



POWERING A SUSTAINABLE FUTURE

2023 SUSTAINABILITY REPORT



®



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For nearly 30 years, our customers have relied on AAM to design, engineer, validate and manufacture the driveline and metal forming technologies that POWER their vehicles.

We are driven by a disciplined approach and a longstanding commitment to quality and operational excellence. We continue to build on our technology leadership by evolving our processes and products to meet the needs of our customers – and our world.

AAM's global presence includes over 80 locations across four continents (North America, South America, Asia and Europe). AAM is a unique global resource that brings higher-performing, next-generation driveline and metal forming products and technologies to markets around the world, working closely and collaboratively with customers to efficiently develop cost-effective solutions to improve vehicle performance. Our approach allows us to provide engineering and manufacturing services to our customers 24 hours a day. With our broadening supplier base and expanding capabilities, AAM is rapidly making our quality components and systems available to customers all over the world.

DRIVELINE

The AAM Driveline business unit is a global leader in rear-wheel drive (RWD), all-wheel drive (AWD) and four-wheel drive (4WD) systems for internal combustion, hybrid electric and full electric vehicles. Our product portfolio optimizes mass and increases efficiency without sacrificing performance.

METAL FORMING

AAM provides engine, transmission, driveline and a variety of other components for electric vehicles, light vehicles, commercial vehicles, and off-highway vehicles, as well as products for a number of industrial markets. With our global reach and resources, we invest in cutting-edge forging, machining, high pressure die casting and powder metal process technologies centered around manufacturing lightweight, highly precise and power-dense products.





VISION

To POWER a more sustainable future while providing value to our stakeholders.

MISSION

Advancing global mobility through innovative technologies and sustainable solutions.

SUSTAINABILITY MISSION

To deliver POWER and build a safer, greener and sustainable future for our Associates, customers, communities and the environment.



As a leading global Tier 1 Automotive and Mobility Supplier, AAM (NYSE: AXL) designs, engineers and manufactures Driveline and Metal Forming technologies to support electric, hybrid and internal combustion vehicles. Headquartered in Detroit with more than 80 facilities in 18 countries, AAM is bringing the future faster for a safer and more sustainable tomorrow. To learn more, visit aam.com.

*Includes full-time and part-time Associates, along with co-ops, contractors, etc.



2023 HIGHLIGHTS



Achieved ISO 50001 certification at all manufacturing facilities



Introduced a new Cybersecurity Awareness program, #AAMSecure



Recognized as a 2023 Automotive News PACEpilot program finalist



Received 21 quality performance awards

Forbes

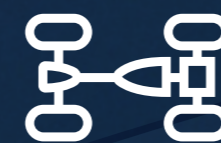
Named Best Employers for Diversity by Forbes



Exceeded our 2023 U.S. renewable and carbon-free energy goal



Achieved 22,000+ consolidated days without a recordable safety incident



Launched 14 major global product programs



Increased our Supplier Diversity spend year-over-year by 12%



AAM is driven by a culture of quality, operational excellence and technology leadership. In line with our vision, we are committed to POWERing a more sustainable future that is safer, greener and more inclusive for our Associates, customers, communities and stakeholders.

AT A GLANCE

While 2023 was a challenging year, we demonstrated resilience, achieved many successes and made progress in our business, community and sustainability (environmental, social and governance, or ESG) objectives.

Our continued electrification leadership was recognized by being named a PACEpilot finalist for our innovative electric drive technology. AAM also earned prestigious awards such as a Dorian Award for bottom line improvement and a 2023 General Motors Overdrive Award.

During 2023, we secured a new contract to supply e-Beam axles with our integrated 3-in-1 e-Drive technology for a future electric vehicle program. In addition, we announced a \$10 million (USD) investment in the Enertech Global Strategic Mobility Fund to support mobility and enhance our products and operations.

Focusing on our energy and emissions commitments, we exceeded our 2023 renewable and carbon-free energy goal in the U.S. We also strengthened our biodiversity efforts by becoming a member of the Wildlife Habitat Council to support sustainable ecosystems and the communities that surround them.

In 2023, we enhanced our Human Rights policy, showing our ongoing commitment to defending the dignity of our Associates, communities, and supply chain throughout our global operations. AAM continued to support the communities where we live and work with approximately 6,000 volunteer hours and over \$1 million (USD) in monetary donations globally.

ADDITIONAL HIGHLIGHTS INCLUDE:

- Received 21 quality-related awards from our customers and other organizations.
- Successfully completed 14 major global product and program launches.
- Named one of America's Best Employers for Diversity by Forbes.
- Increased our Supplier Diversity spend by 12% year-over-year.
- Introduced a new Cybersecurity Awareness program.

At AAM, we remain committed to listening, learning and taking action that will move our company, communities and the environment forward, together. As you read this report, you will see the significant progress we have made.

I'm proud of what we've done across our business and around the globe. You can expect that at AAM, we will work to achieve profitable growth, and we will do it in a sustainable way.

