



#### A NOTE FROM OUR CEO

**CEO LETTER** 

"Sustainability is a core value at Aptiv, as it represents how we serve our customers, how we support our communities and how we safeguard our environment. It also represents how we operate all aspects of our business."

Kevin P. Clark Chairman and Chief Executive Officer, Aptiv

# SUSTAINABILITY: A REFLECTION OF OUR RESILIENCE AND OUR VALUES

Sustainability is a core value at Aptiv, as it represents how we serve our customers, how we support our communities and how we safeguard our environment. It also represents how we operate all aspects of our business. As a global company committed to enabling safer, greener and more connected mobility, we know that future can only be achieved if we have the vision and the people – as well as the solutions – that can be sustained over time.

Embracing sustainability standards not only makes us a better company; it also makes us more resilient, reflecting the underlying strength of our products and our people. Our suppliers have seen our resilience, and so too have our customers and our employees.

We continue to advance our unique capabilities around the brain and nervous system of the vehicle with investments in software-driven, innovative solutions to improve vehicle safety and to reduce  $\mathrm{CO}_2$  emissions. No collisions, no emissions. These solutions already help our OEM customers achieve their sustainability goals, but as the industry moves to electric, software-defined vehicles, we are ideally positioned to provide

our OEM customers with the vehicle architecture and charging solutions to make that transition possible.

What's more, our connectivity solutions enable the trend towards full life cycle management and contribute to the long-term sustainability of vehicles, enhancing safety and user-experience technologies with over-the-air software updates throughout a vehicle's lifetime.

While sustainability informs our entire enterprise, our focus has been on four pillars.

People. We recognize that sustainability is only possible with talented people, which means bringing together workers with diverse backgrounds, experiences and capabilities, all committed to a safer, greener, more connected world. We are proud to have been named a Financial Times Diversity Leader for the second time, with women accounting for about 50 percent of our global workforce, and we have increased the number of women in executive leadership roles by 20 percent.

**Products.** Our products will continue to advance the sustainability goals of our customers, with our systems and solutions enabling the electric, software-defined vehicles of tomorrow. These efforts will allow our customers to solve their toughest challenges.

Planet. We are committed to protecting the environment, and we have announced our pledge to power all our global operations with 100 percent renewable energy by 2030 and to ensure that our products will be net carbon-neutral by 2040. These goals build on our alignment with the Science Based Targets initiative to help reduce the effects of climate change and to create a zero-carbon economy.

Platform. We believe that sustainability is driven through shared values and ethical conduct – doing the right thing, the right way, for all stakeholders. Our commitment in this regard has been recognized by Ethisphere, which in 2021 identified Aptiv, for the 10th consecutive year, as one of the world's most ethical companies.

This report describes these four pillars of sustainability and, I hope, conveys the scope of our commitments and the extent of our investments. Sustainability is a team effort, and I'm proud that our entire team — our 190,000 employees from around the world — is helping us achieve these goals. It is our employees who will ensure that our company, our customers and our planet continue to thrive.



