

# ESG

2022

**ENVIRONMENTAL, SOCIAL  
& GOVERNANCE REPORT**



**DONCASTERS**



# CONTENTS

<b>CEO INTRODUCTION</b>	<b>4</b>
<b>EXECUTIVE SUMMARY</b>	<b>5</b>
<b>ENVIRONMENT, HEALTH AND SAFETY</b>	<b>6-13</b>
STEP PROGRAMME, GREENHOUSE GAS EMISSIONS & UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS	6
EHS HIGHLIGHTS	7
OUR COMMITMENTS TO ENVIRONMENTAL SUSTAINABILITY	8
STRATEGIC OBJECTIVES & PROGRESS	10 - 11
NEXT ACTIONS	12
<b>PEOPLE</b>	<b>14-21</b>
LEADERSHIP DEVELOPMENT	14
EMPLOYEE DEVELOPMENT, WOMEN & US MINORITY REPRESENTATION	15
UK GENDER PAY REPORTING	16
EMPLOYEE ENGAGEMENT & US CASE STUDY	17 - 18
COMMUNITY & CHARITABLE GIVING	20 - 21
<b>SUPPLY CHAIN</b>	<b>22-23</b>
<b>INFORMATION TECHNOLOGY &amp; SECURITY</b>	<b>24-25</b>
10 PROGRAMME PILLARS	24
DEVELOPMENT, PARTNERSHIPS & PLANS	25
<b>CORPORATE GOVERNANCE STATEMENT</b>	<b>26-35</b>
PURPOSE AND LEADERSHIP	27
BOARD COMPOSITION	28
DIRECTOR RESPONSIBILITIES	30
OPPORTUNITY AND RISK	31 - 32
REMUNERATION MATTERS	34
STAKEHOLDERS RELATIONSHIP AND ENGAGEMENT	34-35
<b>RISK MANAGEMENT &amp; GOVERNANCE</b>	<b>36-43</b>
MANAGING RISK EXPOSURE	36
RISK GOVERNANCE ACHIEVEMENTS	38
RISK MANAGEMENT (RM) PROCESS	39
RISK APPETITES	40-41
INTERNAL CONTROL (IC) FRAMEWORK & BUSINESS CONTINUITY PLANS (BCP)	42
2023 OBJECTIVES	43

# CEO INTRODUCTION

**We recognise that our stakeholders care not only about financial performance but also about our environmental, social and governance (ESG) performance.**

We know that companies with leading or improving ESG scores perform better than their peers with poor or worsening standards and this is why I am delighted to be able to share with you our continued work in this area, via our ESG report for 2022.

Over the last year, we have continued to integrate ESG into our business strategy. We understand that those invested in our company want to know how we are responding to macro-economic trends, how we identify ESG risks and opportunities and how we are positioning ourselves for long term success.

We understand that promoting ESG in our workplaces can boost employee productivity and well-being, whilst attracting and helping us to retain talent. This enables us to build our reputation as an employer of choice.

As we work towards a global consensus on reporting standards, we find that aligning ourselves to various global and regulatory frameworks helps us make more consistent, comparable, and reliable strategic decisions.

We are aware that we are a high energy consumer and therefore I am pleased to report that in 2022 we reduced our energy consumption by more than 9% and we expect to do the same again in 2023. In addition, we are on track to meet our objective of ensuring that no waste goes to landfill by the end of 2024.

People are at the heart of what we do. Our investment in people was further illustrated by the appointment of a Chief People Officer. We aim to nurture a creative, productive, and fun work environment whilst ensuring that



everyone goes home safe. With this in mind we have introduced a global recognition scheme, recognising those people who go the extra mile while exemplifying our values of **Excellence, Commitment, Integrity, and Teamwork**. In 2022 we also rolled out our advanced leadership development programme recognising and developing the talent within our business.

We understand that our business benefits from having a strong governance, risk and compliance programme that helps us to minimise the threats and risks that companies are exposed to on a daily basis. 2022 saw us continuing to enhance governance with greater focus on IT security, a global refresh of business rules, policies, and guidelines and the introduction on an online learning management tool which will enable us to track employees' training. We also renewed our risk framework and appetite ensuring we are well placed to meet business challenges.

**Mike Quinn**  
Chief Executive Officer

# EXECUTIVE SUMMARY

## PEOPLE

**WOMEN (GLOBALLY)**

- 13% FEMALE EXECUTIVES
- 33% FEMALE PROFESSIONALS
- 23% FEMALE EMPLOYEES OVERALL

---

**US MINORITIES**

- 13% MINORITY EXECUTIVES
- 25% MINORITY PROFESSIONALS
- 49% MINORITY EMPLOYEES OVERALL

## EHS

- 7 SITES ISO 14001  
1 SITE ISO 50001

---

- 9.3% REDUCTION IN TONNES (T) OF CARBON DIOXIDE (CO<sub>2</sub>) EQUIVALENT

---

- ALL SITES WORKING TOWARD NET ZERO IN PARTNERSHIP WITH ENERGIZE

---

- 31% REDUCTION IN TOTAL RECORDABLE INCIDENT RATE

OUR COMMITMENTS:	SHORT TERM	LONG TERM
 <p><b>PEOPLE DIVERSITY</b></p>	Strategy in place to map and achieve Diversity, Equity and Inclusion aspirations.	Report progress against our DE&I strategy.
 <p><b>CARBON FOOTPRINT tCO<sub>2</sub>e</b></p>	Determine sustainable carbon reduction targets.	Determine and achieve reduction % targets by gross and net.
 <p><b>REDUCE ENERGY USE PROPORTIONAL TO MANUFACTURING OUTPUT</b></p>	Site based targets in place, measured as an energy performance indicator.	25% reduction in energy use in proportion to output by end of 2024.
 <p><b>ZERO WASTE TO LANDFILL</b></p>	Waste mapping in place.	Zero waste to landfill by end of 2024.
 <p><b>ENHANCED ENTERPRISE-WIDE RISK MANAGEMENT</b></p>	Standardise the way we analysis and manage Risk.	Effective Risk Management, Business Continuity, Internal Control and Internal Audit frameworks.
 <p><b>ACHIEVING HIGH CORPORATE GOVERNANCE STANDARDS</b></p>	Ensure all policies and procedures promote accountability, fairness, transparency, assurance, leadership and stakeholder management.	Ensure actions of our people are focused at supporting long term value for all our stakeholders.
 <p><b>ENHANCE INFORMATION SECURITY FOR OUR CUSTOMERS / REGULATORY COMPLIANCE</b></p>	Collect, collate, communicate on our Information Security Enhancement Programme (ISEP).	Improve Regulatory and Customer Compliance across all sites.



# ENVIRONMENT, HEALTH & SAFETY

## SUSTAINABLE BUSINESS

### Reporting frameworks

Doncasters recognises the diversity of methodologies used globally to measure the sustainability performance of organisations. This report references guidelines and frameworks to ensure comparability – an approach aligned with international best practice.

### STEP Programme

In 2022 we launched the global STEP programme. STEP, standing for Stop, Think, Examine and Proceed, is a hazard observation programme which places the responsibility of reporting potential issues on all employees. The programme was launched with a film featuring our employees and CEO talking about safety being our number one priority, and also features improved graphics and signage.



### Greenhouse Gas Emissions

Our greenhouse gas (GHG) emissions are reported with reference to The World Resources Institute (WRI) / WBCSD GHG Protocol; the Intergovernmental Panel on Climate Change Guidelines for National Greenhouse Gas Inventories (2006); the International Standard for GHG Emissions ISO 14064 and relevant local statutory guidelines where applicable.

### United Nations Sustainable Development Goals

The UN Sustainable Development Goals (SDGs) have ushered in a new era of global development objectives. These objectives are designed to tackle the world's most pressing environmental problems. The active participation of businesses is a principal driver in achieving these goals. We have stated where our activity is aligned to the UN SDGs within our reporting.