As always, thank you for your support as we work toward a safer, brighter and more responsible future!

Sincerely,

David C. Dauch
Chairman of the Board and CEO

AAM'S MATERIAL TOPICS

CORPORATE GOVERNANCE AND SUSTAINABILITY OVERSIGHT

ENERGY AND EMISSIONS

SUPPLY CHAIN ENGAGEMENT AND RESILIENCY

ETHICS AND COMPLIANCE

PRODUCT SAFETY AND QUALITY

INNOVATIVE TECHNOLOGY AND ELECTRIFICATION

COMMUNITY ENGAGEMENT

HUMAN RIGHTS

WATER AND WASTEWATER MANAGEMENT

WASTE AND HAZARDOUS MATERIALS MANAGEMENT

SUSTAINABLE PRODUCT DEVELOPMENT

CLIMATE-RISK MANAGEMENT

ASSOCIATE HEALTH, SAFETY AND WELLBEING

TALENT ATTRACTION AND RETENTION

DIVERSITY, EQUITY AND INCLUSION

SUSTAINABILITY STRATEGY

AAM is focused on driving continuous improvement in the sustainability areas most important to our company, with input from our internal and external stakeholders.

As a part of our ongoing processes, we actively review and update our goals and progress in these key areas, ensuring they reflect our current business profile, industry norms and stakeholder expectations.

Our Policy Committee, which is led by the CEO, reviewed and approved 15 material topics identified in [AAM's Materiality Assessment](#) completed in 2022. These material topics are connected to the areas of Environmental, Social, Product, Supply Chain and Governance.



STAKEHOLDER ENGAGEMENT

Our material topics are monitored throughout the year to understand emerging issues and stakeholder expectations. Our monitoring approach includes connecting with our key stakeholders through a variety of engagements to discuss the topics and gather their feedback.

Our stakeholders are individuals, groups or organizations who influence or are influenced by AAM's decisions and the implications of those decisions. Below are examples of our key stakeholders and how we engage with them.

ASSOCIATES

- Global Associate Survey
- Monthly Lunch with Leaders
- Global POWERhour Townhalls

POTENTIAL ASSOCIATES / RECRUITS

- University Recruiting Events
- Early Career Development Programs
- Associate Resource Group Special Events

SUPPLIERS

- Supplier Sustainability Council
- Annual Supplier Day
- Supplier Executive Champion Program

COMMUNITY

- Associate Volunteer Activities
- Local Facility-Sponsored Events

CUSTOMERS

- Technology and Product Expos
- Customer/Automaker Supplier Councils

SHAREHOLDERS

- Annual Shareholder Outreach Program
- Automotive-Focused Conferences
- Active Investor Relations Programs

INDUSTRY ASSOCIATIONS

- Various Industry Conferences
- Regional/Country-Level Organization Members
- Committee Participation



ENVIRONMENTAL

In 2023, AAM...

- Exceeded our 2023 U.S. renewable energy goal
- Established a biodiversity partnership with the Wildlife Habitat Council
- Achieved ISO 50001 certification at all our manufacturing facilities

AAM understands its responsibility to protect the environment and conserve natural resources in the places we do business. Emissions and energy reductions, water stewardship, and proper waste management are issues vital to the success of our business. AAM has set ambitious greenhouse gas emissions targets, validated by the Science Based Target initiative (SBTi), demonstrating our commitment to do our part to address climate change. In our 2022 Sustainability Report, we noted our expectation to establish new baselines in 2023 for emissions, energy, water, waste and renewable energy. This was due to the change in our business as a result of our acquisition of Tekfor on June 1, 2022, and including our non-manufacturing locations in our reporting. As a result of an analysis performed in 2023, we anticipate continuing to meet our previously disclosed environmental targets. As such, new baselines were not established.

AAM utilizes our Climate Scenario Analysis to understand our impact and shape our priorities. This analysis identified potential risks, opportunities, and mitigation actions, both physical and reputational, under different scenarios for the future. AAM used this information to support the revision of policies, especially related to projects for plant improvements. Another issue of increasing importance across industries and around the world is biodiversity. It is both a local and global concern in that industries can affect areas near their operations and biodiversity impacts can be felt throughout the world. As AAM continues its sustainability efforts, we have joined the Wildlife Habitat Council, whose mission is to recognize, inspire, engage and support businesses to achieve wins for nature.



MANAGEMENT STRUCTURE AND COMPLIANCE

AAM's Facilities and Environmental, Health and Safety (EHS) organization is managed using a global and local approach to ensure company policies and commitments are supported, while complying with requirements that may vary by market. The Vice President of Facilities and EHS reports directly to the President and Chief Operating Officer, allowing for direct communication and engagement with the teams for continuous feedback.