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

CLICK HERE FOR OUR 2025 COMMITMENTS

#### **OUR FRAMEWORK FOR DELIVERING ON OUR MISSION**

#### **MISSION**

#### Why we do what we do

#### **APPROACH**

#### How we do business

#### IMPACT

#### Our effect on the world

#### SAFE

A future with zero accidents

#### **GREEN**

A future with zero emissions

#### CONNECTED

A future with seamless connectivity



#### PEOPLE

Foster safer, more inclusive and highperforming workplaces



Design and deliver solutions that

#### **PLANET**

Make the world greener

#### **PLATFORM**

Do the right things in the right way



transform society

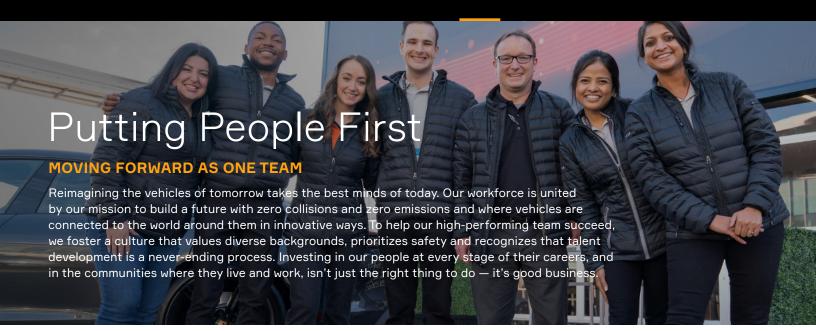


#### PARTNER OF CHOICE

- **ENGAGED EMPLOYEES**
- STRONGER COMMUNITIES
- SAFER VEHICLES
- **GREENER WORLD**
- CONNECTED MOBILITY

CREATE STAKEHOLDER VALUE





#### **COMMITTED TO OUR PEOPLE**

FOCUSED ON ALL ASPECTS OF THE EMPLOYEE EXPERIENCE

#### **Community Engagement & Wellbeing**

- 178,000 trees planted or donated
- 12,500 children reached with road safety education
- 4,400 hours of STEM workshops funded through partnerships with nonprofits and school-based programs, six times our goal

#### Attract, Retain & Develop Talent

- 500,000 employee development training hours delivered, a 22% increase over 2020
- \$68 million invested in facility improvements, including our new Krakow, Poland, test track; a new technical center in Carmel, Indiana; renovations to our Troy, Michigan, campus and our Agoura Hills, California, office; and the construction of a 3 million-square-foot technical center in Bangalore, India

#### **Health & Safety**

- 90% fewer lost-time days than the industry benchmark
- 10% more safety training delivered to employees than our annual goal
- 37% of manufacturing sites certified for ISO 45001 health and safety standard, on track for 100% by 2025

#### Diversity, Equity & Inclusion

- 20% increase in the number of women in executive leadership roles, with women now holding 21% of our leadership positions
- 47% of participants in our global mentoring program are women, up from 34% in 2020

"Our goal of enabling the future of mobility starts with a team that performs at a high level. In addition to prioritizing employee health and safety, we look for ways to provide our people with unique opportunities, beginning with talent acquisition and continuing through every stage of employee advancement. We are committed to ensuring equal access to opportunities because we know that diverse perspectives make our company stronger."



Bill Presley

Senior Vice President and President, Signal & Power Solutions

## Spotlight on Success

CEO LETTER

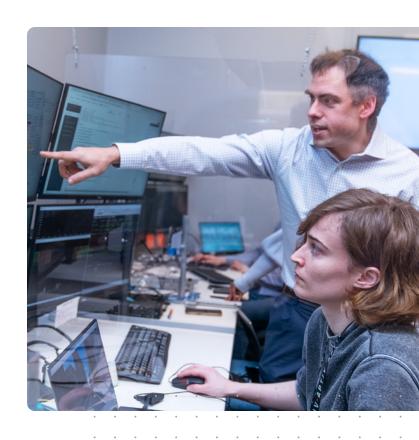
### **Diversity Starts With Opportunity**

In 2021, Aptiv welcomed the first group in a two-year software apprenticeship program at our Troy, Michigan, location to make training for high-demand skills more accessible, especially to individuals in underserved communities.

Working with local community STEM organizations, we reach out to individuals who have a passion for innovation but may lack a college degree — which will help bring people from a range of diverse backgrounds into our next generation of developers.

Apprentices are paid while they attend a 10-week software bootcamp, and they continue to learn essential technical skills on the job, working one-on-one with a mentor as a full-time, salaried employee.

Upon successfully completing the program, apprentices will have the opportunity to advance their careers at Aptiv in permanent, full-time positions. The next group of apprentices will begin in fall 2022.





#### **APTIV TECH DAYS**

Held events in Carmel, Indiana; Krakow, Poland; and Shanghai, China, to educate employees on Aptiv's next-generation technologies and inspire innovations that cross segments and leverage the full breadth of Aptiv's capabilities. We extended this approach by conducting nine virtual chats throughout the year, on topics ranging from cybersecurity to Lean 2.0, reaching thousands of employees through both live attendance and replays.