## SCOPE

### GHG emissions (Total CO2e emissions)

#### Includes the Group's sites that are:

- Majority-owned or under operational control
- In operation during the reporting year
- Creating a carbon emission as defined by scope 1 and scope 2 of the GHG emissions protocol

*100% of the performance data for in-scope assets is reported without adjustment based on equity share, unless otherwise stated.*

### EHS



**7 SITES ISO 14001  
1 SITE ISO 50001**



**9.3% REDUCTION IN TONNES  
(T) OF CARBON DIOXIDE (CO2)  
EQUIVALENT**



**ALL SITES WORKING TOWARD  
NET ZERO IN PARTNERSHIP  
WITH ENERGIZE**



**31% REDUCTION IN TOTAL  
RECORDABLE INCIDENT RATE**





## OUR COMMITMENTS TO ENVIRONMENTAL SUSTAINABILITY

We have made the following commitments to environmental sustainability:

- Wherever possible, using environmentally safe and sustainable resources and products manufactured from recycled and recyclable materials.
- Promoting our environmental policy to all suppliers, hauliers and others working for us and on our behalf, expecting that they will also adopt both a responsible and proactive approach to environmental concerns.
- Maximising resource usage and minimising waste.
- Actively engaging with customers, employees and suppliers to exploit opportunities offered by new technologies and improved process management to reduce environmental impact.
- Educating, training and motivating our employees so that they are aware of the potential impact of their actions on the environment and understand their role in helping reduce the environmental impact of the business.
- Reviewing our energy and water use and, where necessary, investing in appropriate technology for conservation and improved efficiency.
- Managing environmental impacts such as pollution - this is an integral part of the Company's ISO 14001 accredited environmental management system. The setting of objectives with quantifiable targets to reduce emissions, discharges and waste is a key element of our systems.
- Ensuring compliance with all relevant environmental legislation, regulations and other requirements to which the Company subscribes, which relate to its environmental aspects.

## OUR STRATEGIC APPROACH

Our environmental sustainability strategy is driven by our company values.



**Excellence:** We seek to operate our processes with optimal efficiency, and to reduce resource use as much as is practically possible.

**Commitment:** We will be transparent in our environmental sustainability actions and align ourselves to best practice frameworks / initiatives.

**Integrity:** We act as a responsible business in our value chain, working with suppliers and customers collaboratively.










**Teamwork:** We will deliver our environmental sustainability strategy together.

**We deliver these commitments through our strategic objectives and initiatives.**












# STRATEGIC OBJECTIVES AND PROGRESS

## Our short-term objectives (by end of 2023)

ENVIRONMENTAL ASPECT	OBJECTIVE	STATUS	IMPACT ON UN SDGs
<b>Carbon</b>	Establishing climate change carbon targets.	Net zero strategy is now established, Our scope 1 & 2 emissions fell by 9.3% in 2022.	  
<b>Resource Usage</b>	Site level targets for energy efficiency.	10% Energy Reduction Plans Implemented in UK/ EU sites; Alignment of global sites within 2023.	
<b>Waste</b>	Waste mapping.	Waste Stream Mapping is in place across all sites in Europe.  Alignment of global sites within 2023.	  
<b>Management System</b>	ISO50001 for UK sites by end of 2024.	Energy management programme has begun which is providing many elements of the structure.	 

## Our long-term objectives (by end of 2025, through to 2030)

ENVIRONMENTAL ASPECT	OBJECTIVE	STATUS	IMPACT ON UN SDGs
<p><b>Carbon</b></p>	<p>Align to climate change targets (as set on page 9).</p>	<p>Scope 1 &amp; 2 emissions, to reduce emissions by 40% compared to a 2018 base year by 2030. Scope 3 emissions, to reduce emissions by 35% compared to a 2018 base year by 2030.</p>	  
<p><b>Resource Usage</b></p>	<p>20% reduction by end of 2024 compared to pre-COVID consumption levels.</p>	<p>Ongoing energy efficiency improvements.</p>	
<p><b>Waste</b></p>	<p>Zero waste to landfill.</p>	<p>Zero Waste To Landfill by end of 2024.</p>	  
<p><b>Management System</b></p>	<p>ISO50001 for all EU sites by end of 2024 and roadmap for global site portfolio.</p>	<p>Energy management programme has begun which is providing many elements of the structure.</p>	 

## NEXT ACTIONS

### Continuing to progress energy savings

Last year we outlined a new programme within Doncasters to implement a significant energy conservation programme. This programme is now under way, and we are focused on delivering year on year savings and progressing savings across the company aligned to our target energy intensity reduction.

### Upgrading our energy monitoring

We are in the process of implementing new monitoring systems aligning to a new reporting standard, to ensure we have daily control of our energy usage. This programme is expected to complete in UK / EU sites by Q1 2023, and across our global portfolio by the end of 2023.

### Developing a net zero strategy

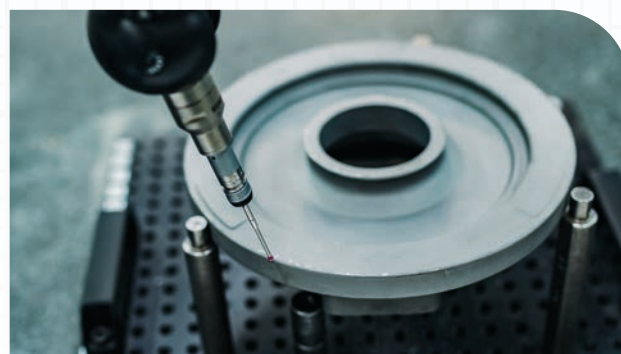
Work has begun to map our carbon emissions across all three scopes of the GHG protocol, and to outline a carbon reduction roadmap for Doncasters. This will allow us to understand our role in the transition to a low carbon economy and ensure that we are taking a responsible approach to both decarbonising in line with climate science and adapting to changes caused by climate change.

### Climate-related disclosures

We are aligning our climate change strategy, and risk / opportunity management to the Climate-related Financial Disclosures requirements. We intend to be able to include Climate-related Financial Disclosures in our next report.

### Waste

Last year we outlined a new programme within Doncasters to implement a significant energy conservation programme. This programme is now under way, and we are focused on delivering year on year savings and progressing savings across the company aligned to our target energy intensity reduction.



## STATEMENT OF EMISSIONS

The below statement details our scope 1 and 2 emissions. We are currently expanding the categories of reporting to include Scope 3 greenhouse gas emissions, and this will be reflected in future reporting.

CATEGORY	2020	2021	2022	Variance 2020-21		Variance 2021-22	
	Emissions (tCO <sub>2</sub> e)	Emissions (tCO <sub>2</sub> e)	Emissions (tCO <sub>2</sub> e)	(%)	(tCO <sub>2</sub> e)	(%)	(tCO <sub>2</sub> e)
Scope 1	16,425	17,429	15,738	5.0%	824	-8.8%	1,511
Scope 2	36,264	27,171	24,533	-25.1%	-9,093	-9.7%	-2,638
<b>TOTAL</b>	<b>52,689</b>	<b>44,420</b>	<b>40,271</b>	<b>-9.3%</b>	<b>-8,269</b>	<b>-9.3%</b>	<b>-4,149</b>

Scope 1 and 2 figures include all manufacturing and non-manufacturing related emissions. 2022 figures refer to the 52 weeks ended 31 December 2022, and 2021 / 2020 the same period respectively as indicated.





# PEOPLE

## INTRODUCTION

**During 2022 Doncasters took significant steps forward to advance our people and culture agenda. An example of this commitment has been the appointment of our Chief People Officer, who brings significant experience and focus to the development of our people strategy.**

Leadership development programs have advanced across our management population. Talent profiling and succession planning have been implemented and quarterly people reviews introduced. Every Doncasters employee can now expect quality feedback and development discussions. We continue to support apprenticeships throughout the business with increased numbers year on year.

Striving for ever improving employee engagement is at the heart of our transition to a winning mindset. Our employee engagement survey conducted each October creates a listening opportunity to drive action planning and continuous improvement in this area.

Diversity, Inclusion and Equality remains at the very heart of our culture. In combination with our engagement efforts our aim is to build creative, productive and inclusive teams that reflect the communities in which we are located. Enhancing opportunity and development is critical to the Doncasters offering.