Reporting to the global organization, regional managers are responsible for making sure all AAM environmental programs are properly integrated and aligned with global policies. AAM management reviews EHS performance on a quarterly basis, and ensures corrective actions and adjustment strategies are put in place through plant-level operations reviews. At each facility, a designated EHS representative is responsible for tracking and maintaining environmental compliance.

Additionally, an environmental sustainability champion and established green team implement the E⁴ operating system and are responsible for the facility to achieve full compliance with the system. Within each green team is a designated subject matter expert for each of the primary environmental metrics: energy, water, and waste.



ENVIRONMENTAL COMPLIANCE

AAM understands that our manufacturing processes and facilities must be maintained in order to protect the communities in which we operate. The cornerstone of our compliance program is maintaining our certifications to the ISO 14001 standard, which is the international standard for environmental management. Globally, 86% of our manufacturing facilities are ISO 14001 certified, while the remaining 14% of facilities operate under our internally audited Environmental Management System. This demonstrates the maturity and effectiveness of the AAM Environmental Management System as well as the commitment of all Associates to protecting the environment.

E⁴ ENVIRONMENTAL OPERATING SYSTEM

In order to deliver operational excellence, our E⁴ Operating System is a key module of the AAM Operating System (AOS) that leverages our global standards, policies, and best practices across the environmental disciplines. E⁴ creates a standard structure for facilities to increase associate awareness, monitor progress with environmental related goals, implement consistent data management, and encourage and incentivize continuous improvement.

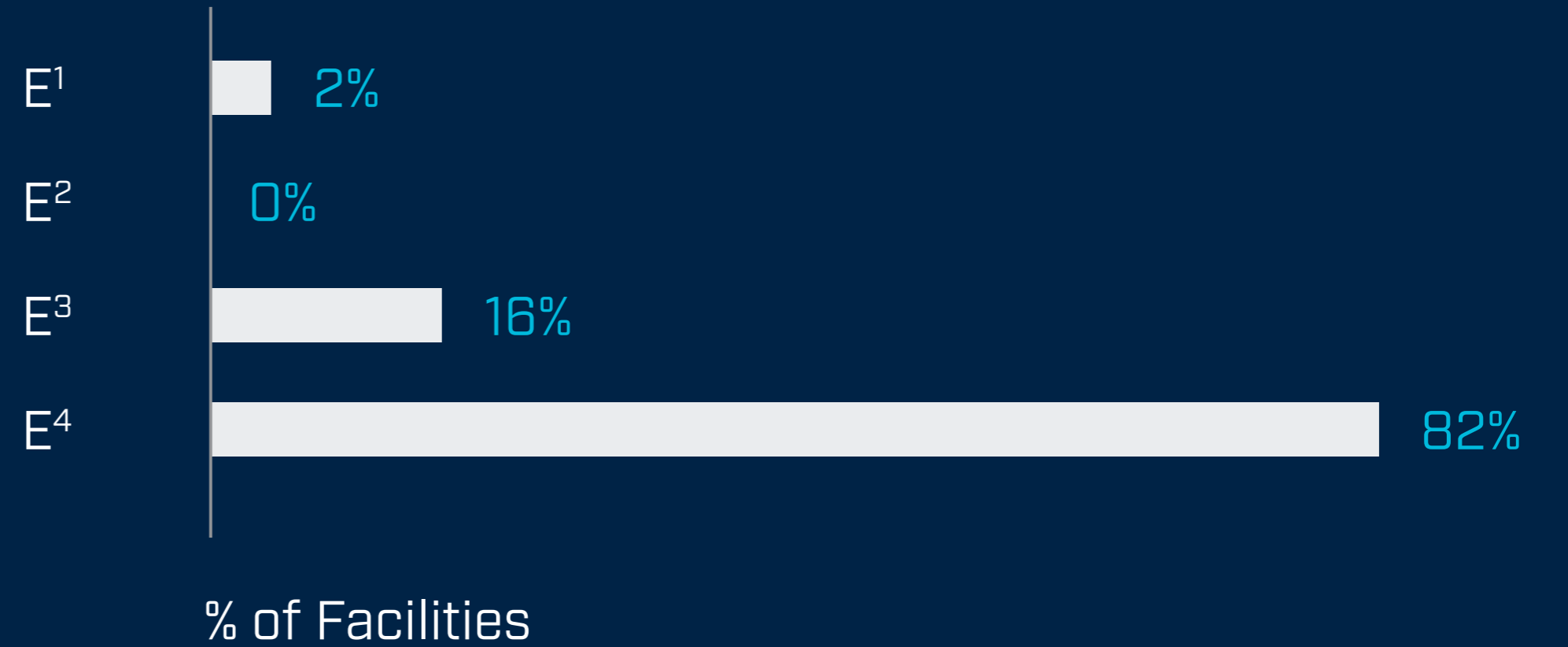
The E⁴ Operating System is organized around a four level rating scale. Achievement of progressively higher levels at each of our plants reflects the maturity and effectiveness of the system inside an AAM facility.

