

ESG Common Purpose Statement

The mission of AB Dynamics plc is to accelerate our customer's drive towards net zero emissions, improving road safety and the automation of vehicle applications through leadership and innovation in engineering & technology.

We deliver this mission by innovating with partners at the cutting edge of vehicle automation and development; providing products and services across testing, simulation and autonomous systems to help organisations develop zero emission & autonomous products safely and securely.

The core business of the Group aligns to the ongoing societal need to reduce road-based injuries and fatalities through the provision of systems to support the development and implementation of ADAS systems and ultimately autonomous systems. The Group also provides products and services relating emissions reduction through the ongoing implementation of Electric Vehicles and other alternative powertrains such as hydrogen fuel cells and hybrid technologies.

The Board has committed to deliver sustainable growth through its mission to the highest moral and ethical standards by considering our societal role and our impact on the environment, employees, our local communities in which we operate, our supply chain and other stakeholders.

Environment

The Board is fully committed to reducing the impact of the Group's activities on the environment and has established a commitment to become carbon Net Zero by 2030. The Group is already a low impact business through existing investments in renewable energy sources and other environmental initiatives, but further actions will be taken and embedded into our operating companies on a continuous improvement basis.

The Group further commits to support the sector drive to reduction of emissions from vehicles by supporting the implementation of non-internal combustion engine vehicles, whilst being cognisant of the potential indirect impacts of these structural changes such as recycling and use of rare earth metals.

People & Culture

Our people and culture are an integral part of our objectives, and we foster an environment of openness, sustainability and respect where everyone is valued and work as one team. The Group invests significantly in our people and their working environment by creating and maintaining a safe and healthy working environment and ensuring their ongoing professional and personal development.

We strive to create workplaces in which there is mutual trust and respect and where every person feels responsible for the performance and reputation of our Group. We respect one another and each other's individual rights and customs. We work towards achieving a diverse workforce, recruiting, employing and promoting people only on the basis of objective criteria and the qualifications and abilities needed for the role to be performed.

We continuously engage with our people at a local and at a Group level to translate our core values into action. We do this through communications and engagement, information and consultation so as to assist them in realising their full potential.

The Group insists on the highest standards of health, safety and wellbeing of employees delivered through structured processes, systems and reporting governed by the Executive Directors and delivered through local senior management.

Communities

The Group encourages its employees to engage at a local level with the communities in which it operates through a combination of time, effort or financial contributions. The Group focusses on four key areas for engagement with the community:

- Local community related projects
- Participation and diversity in Science, Technology, Engineering & Mathematics (STEM)
- Participation in the automotive sector
- Commitment to the Armed Forces Covenant

The Board welcomes initiatives to support these aims from all sources, but especially those from our own people.

Governance

The Board is committed to the continuous improvement of our governance practices, through the ongoing implementation and audit of robust policies, procedures and controls, with strong oversight and challenge from independent non-executive directors. The Group has an established governance framework delivered through the Board, which includes specific committees relating to Audit & Risk, Nomination, Remuneration and ESG, all of which are chaired by independent non-executive directors.

The Group is committed to doing business honestly and openly, applying the highest level of professional integrity in all our business dealings. We hold our leaders accountable for ensuring their business units operate in accordance with Group policies and procedures and the strict ethical standards we expect.

The Group will not enter into or maintain relationships with individuals or organisations engaged in, or suspected of having engaged in, illegal activities or activities which are in conflict with our Code of Ethics. New customers are accepted in accordance not only with applicable laws, rules and standards on money laundering and terrorist financing, and international sanctions but also in accordance with our risk appetite policy.

The Group does not accept customers whose activities involve money laundering, corruption or bribery, child labour, forced labour, destruction of high conservation value areas and human trafficking. Our customer acceptance processes include a mandatory review of customers' activities to ascertain they are not involved in such activities.

Summary

The Group utilises MSCI to monitor its ESG rating and has set a target for continuous year on year improvement, resulting in a target AAA rating by 2025. The Board has further committed to achieve carbon Net Zero by 2030.