vehicle has increasingly become a software-defined platform, we have adapted our portfolio of technologies and capabilities to meet the demand for more complex software development and systems integration expertise. As a result, Aptiv is uniquely positioned to provide the end-to-end solutions required to commercialize new mobility:

- We have over 6,500 engineers focused on software development, shipping over 40 billion lines of code daily, increasing to over 150 billion lines of code by 2020.
- As a result, vehicles need more computing power than ever before to enable advanced vehicle features, including Active Safety and User Experience features. This is where Aptiv's Advanced Safety & User Experience segment excels.
- The increased need for more complex computing platforms allows Aptiv to leverage our Signal & Power Solutions segment to deliver the high-speed, high-power electrical architecture that enable more connected content in the vehicle.
- Managing complexity and optimizing vehicle architecture to increase efficiency and maximize performance requires Aptiv's rigorous execution capabilities, to deliver flawlessly for our customers.

Our strategy is to continue to develop and manufacture innovative, market-relevant advanced technologies for a diverse base of customers around the globe, while continuing to leverage our core strengths in the foundational elements of data, power, compute and software to enable the architectural change critical to delivering the highly automated and electrified vehicles of the future.

*"Our solutions are making an impact today. Early warning detection and advanced driver assist systems have the potential to save over a million lives and prevent 40 million injuries a year. Further, the investments that we are making today on advanced safety systems – sensing, sensor fusion, policy and planning algorithms, and advanced vehicle architectures – are the same building blocks required for automated driving."*



**Glen De Vos**  
**Senior Vice President,**  
**Chief Technology Officer**

Our prudent approach to investing is also a key differentiator for Aptiv. Our focus on improving through-cycle performance to better position the company for sustained strong secular and profitable growth means we are constantly looking around the corner, anticipating our customers' needs and allocating investment more effectively.

As OEM vehicles continue to evolve from Level 1 (driver assistance) and Level 2 (partial automation) today, to Level 3 (conditional automation) and eventually to Level 4 (high automation) and Level 5 (full automation), we will also see demand grow from a new group of customers including mobility providers and fleet operators. Aptiv's advanced technologies and deep systems knowledge across the brain and nervous system of the vehicle are making the future of mobility real.

## SUSTAINABLE PRODUCT DEVELOPMENT

Our ability to anticipate and address the changes in technology and regulatory standards in the industry with new products on a timely and cost-competitive basis will be a significant factor in our ability to remain competitive. Our innovative technologies and robust global engineering and development capabilities have positioned us to meet the increasingly stringent vehicle manufacturer demands and consumer preferences for high technology content in automobiles.

Aptiv's robust product development process starts with determining the needs of our customers, and then drives those needs into high quality, innovative solutions. Our relentless focus on continuous improvement allows us to reallocate investment to current and future growth platforms and drive efficiencies through wide-scale deployment of our engineering tools.

## APTIV IN ACTION: SELECTIVE METAL COATING

High-voltage electrification demands much more of a vehicle's electrical architecture. One of the essential transformations is in the wires themselves. Why? Because it's all about weight reduction. Reducing overall vehicle weight is more important than ever to help automakers and their customers develop greener and more efficient vehicles. Though aluminum appears to be the obvious solution, it presents significant challenges. Connecting aluminum wires to copper connectors requires advanced technology that was unavailable until now.

Aptiv solved this challenge by devising an innovative technology called Selective Metal Coating. These durable and highly robust aluminum wiring systems result in a potential weight reduction of up to 48% over today's average conventional wiring harnesses.

See the full story here —>

***These durable and highly robust aluminum wiring systems result in a potential weight reduction of up to 48% over today's average conventional wiring harnesses.***



# Partner of Choice

Aptiv is becoming the “Tier 0” partner of choice for our customers, capable of delivering optimized solutions that truly enable the future of mobility. We're committed to delivering these advanced solutions in a responsible and sustainable way. Our commitment to exceptional customer stewardship starts with our proactive approach to listening and anticipating our customers' needs, executing flawlessly and rigorously measuring our results.