In 2023, we focused on advancing E⁴ standards throughout our operations. In our AAM legacy manufacturing facilities, 94% achieved Level 4, a significant increase from 19% in 2022, although not reaching our goal of 100%. For our former Tekfor facilities acquired in 2022, the operating system was integrated into these facilities during 2023, with 88% reaching Level 3. Our focus in 2024 will be to advance globally all AAM operations to our E⁴ standards.

In order to keep up with evolving requirements, the E⁴ Operating System underwent a significant revision in 2023, to be implemented in 2024. The revision added additional focus on water and waste management, and renewed focus on the systems that create an environmentally sustainable facility. Our goal is to achieve Level 4 under the new guidelines in 2024 at all manufacturing facilities.



E⁴ LEVEL ATTAINMENT



LEVEL 1

Foundational environmental management systems, leadership commitment, and Associate awareness are in place.

LEVEL 3

Facility utility systems are designed and maintained to optimize performance.

LEVEL 2

Corporate procedures are being followed, metrics are established, and data management systems are in place.

LEVEL 4

Performance metrics are being met and the facility is being innovative and proactive in continuous improvement activities.



E⁴ ADVISORY COUNCIL

Teams across the globe share best practices, challenges and opportunities.

Created in 2022, the E⁴ Advisory Council brings Green Team Champions globally and key corporate leads together throughout the year to encourage ownership and collaboration on environmental topics. Individual plant representatives share challenges and solutions which can offer ideas and alternatives to others facing similar issues. The forum also acts as a space for networking and connecting with key contacts at AAM facilities across the globe. As external EHS requirements continue to change, the E⁴ program evolves and provides an important feedback loop between corporate leads and our global locations. Some topics covered in 2023 included Continuous Improvement Process projects from each region, external reporting requirements, updates to internal strategies, and more.

ENVIRONMENTAL TRAINING

We continued to advance a culture of sustainability by strengthening Associate awareness of our corporate initiatives. The information was shared at each location to train Associates on how to play an active role in our sustainability efforts.

In 2023, AAM Associates spent a total of more than 36,000 hours on training of environmental topics including weekly touchpoints. Every week, an EHS training “touchpoint” is sent to the facility EHS representatives to share with their facility teams. Associate awareness is conducted through memos and visual displays. Topics covered in 2023 included environmental conservation, compliance regulations, and emergency preparedness.

Additionally in 2023, two EHS Conferences were held globally that included management and representation from our manufacturing facilities. Each conference included a local facility tour, helping to increase collaboration across locations, and generate new ideas. The agendas of the conferences included training on preparing for environmental audits, focus on improvements in data collection for waste systems, and discussion of read-across best practices.



EMISSIONS

SCOPE 1 AND 2

Our emissions reduction targets are in line with goals set by the international community to limit global temperature rise to 1.5°C. We have a goal of a 5% annual improvement for emissions intensity from a 2020 baseline. In 2022, our Tekfor acquisition increased the number of our global facilities and overall environmental footprint. Even with this expansion, in 2023 we were able to achieve both of our original emissions reduction and intensity targets. Our science-based emissions target for 2023 was 393,495 tCO₂e compared to an actual performance of 391,783 tCO₂e.

YEAR ⁽¹⁾	EMISSIONS tCO ₂ e	SALES \$MUSD	EMISSIONS INTENSITY tCO ₂ e/\$MUSD	% CHANGE	SCOPE 1 tCO ₂ e	SCOPE 2 tCO ₂ e
2020 BASELINE	462,935	4,711 ⁽²⁾	98	—	80,963	381,972
2021	475,782	5,157	92	6.1%	87,033	388,749
2022	437,116	5,802	75	18.5%	93,682	343,434
2023	391,783	6,080	64	14.7%	94,578	297,205

COMMITTED TO ACHIEVING NET-ZERO EMISSIONS BY **2040**

(1) The 2023 amounts in the table include Tekfor and non-manufacturing locations. Our 2022 amounts have been recast to reflect our Tekfor acquisition on June 1, 2022, and also our non-manufacturing locations. Amounts prior to 2022 reflect only our manufacturing locations.

(2) Our emissions baseline for 2020 was independently calculated with the help of a third-party expert and was used in our 2022 SBTi submission. We did not adjust for lost sales or activity due to COVID-19 in our SBTi submission.

SCOPE 3

Scope 3 is comprised of emissions from throughout our value chain, both upstream and downstream. AAM considers the following categories, following the GHG Protocol:

UPSTREAM

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

DOWNSTREAM

- Category 9 - Downstream transportation and distribution
- Category 11 - Use of sold products
- Category 12 - End-of-life treatment of sold products
- Category 15 - Investments

AAM has two primary contributors to our Scope 3 emissions - our purchased goods and services and our use of sold products. This has impacted our sustainable supplier strategy and initiatives within our sustainable product development. For more information, go to the Sourcing and Monitoring and Sustainable Product Development sections.