## LEADERSHIP DEVELOPMENT

Throughout 2022 we delivered the second sequence of our Leadership Mindset Programme, seeing 97 leaders undertake training across six leadership competencies. The Leadership Mindset Programme is facilitated via live on-line sessions, action learning groups, personality profiling and microlearning. The programme is designed to accelerate mindsets via interactive learning, giving leaders globally the opportunity to collaborate, learn and excel in their role as a Doncasters leader.



## EMPLOYEE DEVELOPMENT

We have a strong focus on building a culture that supports internal talent development.

In our European sites we have a strong focus on apprenticeships with nine employees successfully completing an apprenticeship this year and two being awarded prestigious awards within their apprenticeship disciplines. We continue to invest in apprenticeship programmes and currently have 30 apprentices studying across nine disciplines.

We recognise that successful employee development includes supporting early careers initiatives and we globally support co-op programmes, working students and work experience opportunities.

We have invested in eLearning tools designed to offer online skills sessions for our employees and used this vehicle for global compliance training.

Our long-term goal is to progressively better reflect the communities in which we are located and bring true diversity of thought to our decision-making processes. We will create talent programs to allow internal development and support under-represented groups to develop into management roles alongside recruiting exceptional talent from a variety of backgrounds.

## WOMEN & US MINORITY REPRESENTATION

### WOMEN (GLOBALLY)

2020	2021	2022	
0%	13%	13%	FEMALE EXECUTIVES
34%	27%	33%	FEMALE PROFESSIONALS
22%	22%	23%	FEMALE EMPLOYEES OVERALL

### US MINORITIES\*

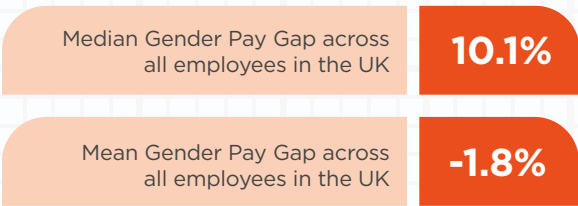
2020	2021	2022	
13%	13%	13%	MINORITY EXECUTIVES
23%	27%	25%	MINORITY PROFESSIONALS
43%	44%	49%	MINORITY EMPLOYEES OVERALL

\* Minorities represent employees who identify as Asian, African American, Alaska Native, American Indian, Black, Hispanic, Latino, Native Hawaiian, Pacific Islander, or two or more races.

Data does not include employees in Germany due to Privacy Laws.

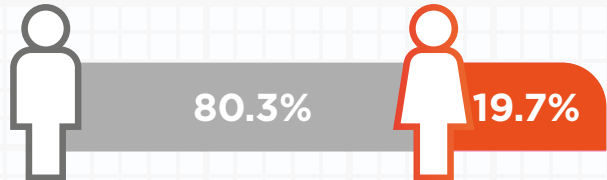
## UK GENDER PAY REPORTING

This data shows the difference between the average (mean and median) hourly pay levels of all female employees compared to all male employees, irrespective of their role or level within the organization. This is expressed as a percentage of male employees' average pay.



The median Gender Pay Gap across all employees in the UK is 10.1% lower for female employees compared to male employees. For comparison the UK's National Gender Pay Gap was 14.9% in 2022.

The mean Gender Pay Gap across all employees in the UK at -1.8%, shows that the mean pay for female employees was higher than the mean pay for male employees.

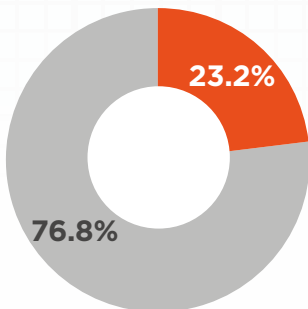


Overall, female employees represent 19.7% of our UK employee population.

The representation of female employees within the upper middle and upper quartile has increased by 6.4% in 2022, as a result of a higher distribution across our professional roles.

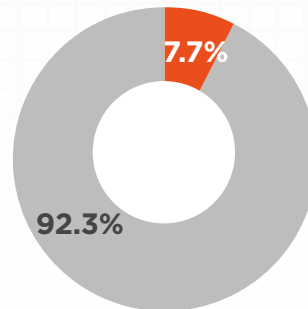
## Gender distribution across Doncasters in the UK in four equally sized hourly pay quartiles

### Lower quartile



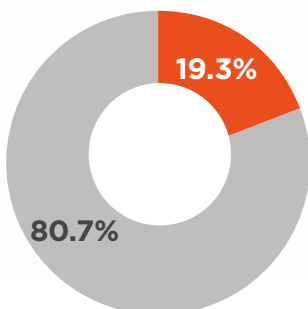
2021: 19.4% Women

### Lower middle quartile



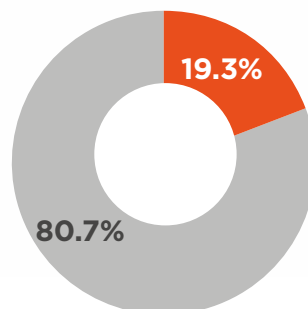
2021: 10.1% Women

### Upper middle quartile



2021: 16.1% Women

### Upper quartile



2021: 16.1% Women



725 employees  
Data: April 2021 to March 2022



## EMPLOYEE ENGAGEMENT

**An engaged and enabled workforce is at the heart of our people strategy. Our aim is to nurture a creative, entrepreneurial, productive and fun work environment where our people can truly thrive.**

Our annual Employee Survey gives us valuable feedback from our global employee population and our action planning allows us to focus on activity to progressively transition to being a great place to work.

We continue to educate our employees on our cultural objectives, focussing on collaboration and using our Winning Mindset to drive our growth ambition. Our continued focus on culture has seen our Executive and General Manager population undertake a high performing team programme. We have enabled our leaders to utilise virtual training platforms to encourage global collaboration.

Our Culture Advocates are starting to make waves at our sites, helping identify and implement improvements. Our leadership teams are committed to listening to their feedback so that we continually improve, showcasing and celebrating a winning mindset, day in and day out.

In 2022 we launched the first phase of our company-wide Recognition Programme. This provides a framework for our leaders on how to celebrate and recognise individual and team success effectively across our four values: Excellence, Commitment, Integrity and

Teamwork. Across our business we have implemented Engagement Survey Action Plans for each of our sites. The focus of our action planning has been on Gallup's key drivers of engagement ahead of a change of survey provider in 2023.

A cadence of quarterly people reviews have been introduced for each site to detail performance against their engagement action plans and allow for sharing of best practice across the group.

**2022 CASE STUDY:**

**ENGAGEMENT: A CASE STUDY OF TRUCAST US**

**Trucast US specialises in the manufacture of midrange and commercial heavy duty ‘hot-end’ turbocharger wheels for demanding applications in the automotive industry.**

The cultural and engagement aims at Trucast US are to enable our value of teamwork, creating an environment of belonging, where relationships are strong, open and transparent. We seek to achieve strong communication channels to allow authenticity, and to respect others’ viewpoints, thus enabling open discussion to foster a culture of continuous improvement.

Our 2022 Engagement Survey saw our Trucast site in the US achieve a 99% response rate. The results were positive indicators, with employees citing engagement, having committed and loyal employees willing to go the extra mile, at 79%, and enablement, having the right people in the right roles, in an enabling working environment, at 80%. They also took the opportunity to tell us what they really value and what drives engagement.

It was good to find insights from our employees suggesting that we are meeting our cultural and engagement aims. Our employees cited that they are happy to recommend Doncasters as a good place to work, exceeding our objective to reach the high performing norm.




As we continue action planning to drive culture and engagement in the plant, Trucast US have focussed on implementing Phase 1 of our Recognition Scheme. This is in addition to continuing with recognition practices already in place, such as celebrating birthdays, work anniversaries, or simply showing gratitude throughout the workforce.

An employee appreciation board is proudly displayed detailing each team member to allow for personal celebrations and workplace contribution. The goal is to not only say “we appreciate you”, but to show our employees that we know we are successful because of their dedication and hard work.