The foundation of that model is our culture of innovation. Innovation in terms of our product portfolio, but also in terms of how we do business, our people, and our processes. We collaborate with our supplier partners and we have the processes in place to ensure we consistently deliver flawless execution to our customers. It starts with a fully integrated lean operating system, driving advanced planning, robust quality control, and strong application of continuous improvement methodologies across the enterprise.

Every day our plants receive more than 220 million pieces of material and they produce and ship more than 90 million very complex components. And we do it at highly competitive quality levels – that is less than one rejected part per million shipped. The integrated supply chain and advanced engineering functions collaborate to drive common standards into our design processes and identify ways to mitigate waste. Every year our business gets more complex, but every year we get better.

All wholly-owned Aptiv manufacturing sites are certified in IATF 16949, a global quality management system standard for the Automotive industry.

**Every day our plants receive more than 220 million pieces of material and they produce and ship more than 90 million very complex components. And we do it at highly competitive quality levels – that is less than one rejected part per million shipped.**



# Responsible Sourcing

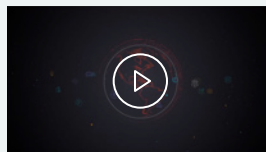
Over half of Aptiv's product cost is purchased material. As a result, we continuously monitor supplier inputs and work closely with third party auditors to help ensure suppliers operate to standards Aptiv and our customers expect, mitigating potential risks to our people, product or the planet.

Every day 220 million pieces from 3,600 suppliers flow through Aptiv's 126 manufacturing facility network. As our business has grown, our integrated supply chain team has driven meaningful reductions in environmental emissions globally. As a result, Aptiv has streamlined its global packaging and shipping processes, optimized packaging, and reduced the number of individual shipments globally. In 2018, our logistics department successfully eliminated the production of 1,115 tons of CO2 by reducing the number of shipments and required transportation. Current logistics projects continue to drive reductions in CO2 emissions with opportunities to reduce total shipments by 30% and reduce travel distance by 20%.

To ensure compliance, Aptiv monitors robust adherence to the following:

- **Environmental Certification:** Aptiv suppliers are encouraged to have an environmental management system certified by a third party. In 2018, 85% of strategic suppliers were ISO14001 certified.
- **Supplier Code of Conduct:** Aptiv's strategic suppliers are required to agree to the principles articulated in our Supplier Code of Conduct, which includes clauses on the environment, human rights, social and employee matters, data management, and business ethics. (See the Aptiv Supplier Code of Conduct [here](#)) Additionally, as part of our Manufacturing Capability Assessment process, Aptiv auditors inspect supplier records and observe their operations.
- **Human Rights:** We are fully committed in all business locations to ensure compliance with applicable human rights laws, including those relating to slavery and human trafficking. We also require our indirect suppliers to comply with our Supplier Code of Conduct. (See the Aptiv UK Modern Slavery Act Policy [here](#))
- **Conflict Minerals:** Aptiv itself diligently complies with the US Dodd-Frank Act Section 1502, regarding conflict materials. In 2018, Aptiv performed a Reasonable Country of Origin Inquiry ("RCOI") by surveying the relevant portion of our supply base for 3TG use. As a result of these survey procedures, all identified suppliers were recognized as compliant with our Responsible Minerals Assurance Process ("RMAP"). (See the Aptiv Conflict Mineral Policy [here](#))
- **Leader in Supplier Diversity:** We continue our long-standing support of supplier diversity by participating in many major national supplier organizations in the United States, including several regional councils and chambers. (See the Aptiv Supplier website [here](#))

**220 million pieces from 3,600 suppliers flow through Aptiv's 126 manufacturing facility network each day.**



**APTIV'S INTEGRATED  
MANUFACTURING  
AND SUPPLY CHAIN  
OF THE FUTURE**



# More Sustainable Future

## MISSION MEETS IMPACT

At Aptiv, we hold ourselves accountable for systemically reducing our environmental impact. For more than 20 years, we have aligned our approach and policy with internationally recognized standards and management systems.

Our commitment to environmental stewardship is company-wide. Aptiv owned manufacturing sites achieved 100% voluntary certification in ISO14001 since 2001. We monitor our sites with a rigorous environmental risk assessment, allowing us to track progress against targets.