ENERGY

To achieve our emissions reductions targets for Scope 1 and 2, we focus on energy conservation and renewable energy, informed by our SBTi-approved targets. Our E⁴ program and energy management system cascade our goals into each individual location.

Our Energy Management System is certified by ISO 50001 at all qualified locations, giving credibility and a priority to our processes and systems. All AAM manufacturing facilities and select non-manufacturing facilities achieved or maintained ISO 50001 certification in 2023.

ISO 50001 is an International Standard which specifies requirements for establishing, implementing, maintaining and improving an Energy Management system. Its purpose is to enable an organization to follow a systematic approach in achieving continual improvement of energy performance, including energy efficiency, energy security, energy use and consumption.

YEAR ⁽¹⁾	ENERGY MMBTU	SALES \$MUSD	INTENSITY MMBTU/\$MUSD	% CHANGE
2020 BASELINE	5,560,553	5,954 ⁽²⁾	934	—
2021	5,122,186	5,157	993	(6.3)%
2022	5,638,824	5,802	972	2.1%
2023	5,727,780	6,080	942	3.1%

(1) The 2023 amounts in the table include Tekfor and non-manufacturing locations. Our 2022 amounts have been recast to reflect our Tekfor acquisition on June 1, 2022, and also our non-manufacturing locations. Amounts prior to 2022 reflect only our manufacturing locations.

(2) Our energy baseline is based on 2020 intensity levels and was adjusted to compensate for lost activity in our operations due to disruptions related to COVID-19.



FOCUS ON ENERGY REDUCTION

Simple solutions can lead to significant improvements.

Our Chakan Manufacturing Facility in India implemented a Continuous Improvement Process project in their parts washer process, which reduced energy (kWh/part consumption) by approximately 76%. The facility used a combination of improving the work methods, replacing high-energy electrical immersion heaters with low-cost heat pumps and using a different parts washer solution. The changes improved the tray loading process, which allows for more parts to be washed in the same amount of time and reduces set-up and unload times. The improved work method included using an interlocked system for washing pressure pumps and air blow motors, which reduced time needed for the process. The new parts washer solution used was not only a safe and effective alternative, but it also worked in ambient temperatures requiring no heat.



CARBON-FREE AND RENEWABLE ENERGY

Sourcing renewable or carbon-free energy through a combination of direct utility purchases (where available) and the purchase of renewable energy certificates (RECs) and Emission-Free Energy Credits (EFECs) is a foundational strategy in meeting our 2040 net-zero emissions goals. AAM carefully monitors renewable energy offerings in the regions where we operate and makes purchases commensurate with not only our renewable energy commitments, but also in alignment with our net-zero emissions targets.

To support our net-zero emissions goals, we have a goal of achieving 100% carbon-free and renewable energy from a global perspective by 2035. In 2023, approximately 44% of our energy was purchased directly from carbon-free and renewable sources or offset by the purchase of RECs.

In addition to our global goal, we have a goal in the U.S. to achieve 100% carbon-free and renewable energy by 2025. We exceeded our 2023 goal in the U.S. with 75% of our energy purchased directly from carbon-free and renewable sources or offset by the purchase of RECs and EFECs.

YEAR ⁽¹⁾	% RENEWABLE ⁽²⁾ GLOBAL
2021	19%
2022	32%
2023	44%

% RENEWABLE ⁽²⁾ IN THE U.S.					
Year ⁽¹⁾	2021	2022	2023	2024	2025
Plan	36%	40%	43%	57%	100%
Actual	34%	55%	75%	—	—

Committed to Sourcing 100% Renewable or Carbon-Free Energy in the U.S. by 2025, and Globally by 2035.

AS A RESULT OF OUR INVESTMENT IN CARBON-FREE AND RENEWABLE SOURCES, WE'VE AVOIDED AN INCREASING PERCENTAGE OF SCOPE 2 EMISSIONS.

% SCOPE 2 EMISSIONS ⁽³⁾ AVOIDANCE IN THE U.S.			
Year ⁽¹⁾	2021	2022	2023
Emissions Avoidance	29%	53%	70%

(1) The 2023 amounts in the table include Tekfor and non-manufacturing locations. Our 2022 amounts have been recast to reflect our Tekfor acquisition on June 1, 2022, and also our non-manufacturing locations. Amounts prior to 2022 reflect only our manufacturing locations.

(2) The sourcing of renewable or carbon-free energy through a combination of direct utility purchases (where available) and the purchase of renewable energy certificates (RECs), presented in a percentage of MWh.

(3) Scope 2 Emissions Avoidance is presented as a percentage of tons of CO₂e.



WATER MANAGEMENT

AAM has corporate environmental procedures under our ISO 14001 environmental management system that are used to manage the risk of water pollutants. They include identification of environmental aspects and risk ratings for all activities and services at each facility. These ratings are reviewed during the annual environmental compliance audits conducted at each facility and ISO 14001 audits. The environmental compliance audit has comprehensive questions that cover water pollutants and controls used to manage or eliminate water risks. Procedures require plants to follow corporate compliance requirements (and where stricter, all local and governmental standards).