We also promote a wellbeing culture on site to benefit employees both in their work and personal lives. Annual Flu shots for all employees regardless of insurance status form an important part of this culture.

We really believe that our focus on teamwork, belonging, recognition and wellbeing is a great formula for engagement, and we are happy our employees celebrate our workplace culture.

A woman, Amber, is working in a factory. She is wearing a grey short-sleeved shirt with a "DONCASTERS" logo and a name tag that says "Amber". She is also wearing safety glasses and a black head-mounted display. She is smiling and looking down at a machine. In the background, there are stacks of cardboard boxes and a computer monitor displaying a software interface.

**“Our employees are critical to enabling the success of Trucast US, and without their dedication and commitment we would not be able to achieve our results”.**

**Christian Garcia**  
General Manager

## DONCASTERS IN THE COMMUNITY

Our social strategy is a collective promise for our global workforce to act in ways that enhance our local and global society, and the environment in which we live. It also celebrates our employees' commitment outside of the workplace in supporting the community.

Examples of this social strategy include our US teams supporting Safe and Sound Week, recognising the successes of workplace safety and health programmes, and how to keep us all safe at work.

Individuals and teams have supported global disasters such as Help for Ukraine, with employees at our Deritend site loading vital aid for those living through war, and employees at our Bochum site supporting the community of Ruhr near Hattingen and Bochum, as they recover from the 2021 mudslides.

We have utilised non-profit organisations, such as Cook for Good who run community programmes tackling food poverty funded by corporate teambuilding, to support our aim of building high performing teams.

We also have employees who dedicate their spare time to on-call firefighting, reservist activity and search and rescue.

We are proud of the dedication of our workforce to support the community and enjoy celebrating our workforces' efforts to truly make a difference.



## CHARITABLE GIVING

**In 2022 we have made a commitment to match fund UK charitable contributions raised by our employees up to a value of £50,000.**

Our sites chose which charities they wanted to support, with many of our sites choosing charities which were operating within their local communities or which had helped colleagues through difficult personal times.

At Trucast UK, the teams have committed to primarily support Mountbatten Hospice, a charity which promotes and provides care and support for those people living with, affected by, or curious about death, dying and bereavement across the Isle of Wight.

At our Deritend site the team supports three charities; St Richards Hospice based in Worcestershire, Macmillan Cancer Support and the Samaritans.

In 2022 our Ross & Catherall site supported two charities; Bluebell Wood Children's Hospice, supporting children across South Yorkshire, North Derbyshire, North Nottinghamshire and North Lincolnshire as well as Thornberry Animal Sanctuary, one of the largest animal rescue centres in South Yorkshire.

Our Head Office and Chard team support PreventAll, a charity dedicated to improving the lives of children with Acute Lymphoblastic Leukaemia (ALL) and funding vital research that will one day eradicate the pain and suffering of children and families affected by ALL.

In 2023 we will look to extend this commitment and matching to our operations in the USA and Germany.





# SUPPLY CHAIN

**Doncasters is committed to helping our suppliers achieve their sustainability goals by leveraging the latest advancements in equipment and digitalisation to reduce emissions and operating costs.**

All businesses are under increased scrutiny from investors, governments, the media and the public at large and are expected to act on major ESG issues. We understand that supply chains can include hidden and uncontrolled risks around natural resource depletion, human rights abuses, and corruption.

Doncasters' supply chain spans many countries and in some parts of the business includes multiple tiers. Managing our supply chain is essential to the success of Doncasters and is a source of value creation. We are working hard to ensure that appropriate policies and procedures are in place to increase understanding across our supply chains, expose hidden or uncontrolled risks around natural resource depletion, human rights abuses, and corruption.

Compliance with local regulations is not sufficient to meet our expectations or those of our stakeholders. In 2022 we instigated a global review of our supply chain contracts, policies and processes and this project will continue into 2023.

We recognise that having good ESG risk management in our supply chains will enable us to:

- Respond to emerging regulation or legal obligations quicker
- Enable us to develop long-term trusting partnerships with our direct suppliers
- Protect our licence to operate, particularly when dealing with governmental contracts
- Reduce costs through better financial risk management
- Enhance business continuity
- Increase stakeholder confidence

**Whilst we have visibility over the supply chain, with greater focus over our direct suppliers we aim to:**

- Map out our supply chain and encourage direct suppliers to engage with those further down the chain
- Reward suppliers that improve with more business, allowing them to invest in improvements with confidence
- Strengthen relationships between company and suppliers, moving from auditing to more regular interaction
- Achieve openness and transparency of the supplier base across the Group, including regular feedback and the ability for suppliers to talk to us about suspected ESG breaches
- Produce policies going beyond legal compliance

Concerning employment and labour practices, we expect our supply chain to:

- Eliminate all forms of forced labour, child labour, and illegal discrimination in the workplace
- Establish safe and healthy working conditions
- Value diversity as part of the vendor's business strategy
- Seek to compensate employees competitively and to comply with applicable wage, work hours and overtime
- Respect principles of freedom of association and the right to collective bargaining following applicable law and practice

We expect our suppliers to:

- Understand their operations' environmental impact and that of their suppliers
- Strive to play a positive role in advancing responsible and sustainable development, and in improving standards of living for their workforce and the communities in which they operate

We will not work with suppliers who do not adhere to Anti Bribery and Corruption laws. In particular, those who:

- Offer or allow anything of value to be given to obtain or retain business or favoured treatment
- Ask for or accept anything of value to obtain an improper advantage
- Circumvent or cause non-enforcement of laws or regulations applicable to Doncasters



# INFORMATION SECURITY & TECHNOLOGY

## OVERVIEW

Our Information Security Enhancement Programme has undergone a significant review in 2022, resulting in a refresh around target areas. In addition, we started work on revising our IT Target Operating Model to support our corporate strategy.

In February 2022, we hired a US-based Head of Information Security, who undertook a full review of our customer and regulatory requirements. The initial work revolved around analysing information relating to legacy projects, understanding the requirements of our site, reviewing previous audit reports and existing regulatory standards across multiple countries and the industries in which we operate.

Once our analysis was complete, we were able to use the outputs to help us identify the ten pillars of our programme. Within each of these pillars we have identified key actions that will ensure we meet both our regulatory and customer requirements.

For the remainder of 2022 we focused on the top three pillars: Programme Management, Risk Management and Policy Management. Further detail of our actions is set out on page 25. In 2023 and beyond we will prioritise the remaining seven pillars.

In addition, we commenced work re-evaluating our IT Target operating model, identifying the current state of affairs across our IT portfolio, as well as identifying and documenting our vision for the future. In 2023 this work will continue.

## THE PROGRAMME PILLARS

### 10 PROGRAMME PILLARS

Programme Management

Risk Management

Policy Management

Architecture

Compliance Management

Operational Controls

Incident Management

Vulnerability Management

Third Party Risks

Cyber Security Awareness

## **PILLAR 1 - PROGRAMME MANAGEMENT**

To help us fund, prioritise, optimise resource capacity, manage interdependencies and conflicts we capture all our projects within a single programme register. The programme register provides visibility of the detailed steps within each project and enables the IT team to cross reference project actions with the risks set out in its risk register. The Executive team review the programme register [monthly] as part of its oversight of ongoing IT projects.

## **PILLAR 2 - RISK MANAGEMENT**

We are aware that unmanaged risks can easily prevent a project from achieving its objectives and even cause it to fail. Risk management is important during project initiation, planning and execution as a well-managed project will significantly increase the likelihood of project success. In 2022 we collated our key IT risks into a single risk register, which guides our decision-making processes and enables us to focus on better management and mitigation of unavoidable risks.

## **PILLAR 3 - POLICY MANAGEMENT**

In 2022 we carried out a deep dive into our policies relating to information security. These policies cover our people, IT operations and third parties/suppliers working with Doncasters. Our rewritten policies ensure a more standardised approach across the Group and a clear understanding of what is expected from our stakeholders. To make sure our people related policies are embedded, IT has worked closely with HR to roll out an online learning platform, InfoSec, aimed at increasing awareness of security risks, ensuring employees know what they should and should not do when they receive a suspicious email,

and how to safely report issues. An employee's knowledge is tested at the end of each training module. Use of this online learning platform will continue in 2023.