In 2012 Aptiv set our 2020 environmental targets to decrease greenhouse gas emissions, water consumption and waste generation by 30% from our 2011 baseline.

Based on our 2020 targets, Aptiv set our 2018 targets to 2% CO2 emissions, water disposal and water consumption reduction annually.

We monitor progress toward these targets through Aptiv's online platform, which is accessible to all our sites. This platform collects and tracks data such as lost work day cases, serious incidents, near misses, safety training, safety look across, energy consumption, water consumption, waste generation, and community projects.

***Throughout the course of our activities, Aptiv is committed to protecting human health, natural resources, and the environment in which we live and operate.***

Aptiv Environmental Health & Safety (EH&S) policy —>

### 2012 SUSTAINABILITY TARGET

**↓30%** BY 2020

**CO2 EMISSIONS  
WASTE DISPOSAL  
WATER CONSUMPTION**

### ACTUAL AVERAGE ANNUAL REDUCTION (2014-2018)

**↓6.4%**  
**CO2 EMISSIONS**  
(ton / employee)

**↓6.5%**  
**WASTE DISPOSAL**  
(kilograms / employee)

**↓6.9%**  
**WATER CONSUMPTION**  
(thousand liters / employee)

# Reducing our Environmental Impact

## REDUCING GREENHOUSE GAS EMISSIONS

Aptiv is taking actions to aggressively reduce our greenhouse gas emissions and has succeeded in reducing Scope 1 + 2 emissions per employee annually for the last five years:

**Scope 1:** Primarily natural gas used for heating; these are the emissions created from manufacturing operations. In 2018, Aptiv globally generated 20,026 tons of CO<sub>2</sub>e.

**Scope 2:** Indirect emissions from power plants that generate the electricity consumed at Aptiv sites. In 2018, Aptiv globally consumed 772,493 MWh of electricity, translating into 368,535 tons of CO<sub>2</sub>e.

**Scope 3:** Emissions from the entire value chain located upstream or downstream from Aptiv (raw material extraction to end of vehicle life). In 2018, Aptiv value chain emissions generated 8.4 million tons of CO<sub>2</sub>e.

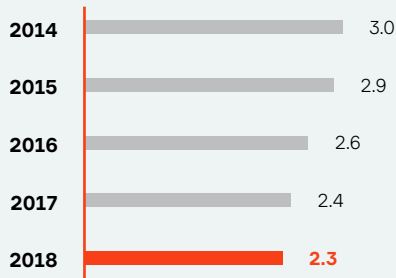
We have implemented management tools to better monitor and reduce our environmental impact across these three scopes. Highlights include:

- Increasing shared renewables to reduce carbon footprint, including self-production of electricity with solar panels and green electricity. Our corporate headquarters has been supplied by renewable energy since its opening in 2018. From July through December 2018, the site consumed 229,200 KWh of renewable energy, avoiding approximately 85,000 kg of CO<sub>2</sub>e.
- Purchasing energy-efficient equipment such as gear boxes, air compressors with variable speed and heat recuperation, LED lights (re-lamping), high efficiency boilers, HVAC, and boilers. Our Asia Pacific headquarters in Shanghai installed a new lighting system and invested in LED, which resulted in a 450 kg reduction in CO<sub>2</sub>e.
- Reducing energy consumption through machine idling programs, tracking air compressor leakages, lowering temperatures of certain processes, and training employees in energy-saving behaviors. Our site in Krakow, Poland engaged more than 1,200 employees in EH&S activities including an environmental campaign focused on plastic/energy reduction.
- Stimulating innovation and fostering best practices to reduce energy and greenhouse gas emissions, water consumption, waste disposal, and environmental risk through Aptiv’s Sustainability Awards program, now in its 15th year.

In 2013, Aptiv began voluntary disclosure of greenhouse gas emissions through the CDP climate change questionnaire and in 2018, we marked an important milestone by achieving a B score.