#### RAISING THE BAR IN SAFETY

Achieved outstanding safety performance, thanks in part to a 98% engagement rate with our "safety look-across" process, which was used 111 times in 2021 to proactively identify safety practices that can be applied to multiple locations. Every week, this systematic process requires each site's Environmental, Health & Safety director to verify whether any identified safety improvements could be used at their site. For example, a manufacturing site in China improved the safety of one of its machines, and 32 other sites adopted the practice across 200 pieces of equipment.



#### **EDUCATION & OUTREACH**

Donated more than \$1 million to schools, vocational training efforts and youth enrichment programs worldwide. Recipients include Girls Who Code, an organization that empowers women to pursue careers in technology by providing online tools, books, programming clubs and in-person workshops; and the GreenLight Fund, which helps transform the lives of youth and families in high-poverty urban areas by creating local infrastructure and meeting critical community needs.



#### **EMPOWERING ENGAGEMENT**

Expanded the Women's Network in Wuppertal, Germany; Krakow, Poland; and Troy, Michigan, and started up a new chapter in Dublin, Ireland, that includes close to 100 members. The group's mission is to support, inspire and empower women through an inclusive forum focused on personal and professional development.

## Sustainable by Design

#### REIMAGINING THE NEXT GENERATION OF MOBILITY

The products we create are at the heart of our sustainability goals. Aptiv is on a mission to make the world safer, greener and more connected by ushering in the electrified, software-defined vehicles of tomorrow. By leveraging our unique expertise with the brain and nervous system of the vehicle and continuously refining our processes, Aptiv works with OEMs to take a comprehensive approach to the vehicle solution stack, balancing performance and cost for our customers' specific needs.

#### COMMITTED TO EXCEPTIONAL PRODUCTS

SOLVING OUR CUSTOMERS' TOUGHEST CHALLENGES

#### Safe Mobility

- Helped democratize advanced safety, launching industryleading advanced driver-assistance systems that support hands-free driving and over-the-air updates on multiple flagship vehicles for Ford and Stellantis
- Leveraged advanced sensing and central compute solutions to enhance situational awareness of both the exterior and interior of the BMW iX

#### **Customer Satisfaction**

- Launched Net Promoter System to listen, learn and act on customer feedback
- Honored as Hyundai Motor Group Supplier of the Year
- Received Jaguar Land Rover Quality Award

#### **Carbon Footprint**

- Aptiv products on vehicles sold since 2015 have helped save 100 million tons of emissions
- Created next-generation charging inlets with active cooling to handle up to 55% more charging power and reduce charging time by as much as 37% compared with passive-cooled options
- Developed high-voltage aluminum cables and busbars that reduce vehicle weight and energy consumption

#### Connectivity

- Awarded first central vehicle controller, enabling the software-defined vehicle by translating commands generated by advanced algorithms into the individual signals used by hundreds of components that execute them
- Launched a next-generation driver monitoring system that employs machine learning for in-cabin sensing, enhancing safety features such as seat belt recognition, body tracking and gesture recognition

#### **Data Security**

- Completed IT security training for 94% of salaried employees
- Maintained 100% alignment to the highest standards for industry, regulatory and customer requirements, including TISAX, SOX, GDPR, ISO/SAE and IATF

#### **Product Quality**

- Implemented a universal process at all segments to drive continuous improvement with customer feedback
- Recertified 100% of manufacturing sites and major technical centers to IATF 16949, the industry-standard quality management system

"The electrified, software-defined vehicles of tomorrow will be unrecognizable from the hardware-focused internal combustion engine cars and trucks we grew up with. OEMs will need to master both software and hardware in order to thrive. Aptiv's ability to 'look around the corner' to understand the unique needs of the mobility industry helps OEMs offer the best solutions to consumers – today, and in the future."