AAM's water targets focus on zero incidents of water scarcity or water contamination in the watersheds in which we operate. There were no incidents of compliance breaches in any area, and we continue to attain our annual goals of zero incidents of water quality or scarcity issues.

AAM recognizes access to safe water to our associates and in our communities as a basic human right. We are committed to providing and maintaining a safe and healthy workplace, including safe drinking water and sanitation. Facilities are inspected regularly to ensure water, sanitation and hygiene services are fully functional and meet requirements.

Water scarcity is a global issue with potential to impact our production and the communities we support. Starting in 2023, we expanded monitoring to include non-manufacturing locations and fully integrated the former Tekfor facilities into our water management strategy. As part of the strategy, AAM utilizes the WRI Aqueduct tool for an annual analysis of all manufacturing facilities. Across our global enterprise, 28 of our facilities, representing 43% of our manufacturing locations, are considered to be currently exposed to potentially high water risks. They collectively withdraw 45% of AAM's total water withdrawals. As a result, AAM continues to pursue a robust sustainable water strategy.

YEAR	WITHDRAWAL ML	SALES \$MUSD	WATER INTENSITY ML/\$MUSD
2023	1,724	6,080	0.28



ADVANCING WATER MANAGEMENT

AAM continues to invest in water-efficient systems and continuous improvement.

Our Bluffton Manufacturing Facility in the U.S. requires washers for each of their machining processes to clean, deburr and apply rust preventative to the finished parts. Each of the washers requires approximately 1,500 gallons of water that is pretreated through a reverse osmosis system and needs to be cleaned out every two to four weeks. An ultrafiltration system was installed in 2023 that cycles the washer water and reduces the reverse osmosis water usage by approximately 450,000 gallons annually. The new system also reduces:

- rust preventative fluid usage by over 70%
- natural gas usage by approximately 60%
- overtime labor costs by approximately 90%

Along with providing more consistent washer water cleanliness, the project paid for itself in less than ten months.

WASTE MANAGEMENT

AAM’s goal is for all manufacturing facilities to achieve Zero Waste-to-Landfill (ZWTL) by 2035. Waste streams are evaluated and managed at the individual location level, ensuring that the local legal requirements for the transport and disposal of waste are complied with. Facilities measure their waste generation and diversion rates, and the information is consolidated to understand AAM as a whole. AAM models the values of the United States Environmental Protection Agency’s waste management hierarchy - looking first to reduction, second to recycling, third to recovery, and finally to treatment and disposal. AAM leverages the E⁴ environmental operating system to keep focus on the management system and continuous improvement.

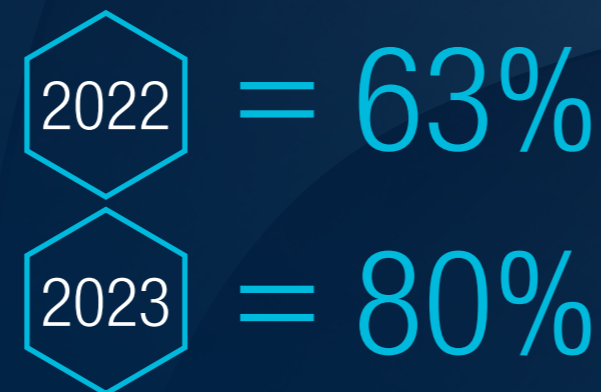
In 2023, AAM generated approximately 304,000 tons of waste. Of this waste, 84% was diverted from landfill. In 2023, facilities that are not yet meeting the ZWTL target conducted analysis of their waste streams and developed action plans and glide paths. Analysis of the waste streams shows AAM has four primary waste streams- scrap metals, hazardous waste, non-hazardous solid waste landfill, and other non-hazardous recycling. Recycled and reused scrap metal composes 83% of our recycling.

As our largest waste stream is in recycling, scrap metal is managed by corporate contracts with national and local scrap recycling firms at our manufacturing facilities. These companies provide scrap containers and reports on quantities, types of scrap and how each scrap load is recycled.

Reducing hazardous waste is a strategy within the waste management hierarchy. Hazardous waste accounts for approximately 3% of total waste from our facilities. AAM continues to find ways to replace hazardous materials where possible.

WASTE MANAGEMENT	2023
Solid waste generated total (ton)	304,368
Non-hazardous waste recycling (ton)	44,510
Recycled or reused scrap metal (ton)	210,024
Solid waste sent to landfill (ton)	49,834
% of Solid waste diversion	84%

PROGRESS TO ZERO WASTE-TO-LANDFILL IN OUR MANUFACTURING FACILITIES⁽¹⁾



(1) The 2023 amount includes Tekfor. The 2022 amount has been recast to reflect our Tekfor acquisition on June 1, 2022.