### Greenhouse Gas Scope 1+2 emissions

Location-based (CO<sub>2</sub> emissions in tons / employee)



# Reducing Waste and Water Consumption

## REDUCE WASTE

To ensure employee health and environmental protection, Aptiv has enacted corporate procedures to best define waste treatment. Over the years, we have created, maintained, and improved a robust system to eliminate, minimize, segregate, and properly manage waste. In production, this system includes design modifications that allow us to eliminate solvents by changing cleaning and painting processes and modifications to injection molds that reduce the amount of scrap plastic in our molding operations. Additionally, we have implemented programs to recycle scrap plastic by integrating it back into the manufacturing process without jeopardizing product quality. In 2018, we achieved a waste diversion rate of 84% for recycled non-hazardous waste\*.

\* Diversion Rate: Nonhazardous waste recycled / Total nonhazardous waste

Our products meet our customer requirements for recyclability in accordance with the European End of Life Vehicle Directive (ELV) and are a minimum 30% recyclable. This is validated through the International Material Data System (IMDS). Our inter-functional Product Stewardship Team ensures that we comply with the ELV and all other recycling and chemical restrictions in plastics, metals and other additives.

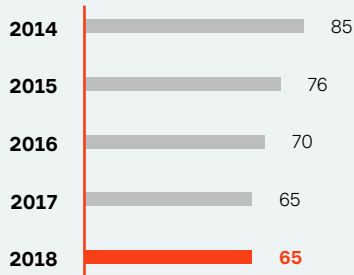
## IMPROVE WATER QUALITY & REDUCE CONSUMPTION

While the scarcity of water remains a tremendous challenge around the world, Aptiv's production processes require low intensity consumption compared to other sectors. While we are not operationally water-intensive, we recently conducted water risk assessments to identify all the Aptiv manufacturing sites located in water-scarce areas. To further prevent water waste, we have implemented the following initiatives:

- Voluntarily treat 100% of our water discharge, using our own or municipal wastewater treatment plants. Annual targets for water consumption reduction via savings projects including tap restrictors to reduce flow, low volume flush toilets, no water urinals, and reverse osmosis to obtain pure water requiring less frequent replacement in cooling towers.
- Investment in storm water harvesting systems at our sites in India, Brazil and Mexico. This includes a separate "Purple line" system to carry clean, treated water for industrial and irrigation use to our sites in Juarez, Mexico where water availability is at high risk.

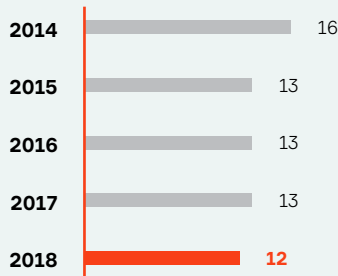
### Global Waste Disposal

(kilograms / employee)



### Global Water Consumption

(thousand liters / employee)



# Corporate Governance



## THE APTIV DRIVE LINE

The Aptiv DRIVE Line is an anonymous (if requested) outlet that allows employees to notify the Company of concerns regarding ethics and compliance.

***The Aptiv DRIVE Line is operated by an independent company 24 hours a day, seven days a week, with translation services available at all times.***



We are proud to have been named one of the “World’s Most Ethical Companies” for the seventh year in a row, demonstrating our ongoing commitment to and leadership in ethical business practices. Each year, this recognition is awarded by the Ethisphere Institute, an international organization that honors companies that not only embrace but lead the way in ethical behavior. Recipient companies are selected using scores generated in five key categories: ethics and compliance programs; corporate citizenship and responsibility; a culture of ethics; governance and leadership; innovation; and reputation.

## LABOR AND HUMAN RIGHTS

Aptiv is committed to treating employees with integrity and respect as clearly provided for in our policies and practices to address the risk of child employment or forced labor as well as areas such as working hours, freedom of association, health and safety, discrimination, and harassment. To that end, we recognize relevant International Labour Organisation (ILO) principles and comply with all global human rights policies and laws as they pertain to those matters. See full policy in the link below.