## **Technology Partnerships**

We have been building a technology stack to support the ten pillars that will provide enhanced levels of centralised IT operational / security controls. A significant investment and partnership with ManageEngine has commenced to provide a first class IT Service Management solution along with the tools we need to maintain, manage and protect our End-points.

We are improving our European-Wide Area Network including a new centralised Wi-Fi solution and have raised our security standards to build these two new services using a Meraki platform with the full technical support of our connectivity and communications partner, Maintel.

Another significant investment and partnership is with Cybersheath who will be providing a full managed service to Doncasters around our CMMC compliance journey along with our US Domain split planned for Mid-2023. This project is a significant step forward and will strengthen our maturity and IT landscape in the US.

## **Future Planning**

Our programme of works for 2023 combines the continued stabilisation of our on-site, operating systems alongside building on the investment made and partnerships created during 2022. We will continue to develop our IT Target operating model, identifying, and fixing gaps, as we focus on our continued expansion. In addition, we will be building on the great capabilities within the IT team to ensure we deliver a first class and secure service.





# CORPORATE GOVERNANCE STATEMENT

## YEAR ENDING 31 DECEMBER 2022

**The Board of Directors (Board) and management of Doncasters Limited (Doncasters and / or the Company) recognise the importance of, and are committed to, achieving high corporate governance standards.**

As part of the governance process, the Board and management regularly review the Company's policies and practices to ensure that they meet the requirements of stakeholders and that there is a process of continual improvement in governance standards.

For the year ended 31 December 2022, under The Companies (Miscellaneous Reporting) Regulations 2018, Doncasters has continued to follow the Wates Corporate Governance Principles for Large Private Companies as an appropriate framework for the Company's corporate governance practices. Below is an explanation of how Doncasters has operated in accordance with the principles.

### **PRINCIPLE 1: PURPOSE AND LEADERSHIP**

**An effective Board develops and promotes the purpose of a company and ensures that its values, strategy and culture align with that purpose.**

Doncasters supplies customers globally with complex, high quality competitive products for the aerospace, automotive and industrial gas turbine industries. Doncasters' vision is to employ cutting edge technology, including robotics, and processes to enable it to offer an unparalleled range of solutions for high performance and specialist applications.

Doncasters operates globally and its success and continued growth depends on four shared values that guide its work: Excellence, Commitment, Integrity and Teamwork.

Doncasters' internal Code of Conduct (the Code) explains how Doncasters puts these values into practice. Last year, Doncasters revised its Code and this year it has been focused on sharing the Code and raising

awareness of its content. Doncasters' employees have produced a video about what the Code means to them. In line with our principle that we treat each other with respect, value diversity and promote an inclusive workplace in which we help each other develop and grow, this year we have developed a new recognition programme. As part of this, employees can nominate each other for a monthly award when people have met or exceeded our values.

By upholding the Code, each stakeholder helps Doncasters to continue to create better products and to protect the ideas and the people behind them. Doncasters wants everyone in the business to be empowered to make good decisions, so this year we have revised all our compliance related policies to ensure they are fit for purpose, up to date with current law and best practice and accessible to all within the Company. With the acquisition of Uni-Pol, this has involved communicating in more core languages, as we now embrace both Hindi and Marathi. We feel it is important we reach people in languages they are comfortable communicating in.

## PRINCIPLE 2: BOARD COMPOSITION

**Effective Board composition requires an effective chair and a balance of skills, backgrounds, experience and knowledge, with individual directors having sufficient capacity to make a valuable contribution. The size of a Board should be guided by the scale and complexity of the company.**

Doncasters and its Board are committed to conducting business in an ethical, fair and transparent manner and in accordance with high standards of corporate governance among all of our businesses, our employees and our supply chain. The Board, together with the management team, leads by example. The Board is committed to fostering a culture of compliance that values personal and corporate integrity, accountability and continuous improvement.

There is a clear division of responsibilities between the shareholders, the independent Non-Executive Directors (NEDs) and the Executive Directors. This ensures that a balance of responsibilities, accountabilities and decision making is maintained. The Chairman plays a pivotal role in creating the conditions for overall Board and individual director contributions and effectiveness.

The Board comprises the Chairman and NEDs as well as the Chief Executive Officer (CEO) and Chief Financial Officer (CFO). This size and composition is appropriate as it facilitates effective direction across our international businesses.

Doncasters is committed to ensuring that the composition of the Board continues to consist of directors who, as a whole, possess the diversity of skills and experience required to fulfil the role and responsibilities of the Board. The NEDs constructively challenge and help develop strategy and review business performance (including the performance of senior management) against agreed goals and



objectives. The NEDs bring core competencies such as accounting, finance, business and management experience, industry knowledge, strategic planning experience, in addition to perspectives from outside the sectors in which the Company operates.

All directors have equal voting rights when making decisions and have access to the Company Secretary, the General Counsel and Chief Risk Officer (GC) and to senior management at all times. The directors have the right to seek independent professional advice, as and when necessary, to enable them to discharge their duties effectively.

The duties of the Board are executed partially through Board committees. The NEDs attend and act as chairs to relevant committees so that they are able to challenge and influence a broad range of areas across Doncasters.

The Executive Committee (EC) is the group of senior leaders who implement the Company's strategy and ensure that values and culture are implemented and communicated consistently to the employees.

Directors update their skills, knowledge and familiarity with Doncasters by meeting with senior management and making visits to Doncasters' sites. This year, the NEDs have visited Doncasters Precision Casting, Deritend; Doncasters Precision Casting, Bochum; Doncasters Precision Casting, Groton; Doncasters Superalloys of Long Beach and Ivostud. From time to time, the Board is updated on matters of law and governance.



### PRINCIPLE 3: DIRECTOR RESPONSIBILITIES

**The Board and individual directors should have a clear understanding of their accountability and responsibilities. The Board's policies and procedures should support effective decision-making and independent challenge.**

The Board is responsible for organising and directing the affairs of Doncasters in a manner that is most likely to promote the success of Doncasters for the benefit of its shareholders and in a manner that is consistent with its constitution, applicable regulatory requirements and current corporate governance practice.

The primary function of the Board is to provide effective leadership and direction to enhance the long-term value of Doncasters to its shareholders and other stakeholders by reviewing the strategic plans and performance objectives, financial plans and annual budget, key operational initiatives, major funding and investment proposals, financial performance reviews and corporate governance practices.

The directors and other members of the wider leadership team complete an annual declaration confirming that they have behaved in accordance with the Company's Code of Conduct, supporting policies and values. As part of this process, all individuals must declare any potential conflict of interests.

#### Committees

In addition, the Board delegates certain governance responsibilities to its Audit and Risk Committee, Investment Committee and Remuneration Committee, each of which have clearly documented terms of reference. These committees include the NEDs, who support effective decision-making and challenge constructively, management's proposals.

The Board delegates authority for the day-to-day management of the Company to the Executive. The Executive meets weekly and is

chaired by the CEO. It's membership includes the CFO, GC, Chief People Officer, Managing Director (USA) and Vice President - European Operations.

In addition to its formal committees, the Company creates specific steering committees to ensure appropriate management of key projects such as the Enterprise Resource Planning roll out.

The Board, its committees and management committees regularly review terms of reference to ensure they remain fit for purpose, are adapted to promote good governance and meet the requirements of the Company as they evolve.

#### Integrity of Information

Doncasters recognises the importance of providing the Board with accurate and relevant information on a timely basis. Hence, Board members receive monthly financial and business reports from management. Such reports keep the Board members informed of the Company's performance, position and prospects and consist of the consolidated profit and loss accounts, analysis of sales, operating profit, pre-tax profit by operating segments compared against budgets, together with explanations for significant variances for the month and year-to-date.

In addition, key financial information is collated from the Company's various accounting systems. The Company's finance function is appropriately qualified to ensure the integrity of this information and is provided with the necessary training to keep up to date with regulatory changes.