MINIMIZING WASTE AND COST

We focus on solutions that are better for the environment and for AAM.

Our Oxford Forge Manufacturing Facility in the U.S. implemented an oil-skimming process that recycles oil instead of sending it off-site for waste treatment. This simple belt-driven oil skimmer uses a centrifuge approach and separates oil from the water-oil mixture that is used to clean and cool parts. The oil that remains meets automotive manufacturing quality standards for direct reuse. In addition, there is approximately a 70% cost savings compared to using new oil.



SOCIAL

In 2023, AAM...

- Expanded DEI Steering Committee Structure to include regions and countries
- Completed 16 labor negotiations globally without disruption to operations
- Achieved 22,000+ consolidated days without a recordable safety incident



At AAM, our success relies on the commitment, engagement, energy and passion of our Associates. We foster our success by creating an environment that is safe, positive and welcoming, where every Associate can bring their whole selves to work and thrive. To continue building a strong, resilient organization, AAM is focused on attracting, developing, engaging and retaining the sharpest, most creative minds in the industry.

We also realize that respect for human rights goes beyond the walls of our facilities. AAM is committed to respecting the universal human rights of individuals throughout our operations and the communities where we operate.

HEALTH AND SAFETY

Creating and maintaining a physically and psychologically safe environment for Associates, suppliers and contractors is a top responsibility for every AAM facility. Our [Safety Policy](#) creates the foundation of our approach, supported by procedures and our management structure.

Our behavior-based approach to safety focuses on performance through internal reviews and audits, sharing of best practices, and attention to our key performance indicators. This supports our journey as we strive for zero injuries at all our facilities.

MANAGEMENT STRUCTURE AND COMPLIANCE

A strong safety program begins with the right organizational structure. To ensure our priorities are shared across the company, every AAM facility has safety leadership in place. These leaders assist with the implementation of safety policies and ensure that all Associates are aware of their role in creating a culture of safety. The Vice President of Safety reports directly to the President and Chief Operating Officer (COO), allowing for direct communication, engagement and accountability. The President and COO, the business unit leaders and plant leadership receive daily and weekly injury updates, along with safety program status indicators. The CEO receives significant injury information directly, while the Board of Directors reviews safety data on a quarterly basis.

Regional Environmental, Health and Safety (EHS) managers are charged with making sure all AAM safety programs are properly integrated and aligned with corporate policies, and assist with incidents and investigations. Together, Regional EHS managers and facility leads identify gaps and corrective actions. Solutions are shared on a weekly basis, along with identifying best practices. In addition, AAM management receives weekly performance summaries.

As a part of the local facility management structure, EHS facility leads are tasked with acting on behalf of AAM, specifically regarding the adherence to established safe work practices, procedures and training requirements. The local leads investigate incidents and conduct internal safety audits. Findings are tracked and analyzed to identify root cause and implement corrective actions.





S⁴ SAFETY OPERATING SYSTEM

The S⁴ Safety Operating System is an integral part of the AAM Operating System. S⁴ is designed to deliver operational excellence by leveraging our global standards, policies and best practices across all disciplines. It POWERS our safety culture, and ensures that proper procedures and improvement strategies are in place.

S⁴ provides a structured, data-driven approach toward continuous improvement and encourages proactive practices. To ensure that S⁴ performance targets are being met, we perform a semiannual corporate assessment that gauges each plant's adherence to AAM's and industry standards.

Global EHS conferences were held in the U.S. and Europe where EHS facility leaders participated in interactive injury investigation problem solving and root cause analysis exercises. The participants also reviewed occupational health and safety compliance standards, data trends, and had open discussion on ideas, activities and strategies to improve our safety program.

In the U.S., our safety suppliers provided information to our AAM EHS team on ways to improve safety compliance. The team also reviewed new safety products regarding fall protection, lockout tagout and compressed air wands. The discussions were followed by hands-on demonstrations to assist AAM in our journey to zero injuries.