## Aptiv Policies

**BELOW IS AN UP-TO-DATE LISTING OF THE POLICIES WE USE TO GOVERN OUR CORPORATE ACTIONS AND BEHAVIOR**

CODE OF ETHICS →

DIVERSITY EQUALITY AND HUMAN RIGHTS POLICY →

ENVIRONMENTAL, HEALTH AND SAFETY POLICY →

CALIFORNIA SUPPLY CHAINS ACT →

CONFLICT MINERALS POLICY →

PRIVACY NOTICE →

UK MODERN SLAVERY ACT →



# Board of Directors

Our board of directors oversees the company and is duly invested in the company's future, and to that end, they are guided by our mission and values to set the tone in our commitment to personal and professional integrity.

## COMMITTEE COMPOSITION

Aptiv's Board of Directors has five standing committees: Audit, Compensation and Human Resources, Finance, Innovation and Technology, and Nominating and Governance

For additional details on Aptiv's Board of Directors committees and their charters, evaluation of their performance, board refreshment and nomination and risk oversight are available on Aptiv's website:

GOVERNANCE DOCUMENTS →

BOARD COMMITTEES →

PROXY STATEMENT →

## BOARD CULTURE & ENGAGEMENT

The Board's culture enables it to operate quickly and effectively in making key decisions. Board meetings are conducted in a collegial environment of trust, confidentiality, open dialogue, constructive commentary, and mutual respect.

The Board and Aptiv's leadership team enjoy a strong partnership, which encourages transparent, critical business reviews. The Board is actively engaged in the strategy and risk assessment of the business. To the right are examples of topics addressed during meetings throughout the year.

## EVALUATION OF BOARD PERFORMANCE

The Nominating Governance Committee coordinates an annual evaluation process by which the directors evaluate the Board's and its committees' performance and procedures. This self-evaluation leads to a full Board discussion of the results. Each Committee of the Board also conducts an annual evaluation of its performance and procedure.

### BOARD AS OF JULY 31, 2019

|                                       |         |
|---------------------------------------|---------|
| Size of Board                         | 11      |
| Independent Directors                 | 10      |
| Independent Chairman                  | Yes     |
| Mandatory Retirement Age              | 75      |
| Average Age of Directors              | 63      |
| Average Director Tenure               | 5 years |
| Annual Election of Directors          | Yes     |
| Majority Voting in Director Elections | Yes     |
| Women Board Members                   | 18%     |
| Board Meetings in 2018                | 8       |

### Sustainability

- ESG priorities
- Long-term environmental goals and commitments
- Safety and compliance
- Community involvement

### Ethics & Compliance

- Company culture
- DRIVE Line cases
- Diversity and Inclusion
- Training and communications

### Finance

- Financial performance and disclosures
- Annual budget and long-term business plan
- Capital deployment

### Governance

- Selection and evaluation of Board members
- Corporate governance guidelines
- Compensation planning
- Enterprise risk

### Strategy

- Product portfolio review
- Operational planning
- Long-term enterprise risks and opportunities
- Strategic Investments

### Investor Sentiment

- Market and industry insight and assessment
- Investor and analyst feedback / perception
- Communication strategy