#### Glen De Vos

Senior Vice President and Chief Technology Officer

### AI/ML Gets the Most From Radar

Aptiv developed a groundbreaking radar-based object classification system that achieves five times better performance on a broad set of radar sensors.

Classification is essential for vehicles to identify what an object is, and it has traditionally required compute- and power- intensive vision-based solutions. However, Aptiv's advanced machine learning enables a more efficient, radarcentric approach to determine whether an object is another vehicle, a pedestrian, a bicycle or some other vulnerable road user and is able to draw better conclusions about how those objects are likely to behave.

This technology provides a huge opportunity to optimize existing hardware while taking advantage of radar's other strengths — such as superior performance in poor weather and lighting conditions. Radar-centric systems are 25 percent more cost-effective and 65 percent more energyefficient than camera-centric systems.

Aptiv's machine learning technology has been included in recently launched vehicles that will receive over-the-air software updates in 2022 and beyond, enabling all vehicles on the platform to enhance their capabilities over time.





#### SUPPLY CHAIN CONTINUITY

Enhanced supply chain resilience by developing a digital twin of our endto-end supplier and customer network, providing Aptiv with the ability to "look around the corner" in real time to identify and proactively plan for supply chain risks. With this technology-led approach, Aptiv can achieve upstream visibility into the supply chain, anticipate disruptions, optimize costs and design products to reduce future supply chain risks.



#### **E-MOBILITY INNOVATION**

Accelerated the trend toward electric vehicles, reaching \$3.5 billion in highvoltage bookings during 2021 and producing high-voltage content for half of all EVs that have launched over the past few years. To meet the needs of future EVs, we began research on using recycled copper for high-voltage cables in some applications.



#### **FLEET MANAGEMENT TOOLS**

Developed analytics capabilities with the potential to reduce select operational costs in long-haul Class 8 trucks by up to 10% and deployed the capabilities across hundreds of fleet vehicles. Users praise our system for its ability to identify emissions systems failures, load their trucks to optimize fuel usage and weight, and avoid unnecessary trips to weigh stations.

## Toward a Greener Future

#### A SYSTEMATIC APPROACH TO PROTECTING THE ENVIRONMENT

Our goal of achieving carbon neutrality by 2040 takes Aptiv's mission to make the world greener beyond the products we create. Minimizing the impact of our production on the environment while protecting the communities where we operate is essential to ensuring a viable long-term business model. That's why we take a holistic view of our operations and carefully assess and prioritize opportunities for improvement that will yield the most meaningful results.

#### COMMITTED TO MAKING A DIFFERENCE

CARBON NEUTRALITY GOAL GUIDES OUR ACTIONS

#### **Carbon Footprint**

- Committed to the Science Based Targets initiative, joining other corporate leaders in ambitious climate action that adheres to standards outlined by the Paris Agreement
- Achieved 100% renewable electricity at all sites in Ireland and Germany, advancing toward our goal of sourcing 100% renewable energy globally by 2030
- Certified all Aptiv manufacturing sites to the ISO 14001 international standard for measuring and improving an organization's environmental impact

#### **Water Conservation**

- Saved over 17.5 million liters of water
- · Although our operations are not water-intensive, we reduced water consumption at sites located in regions with water scarcity

#### **Waste Reduction**

 Reached an 87% waste recycling rate, exceeding our 2025 goal, even with increased waste from personal protective equipment and other COVID-19 challenges

"We would like to convert our operations to 100 percent renewable energy sources at the flip of a switch, but we know from experience that it takes a systematic approach to make a long-term impact.

Transparency and open communication with all of our employees, suppliers and customers ensures that our people can prioritize projects that offer the most environmental benefit as we reduce our overall waste and tap into renewable energy streams. The passion and flexibility demonstrated by our whole team to meet our goals show how central sustainability is to our business model."



#### **Arturo Alvarez**

President, Latin America, and President, Electrical Distribution Systems

Cleanup event in Mexico

## Global Changes Start Locally

CEO LETTER

## **Conserving Water and Supporting Communities**

Although Aptiv's operations are not water-intensive, more than 30 Aptiv sites are located in water-stressed regions of Mexico. We take action on such critical issues because we know the impact fresh water has on the health of the communities where our employees live.