Financial information is currently externally audited by KPMG on an annual basis, and assessments of the financial control environment are reported to the Audit and Risk Committee. The Board also reviews legislation and regulatory compliance reports from management to ensure that the Company complies with the relevant regulatory requirements.



## **PRINCIPLE 4: OPPORTUNITY AND RISK**

**A Board should promote the long-term sustainable success of the company by identifying opportunities to create and preserve value and establishing oversight for the identification and mitigation of risks.**

### **Opportunity**

The Board routinely reviews the long-term strategic opportunities available to the Company. The Board seeks out opportunities drawn from both internal and external sources. Short-term opportunities to improve performance, resilience and liquidity are collated through the businesses, which is overseen by the Executive. The Board is acquisitive, and, has a clear understanding of the type of businesses which would work well inside the Doncasters group. This strategy has been refined since its acquisition of Uni-Pol.

### **Risk management**

The Board, with the assistance from the Audit and Risk Committee is responsible for overseeing how risk is managed and stakeholders are accountable.

In 2022 the Audit and Risk Committee met eight times. The Committee formally reviews each of the Company's principal risks no less than once a year and considers any emerging risks, including those identified within various functions of the Company. Each of the principal risks as defined are owned by individual Executive members and a dashboard of each risk sets out the Company's exposure, what is in place to manage the risk and records planned further measures to address that risk.

The Audit and Risk Committee is responsible for reviewing the Company's internal control and risk management systems. It reports to the Board on the statements to be included in the annual report concerning internal control and risk management. The Executive and each business market leader are responsible for

the application of the internal control and risk management, for implementing and monitoring the operation of the system of internal control and for providing assurance to the Audit and Risk Committee and the Board. The Audit and Risk Committee has clearly defined terms of reference, which are reviewed annually and available from the Company Secretary.

### Internal Audit

The Company has an external internal audit function, whose primary role is to provide assurance to the Board and Audit and Risk Committee about the effectiveness of internal controls, risk management and governance processes. For 2022, the scope of authority and responsibility of the internal audit function was defined between the CFO and Grant Thornton, the external internal auditors, and reviewed and approved by the Audit and Risk Committee. The Audit Committee also ensures that the internal audit function has adequate resources to perform its functions effectively.

The annual internal audit plan is created following a risk assessment of the business and consultation with management and is reviewed and approved by the Audit and Risk Committee before being presented to the Board. Progress against this plan, a summary of findings from reviews completed in the period, and status of completion of agreed actions arising from such reviews, is presented and will be discussed quarterly at the Audit and Risk Committee. In addition, material control weaknesses over financial reporting, if any, are highlighted by the external auditors in the course of the statutory audit.

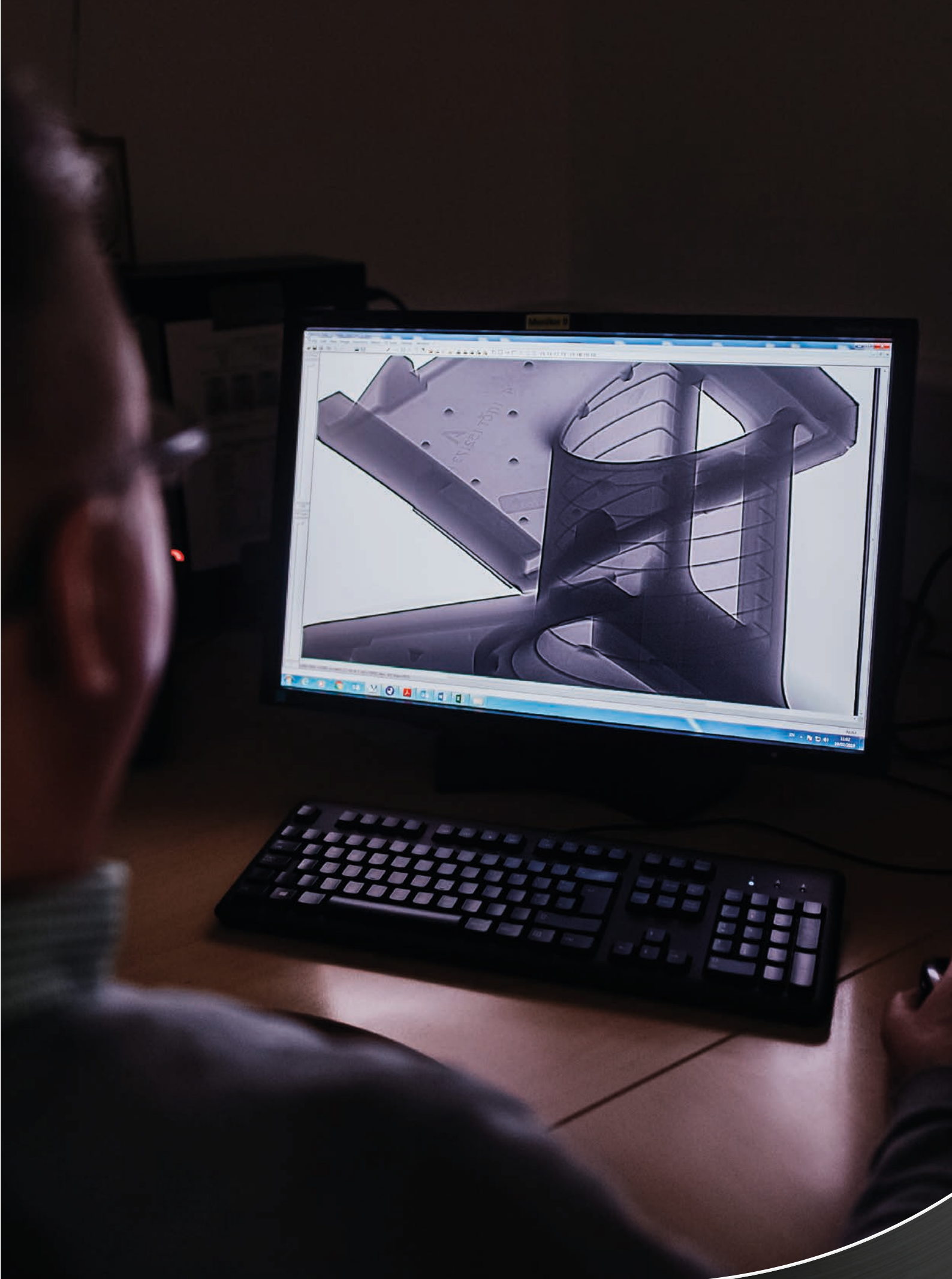
### Whistle blowing ('Speak Up')

The Board also reviews the adequacy of the 'Speak Up' arrangements instituted by the Company through which staff and external parties may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters.



Doncasters is committed to ensuring that people can raise 'Speak Up' concerns without the fear of retaliation and with the confidence their concerns will be fairly investigated. One of the ways the Company does this is by ensuring the complete independence of all of the investigations of 'Speak Up' concerns raised. Group Legal oversees any investigation of 'Speak Up' concerns on behalf of the Board.

The Board is responsible for ensuring that Doncasters has an effective 'Speak Up' process and that all concerns are independently and thoroughly investigated. This means that investigations are carried out objectively and independently of operational, financial or Executive management.



## PRINCIPLE 5: REMUNERATION MATTERS

**A Board should promote executive remuneration structures aligned to the long-term sustainable success of a company, taking into account pay and conditions elsewhere in the company.**

The Remuneration Committee's (Remco) primary responsibility is to ensure a formal and transparent procedure for developing policies on Executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel.

Doncasters is an active equal opportunities employer and promotes an environment free from discrimination, harassment and victimisation, where everyone receives equal treatment and career development. All decisions relating to employment practices are objective, free from bias and based solely upon work criteria and individual merit.

The Remco is responsible for making recommendations to the Board concerning the Company's remuneration strategy, recruitment framework and medium-term incentive plans for senior executives. In doing so, the Remco may take advice from independent external consultants who provide updates on legislative requirements, best market practice and remuneration benchmarking, drawing on evidence from across the sectors in which Doncasters operates and from other sectors. Pay is aligned with performance and in setting levels of pay the Company takes into account conditions across Doncasters' workforce.