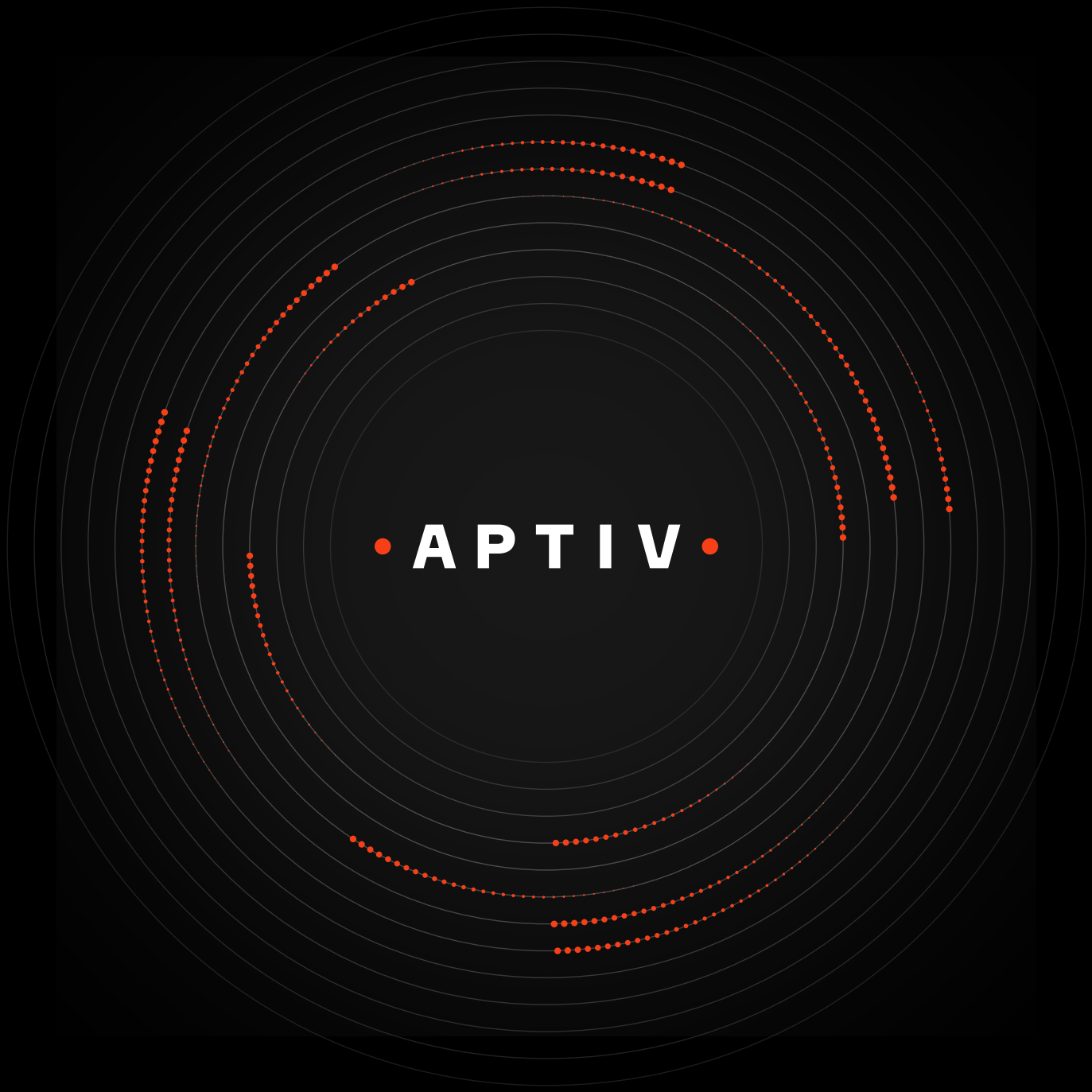
# About this Report

Aptiv's 2019 Sustainability Report reflects the company's broad view on sustainability reporting, including corporate governance, diversity and human rights, community involvement, the environment, health and safety, product innovation, and supply chain. The scope of the environmental and social metrics included in this report represent approximately 90% of Aptiv's total revenue.

For additional details, visit Aptiv's Sustainability website: [aptiv.com/sustainability](https://aptiv.com/sustainability)

## Forward-Looking Statements

This report, as well as other statements made by Aptiv PLC (the "Company"), contain forward-looking statements that reflect, when made, the Company's current views with respect to current events and financial performance. Such forward-looking statements are subject to many risks, uncertainties and factors relating to the Company's operations and business environment, which may cause the actual results of the Company to be materially different from any future results. All statements that address future operating, financial or business performance or the Company's strategies or expectations are forward-looking statements. Factors that could cause actual results to differ materially from these forward-looking statements are discussed under the captions "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the Company's filings with the Securities and Exchange Commission. New risks and uncertainties arise from time to time, and it is impossible for us to predict these events or how they may affect the Company. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events and/or otherwise, except as may be required by law.



• APTIV •

The logo is centered on a dark gray square. It features the word "APTIV" in a bold, white, sans-serif font. On either side of the text is a small orange dot. Surrounding the text are several concentric circles of varying line weights. Overlaid on these circles are several arcs of small orange dots, creating a sense of motion or a signal path. The background is a solid dark gray.