In 2021, we supported the restoration of hydrological micro basins in the Sierra Tarahumara region through an alliance with United Way. Covering 41,000 square kilometers (an area the size of Switzerland), the land feeds rivers that flow into the Gulf of Mexico and the Atlantic Ocean.

Our contribution will be used to employ 450 local residents to plant 31,000 trees to help preserve the region's biodiversity, and to educate the indigenous Rarámuri communities about soil and water conservation techniques.

Partnering with indigenous communities ensures that the project will have a greater impact over the long term by providing skills that can be used for years to come.





#### **PACKAGING REUSE**

Eliminated 290 tons of packaging material at a site in Singapore during 2021 by coordinating with both suppliers and customers to ensure the reusability of incoming cardboard and other packaging materials. This aligns with our commitment to increase material diversion from landfills by reducing waste generation and finding ways to increase our recycling rate to more than 80%.



#### ISO CERTIFICATION

Completed the ISO 50001 energy efficiency certification at our most energy-intensive site and started the certification process on the next three most energy-intensive sites. This effort is in line with our goal of certifying our 10 most energy-intensive sites by 2025, covering one-third of our total energy usage.



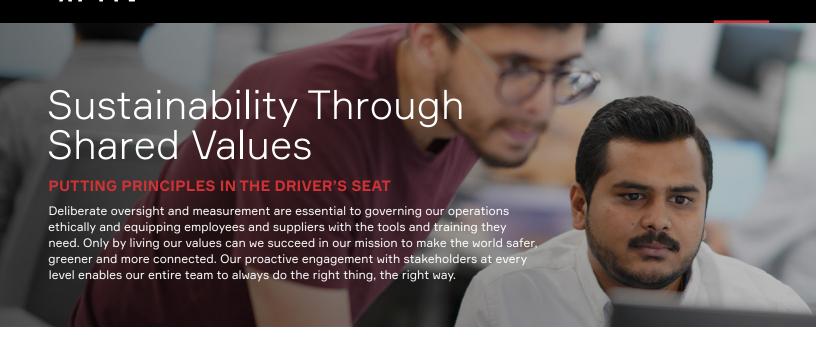
#### **SOLAR POWER**

Implemented a rooftop solar panel project at an Aptiv facility in Portugal, that has generated 700,000 kWh of electricity since it went live last April and eliminated about 137 tons of  ${\rm CO}_2$  production. The solar panels are expected to save \$40,000 per year. Solar panel installation projects at various Aptiv sites reduced  ${\rm CO}_2$  production in 2021 by a total of 1,700 tons. Through on-site generation, renewable sourcing and energy efficiency, Aptiv reduced  ${\rm CO}_2$  emissions by 5% from a 2019 baseline and is on target to reach 25% by 2025.



#### **APTIV SUSTAINABILITY AWARDS**

Generated more than 500 employee submissions to our 19th annual internal awards for sustainability projects, a 66% increase over 2020.



#### COMMITTED TO THE HIGHEST ETHICAL STANDARDS

RESPONSIBLY ENGAGING EMPLOYEES. SUPPLIERS AND REGULATORS

#### **Ethics & Anti-Corruption**

- 91% of salaried employees completed training on our Code of Ethical Business Conduct, closing in on our goal of 95% by 2025
- Deployed training to 100% of new salaried employees

#### Stakeholder Dialogue

- Reached 110,000 views via 10 intranet posts that educate employees on our sustainability commitments
- 13 of our top 25 shareholders met with us during our annual Stewardship outreach, representing about 41% of Aptiv's outstanding shares
- All-employee broadcasts emphasized the critical importance of our carbon neutrality pledge and other sustainability objectives

#### **Human Rights in the Supply Chain**

 100% of key direct suppliers have signed the Aptiv Supplier Code of Conduct or have provided a comparable code

#### **Responsible & Local Sourcing**

- The Aptiv Conflict Mineral Report was published in January 2022
- Deployed Aptiv's sustainability training video to 100% of key direct suppliers

#### **Compliance & Regulation**

• 100% of Aptiv sites included in our annual audit plan were assessed for labor law compliance

"Adhering to the highest ethical standards is at the heart of Aptiv's sustainability strategy. We develop tools and policies that enable all of our stakeholders to confidently live by Aptiv's values, which is essential to mitigating legal and financial risk and ensuring a positive impact on the environment, our people and the communities where we operate."