Executive directors do not receive directors' fees.

## PRINCIPLE 6: STAKEHOLDERS RELATIONSHIP AND ENGAGEMENT

**Directors should foster effective stakeholder relationships aligned to the Board's purpose. The Board is responsible for overseeing meaningful engagement with stakeholders, including the workforce, and having regard to their views when taking decisions.**

As a global industrial company, Doncasters recognises that its actions have far-reaching consequences. We rise to the challenge of making a positive difference – by lessening our impact on the environment, improving conditions for workers and being part of the local communities in which we operate.

### External impacts

The Board is committed to social responsibility, community engagement and environmental sustainability. It achieves this in part through its commitment to a culture of ensuring the safety, health and wellbeing of everyone who works with us; being an employer of choice where everyone is valued and respected and seeking new ways to ensure sustainability.

### Stakeholders

The Board promotes accountability and transparency with all external stakeholders and with representatives of government and other opinion leaders, where necessary.

## Workforce

Doncasters is growing and evolving and how we engage with our employees is no exception. We conduct an annual survey to gather real insights of what our people experience globally, working at Doncasters. The insights gained from this survey have been invaluable in driving a range of new initiatives and changes across our sites and functions over the past year; including our IT Infrastructure Improvement Programmes, Human Capital Renewal project, Recognition Programme, Communication Upgrade, Continuous Improvement and Technology Improvement Project. The Board considers the results of the employee engagement survey is a good barometer of the workforce's confidence in the Company's strategic direction, optimism in the future and career opportunities.

Doncasters' aim, for all members of staff and applicants for employment, is to fit the qualifications, aptitude and ability of everyone to the appropriate job and to provide equal opportunity regardless of sex, religion or ethnic origin.

A well-trained and motivated workforce is a high priority. Training is provided both on-the-job and through external courses. Doncasters acknowledges that career development and promotion opportunities should be available to all employees, and this will be an area of focus for 2023.

Doncasters ensures that all employees are kept up to date by regular meetings, briefings and communications via the interactive Employee App. As well as communicating major developments and changes within the organisation, Doncasters communicates about small matters, such as site thank you BBQs and pizza lunches and long serving employee awards, so that we foster a spirit of 'Team Doncasters'.

## Customers

Doncasters is committed to providing the best service to its customers, old and new. The safety of Doncasters' products is also of critical importance. The Board has overall responsibility for the safety and quality of products and is supported by a team of highly experienced engineers and managers. The Board reviews safety and quality issues before any other business at each Board Meeting looking at specific issues and also at longer term trends.

## Business Partners / Suppliers

Our business suppliers and partners provide us with the tools and services we need to deliver for our customers. We recognise that some of the headwinds facing Doncasters in 2022 have also affected our suppliers and 2023 will see a greater focus on our supply chain and what we can do to support them.

## Stakeholders Dialogue

The Board is aware of the importance of fostering effective stakeholder relationships to enable the long-term success of the Company. The Board recognises its responsibility to maintain high standards of business conduct and consider the impact on all stakeholders when making decisions, including the likely consequences of any decision in the long term. The Board takes its responsibility to understand the views of stakeholders seriously and will continue to consider stakeholder interests in its decision-making processes in 2023. The Company's business model focuses on its interactions with its investors, customers, employees and suppliers.



# RISK MANAGEMENT


## ENTERPRISE-WIDE RISK MANAGEMENT

In 2022 Doncasters enhanced its Enterprise-wide Risk Management (ERM) capability. We recognise that risks to the business are constantly evolving. Our programme aims to monitor and proactively mitigate and manage such risks on an ongoing basis.

The Board committed to further enhancing its ERM capability in 2022 by appointing a permanent Group Risk Manager who has extensive international and multicultural experience, which is essential for our global business. As part of the senior management team, he will ensure that Risk Management is embedded into daily practices and that our risk management capability matures as we grow.

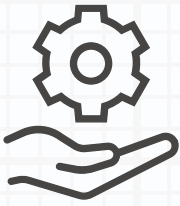
The Group has three strategies for managing its risk exposure:



A photograph of a worker in a dark jacket operating machinery in a factory. The background is a bright, glowing orange, suggesting a high-temperature environment like a steel mill. The worker is positioned on the right side of the frame, looking towards the machinery. The overall scene is industrial and dramatic due to the lighting.

**“We are committed to promoting effective risk management at Doncasters. The Group aims to foster a culture where both risks and opportunities are identified and evaluated to ensure that we make informed business decisions. We are also committed to promoting a culture in which people feel comfortable escalating risks once identified.”**

**Helen Barrett-Hague**  
Chief Risk Officer



# GOVERNANCE

## Responsibility for risk management operates across all levels at Doncasters.

The Board takes overall responsibility for the ERM strategy and the risk appetite of the Group.

The Executive leadership team is responsible for the overarching management of risk.

The Executive team reviews the Group's principal risks each quarter.

### 2022 ACHIEVEMENTS

- APPOINTED A PERMANENT GROUP RISK MANAGER
- IMPLEMENTED A STANDARDISED RISK MANAGEMENT FRAMEWORK
- ENHANCED THE GROUP RISK APPETITE STATEMENT
- COMPLETED RISK MATURITY ASSESSMENTS
- ESTABLISHED AN INTERNAL CONTROL TESTING FRAMEWORK
- DEVELOPED AND DEPLOYED A STANDARDISED BUSINESS CONTINUITY FRAMEWORK



## DONCASTERS' RISK MANAGEMENT (RM) PROCESS

“A fundamental principle of our overall approach in 2022 was that risk should be managed as close to its source as possible and by those who have the most knowledge and expertise in that specific business or risk area. Risk management is now standardised across our footprint with senior management and functional groups being responsible for their risks and subsequent mitigation plans.”

**Lee Gavins**

Group Internal Audit & Risk Manager

### 4. REVIEW & REPORT

Risks and their treatment plans are reviewed and reported on quarterly. By developing a review and reporting structure we ensure risks are escalated, and appropriate risk responses are implemented

### 1. IDENTIFY

Identify events that can affect the objectives of the business or department



### 3. TREAT

Reduce the probability of occurrence and / or reduce the impact through detailed action plans

### 2. EVALUATE

Rank and prioritise each identified risk by its occurrence, probability and impact severity

### Standardised and Measure

in 2022 the Group standardised its risk registers and assessment scales. We introduced five levels of criticality. Our methodology for evaluating the likelihood of any risk occurring is measured by frequency and / or probability.

### Global Risk Trend Identification

The Group developed a detailed common risk matrix. This risk matrix covers 12 functions and has over 500 coded common risks. The Group uses these codes when developing its risk registers. This provides the capability to spot recurring trends after consolidation.

### Doncasters Risk Appetite

On an annual basis, the Board and Executives review the Group’s risk appetite against key risk themes. That appetite is then calibrated to the Group’s strategic objectives by agreeing tolerance levels, which are communicated across the Group.

Risk appetite is a planning mechanism for us to decide whether to adopt certain tactics, given the level of risk that would be embedded in those tactics. It is also an important factor in developing our Global insurance strategy.

Collectively we take a cautious approach to risk reflecting where we are on our financial journey. Doncasters’ appetite for each theme was assessed in 2022, and is set out below:

RISK THEME	APPETITE
Strategy	We are open to taking risks when it comes to strategy. We have guiding principles and rules in place that are receptive to considered risk taking in organisational actions and in the pursuit of our priorities. Our organisational objectives are refreshed to suit the current strategy. We are willing to consider all potential options and choose the one most likely to result in successful delivery, while also providing an acceptable level of reward and value for money.
Governance	The Group takes a minimal approach towards risks arising from unclear priorities, authorities, accountabilities, and ineffective oversight of decision-making. However, we are willing to consider low risk actions which support delivery of our priorities and objectives. Segregation of duties and authority arrangements enable limited risk taking within the business. Organisational controls maximise fraud prevention. The Group has a zero tolerance for fraud and has robust sanctions in place to reduce risk.
Current Operations	At Doncaster’s innovation is supported but it must have clear demonstration of benefit. We are open to improvement when looking at management controls and we are open to passing responsibility, rights and powers for non-critical decisions across the business. We are willing to consider all potential options and choose the one most likely to result in successful delivery, while also providing an acceptable level of reward and value for money.
Business Reputation’s	We take a cautious approach and our appetite for risk taking is limited to those events where there is little chance of any significant repercussion for the organisation. Our preference is for safe options which have the potential for limited reward. We are attentive towards risks that could damage the trust and relations of our stakeholders.
Legal & Regulatory	We have minimal tolerance for risks surrounding legal or regulatory sanctions. We want to be very sure we would win any challenge presented to us by the authorities, or other legal events. Our appetite for exposure is small. Our preference is for ultra-safe options that are low risk and only have a potential for limited reward.

<b>RISK THEME</b>	<b>APPETITE</b>
<b>Property</b>	Our tolerance for risk taking is minimal. We follow strict policies for purchase, rental, disposal, construction, and refurbishment that ensures producing substantial value for money. Our preference is for ultra-safe options in terms of property safety management processes. These actions produce low risk and only have potential for limited reward.
<b>Financial</b>	We take minimal risk, and our preference is always for ultrasafe business delivery options when managing finances in accordance with regulatory requirements. We also take this stance when managing assets and liabilities. The Group is only prepared to accept the possibility of very limited financial impact if essential to the delivery of our Group strategy. Doncasters also has zero tolerance for any financial fraudulent activity, and we have robust sanctions in place to reduce risk.
<b>Commercial</b>	In terms of risks arising from the management of commercial partnerships, supply chains and contractual requirements Doncasters tends to stick to the status quo. We are cautious when seeking commercial innovation and its generally avoided unless necessary. Decision making authority is held by senior management and our management system is overseen using leading key indicators. Our preference here is for safe options that have a low degree of risk and have limited potential for reward.
<b>People</b>	We are open to taking risks on our people giving them the best opportunity to develop. We are prepared to invest in our people to create an innovative mix of skills within our environment. Often responsibility for non-critical decisions will be transferred around the business. Doncasters is willing to consider all potential options when making decisions around culture, engagement and leadership development. Our appetite is to choose the option most likely to result in successful delivery, while also supplying an acceptable level of reward and value for money.
<b>Information Technology &amp; Management</b>	Our information systems and technology developments are considered to enable improved delivery. Agile principles are followed when deciding how we exploit information and data to its full potential. We are open to taking risks and we accept them if operational effectiveness is improved. We are open to the distribution and sharing of operational information if it improves our systems. We are willing to consider all potential options and choose the one most likely to result in successful delivery, while also supplying an acceptable level of reward and value for money. The group has zero tolerance for cyber security breaches and takes the ultrasafe option when developing our cyber and data protection strategies.
<b>Security</b>	The prevention of unauthorised or inappropriate access to key systems and assets, platforms, information and resources is paramount and our preference is to make ultrasafe decisions; decisions that carry a low degree of inherent risk. We accept minimal risk, and the loss or damage to property, assets, information is minimised through stringent security measures, including: <ul style="list-style-type: none"> <li>• Adherence to travel restrictions</li> <li>• All staff vetting levels are defined by role requirements.</li> <li>• Controls limiting staff and visitor access to information, assets, and estate.</li> <li>• Staff personal devices permitted but may not be used for official tasks.</li> </ul>
<b>Transformation Projects</b>	Innovation is supported and we are open to making improvements in management control. We are open to transferring responsibility throughout the business for non-critical decisions in these projects. Our transformation plans are aligned with functional standards and our organisational governance. We are willing to consider all potential options and choose the one most likely to result in successful delivery, while also providing an acceptable level of reward and value for money.
<b>Health and Safety</b>	The Group has zero appetite for any decisions that would jeopardise the safety of our employees.

### Doncaster's Risk Maturity

At Doncasters, assessing our risk management maturity helps us on our continuous journey to achieving better standards of practice. It is a way of understanding how the Group manages its risk framework, and how the quality of risk management activities is measured.

In 2022, basic maturity assessments were carried out prior to the framework deployment. Maturity level assessments considered the processes, methods, culture, technology, and governance structures within the business units. Working closely with our Insurance Broker in 2023, we will be conducting an independent assessment to further enhance our capability.

### Internal Control (IC) Framework Implementation

To mitigate risk exposure and raise the standards to a consistent level across Doncasters, an IC Framework was developed and deployed in 2022. The aim is to give assurance to the Board and Executive team that the Group is in line with best practice, laws, regulations, and group procedures, on a defined frequency. The framework will help to control risk exposure. As more risk exposure and global trends are identified, the frameworks testing scope will be developed.

### Business Continuity Plans (BCP)

The BCP framework has been designed to limit the impact of any disruption to our mission critical activities. In 2022 it has been deployed into each of the EU and US businesses. In 2023 we will start to embed this framework into Uni-Pol businesses.

The main components of the BCP framework are:

**Business Impact Analysis** - We identify mission critical activities and their dependent resources. We assess our Maximum Allowable Outage (MAO) of those activities. This establishes the timeframe within which our critical functions must be resumed after a disruptive event.

**Strategies** - We determine the best strategies available and assess the merits of these against our business environment, and their effectiveness in maintaining our business-critical functions.

**Actions** - Having determined the best strategy, we develop that into a set of detailed action plans. This gives each business clear instructions for the deployment, management, and recovery of the continuity plan.

**“Our ability to facilitate a complete resumption of normal operations in the event of business disruption is vital to all our stakeholders. Therefore, in 2022 our business units invested significant time and resources into the development of our BCP framework. Establishing fit-for-purpose continuity plans takes time, and there is still work to be done. However, we have progressed well in 2022 and this strategy will be further enhanced throughout 2023.”**

**Indy Rattu**

Vice President European Operations

## 2023 OBJECTIVES

### Integrate Risk and BCP framework into Uni-Pol

We recognise that evolution and the maturity in the way risk is managed is an ongoing process. ERM needs to be embedded into the DNA of the whole Group including the most recent acquisition, Uni-Pol. In 2023 we will build on existing risk management capabilities by cascading the ERM process into Uni-Pol, ensuring all risk owners have the necessary training and tools to manage risk effectively.

### Building an Internal Audit Function of the Future

The COVID-19 pandemic led to a disrupted business environment, fuelling uncertainty around reputation and sustainability and now is the right time to recalibrate how Internal Audit is approached.

As we move through 2023, Doncasters will be developing a systematic, disciplined internal audit approach, to evaluate and improve the effectiveness of its risk management, controls, and key business processes.

Having an independent and objective assurance based Internal Audit function will add value, improving operations, reputation, and the Group's ability to remain resilient during uncertain times.

### A fresh approach to our Global Insurance programme

In 2023 we will be working closely with our new insurance brokers Willis Towers Watson (WTW). We are confident this refreshed collaboration will bring diverse points of view and a deep commitment to success.

As we transition towards a fully data-driven, insight-led global insurance program, Doncasters and WTW will be building a collaborative relationship. By challenging one another, we will achieve innovative solutions that really meet the Group's needs. This will help make the Group more resilient and maximize performance.

### Principle Risks

The Board is cognisant of emerging risks that could significantly impact the current strategy and business model. In 2022 these were reviewed in relation to both organic and inorganic growth. The table below sets out areas identified as significant risk and the Group is currently implementing mitigating factors.

RISK	THEME
Cyber Attack	Information Tech
Cash & Liquidity Management	Financial
Acquisition Failure	Governance
Inventory Control	Commercial
IT system legacy	Information Tech
Energy Supply disruption	Commercial
Geo-political instability	Governance
Increased supply chain costs	Commercial
Customer demand due to inflation	Commercial
Retaining Human Capital / resource	People
New Product Introduction	Commercial
Long Term Capital Structure	Strategy



Doncasters Ltd  
Repton House  
Bretby Business Park  
Ashby Road  
Burton-on-Trent  
DE15 0YZ

Tel: 44 (0)1332 864900  
[www.doncasters.com](http://www.doncasters.com)



**DONCASTERS**