#### Kate Ramundo

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

# Engaging Employees on Ethics

### An Open Dialogue on Compliance

Aptiv provides employees with the tools and training they need to always do the right thing, the right way. In addition to our regular training and communications, in 2021 we used several new creative platforms to educate and engage with employees on ethics and compliance.

We started an internal podcast with senior leaders to highlight the compliance topics that are most relevant to our business. We delivered live, targeted training on key emerging risks and regulatory enforcement trends. And we launched a monthly newsletter to maintain an ongoing dialogue with employees about the importance of ethical business conduct and a culture in which everyone feels free to voice any concerns.

Aptiv provides its stakeholders with multiple channels to speak up, through Human Resources, the Legal & Compliance Department and our confidential hotline, the Aptiv Drive Line. The Drive Line is operated by an independent third party, 24 hours a day, seven days a week, and offers translation services for many of our employees' native languages. We treat all reports confidentially, investigate them thoroughly and will not tolerate any form of retaliation. Aptiv counts on its employees to live our values daily to help ensure our reputation as a company that does business with integrity.





#### **EMPLOYEE SURVEY**

Identified a third-party surveying tool and developed processes to give employees a private online global platform to assess interactions with their supervisors. The employee survey launched in January 2022.



#### SUSTAINABLE ACCOUNTABILITY

Helped ensure compliance of our sustainable packaging goals by measuring material sourcing in performance assessments. For one OEM, we identified products that source a high volume of single-use plastics and worked with the customer to begin eliminating unnecessary plastic wrappers for an entire product line.



#### PERFORMANCE MEASUREMENT

Continued to incorporate our sustainability objectives into the compensation of our executives, subjecting executive bonuses to a  $\pm 10\%$  modification based on sustainability progress.



#### **CONTINUED RECOGNITION**

Designated one of the World's Most Ethical Companies by Ethisphere for the 10th year in a row.



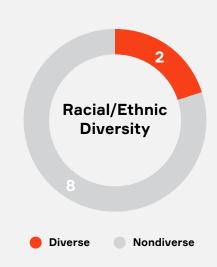
## Board of Directors

Our Board provides strategic guidance, oversees performance and takes action to ensure that Aptiv appropriately evaluates, manages and mitigates risk. The Board shares our mission, our values and our commitment to sustainability.

CLICK HERE TO LEARN MORE

#### **BOARD DIVERSITY**







The Board makes key decisions quickly and effectively, in meetings characterized by an 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, consistent and frequent engagement and critical business reviews. The Board actively engages in the strategy and risk assessment of the business.

Aptiv's Board has five standing committees made up entirely of independent directors: Audit, Compensation and Human Resources, Finance, Innovation and Technology, and Nominating and Governance. Matters of sustainability are generally the province of the Nominating and Governance Committee.

Additional details on our Board's committees, its charters and how Board performance is evaluated are available on our website and in our proxy statement.

# Aptiv at a Glance

Aptiv's progression toward our 2025 commitments is a fundamental part of our overall business strategy as we create value for all stakeholders: our customers, partners, investors, employees and communities.

**CLICK HERE TO LEARN MORE** 

#### **APTIV BY THE NUMBERS**



\$24B 2021 business bookings



\$15.6B



15% 2021 growth over market



\$2.61 2021 earnings per share\*



\$1.4B 2021 investment in engineering

\*Adjusted for restructuring and other special items



18,900 scientists and engineers



190,000 employees



127
manufacturing facilities



12 major technical centers



46 countries

#### RECENT RECOGNITION





ecovadis