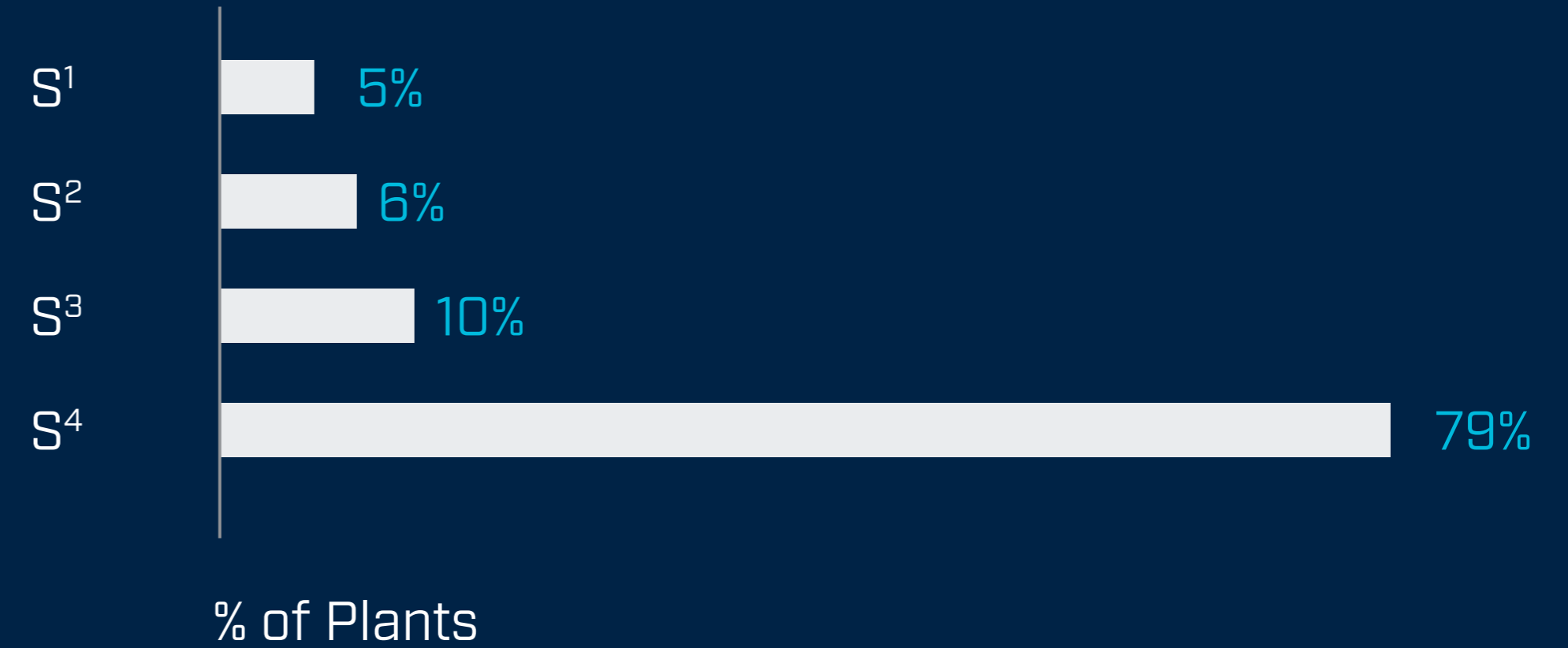
In 2023, many AAM facilities achieved safety milestones. From an overall perspective, AAM has achieved more than 22,000 consolidated days without recordable injuries across our global locations.

AAM S⁴ LEVEL VS. TOTAL RECORDABLE INCIDENT RATE (TRIR)

Proactive safety management is the ultimate goal of the S⁴ Operating System. Plants that achieve a Level 4 rating show a maturity in their systems and culture with a bias toward high levels of auditing and hazard elimination. The result is a direct correlation between the S⁴ level and the number of incidents experienced in each facility. The higher the S⁴ level, the fewer injuries those facilities experience. For 2023, facilities at a Level 3 had a TRIR of 1.1, facilities at a Level 4 had a TRIR of 0.6.



S⁴ LEVEL ATTAINMENT



~113,000 HOURS OF SAFETY TRAINING COMPLETED IN 2023

- Emergency Response and Evacuation
- Hearing Conservation and Testing
- Injury Investigation Training
- Electrical Safety
- Vehicle Safety
- Chemical Review

LEVEL 1

Safety system is largely reactive, focused on compliance without any real culture of safety engrained in management or the facility's Associates.

LEVEL 2

Management is committed to safety, but systems, policies and procedures are not mature. Training and specific expectations are emphasized, but performance is not manifesting in sustained metrics.

LEVEL 3

Safety culture within management and all Associates is taking hold. Performance in lagging indicators are trending positively. Individual Associates are trained, knowledgeable and are personally committed to safety.

LEVEL 4

Safety system is fully implemented and mature, resulting in positive and sustainable lagging and leading indicators. Facility safety culture is fully manifesting in proactive and interdependent behaviors to eliminate hazards, promote organizational pride and care for others.



SAFETY PERFORMANCE METRICS

Safety at AAM is a top priority and is reinforced by our Associate-led proactive culture. Various safety metrics can play a vital role in preventing injuries and illnesses. Leading indicators can also shed light on the effectiveness of safety and health activities. We aim to ensure every person at our facilities is safe. In 2023, we had zero fatalities.

YEAR	2021	2022 ⁽¹⁾	2023 ⁽²⁾
Total Recordable Incident Rate (TRIR)	0.90	0.95	0.85
Frequency Rate	0.32	0.36	0.42
Severity Rate	16.18	11.43	15.41

Total Recordable Incident Rate (TRIR) is a safety metric used to quantify the number of work-related injuries and illnesses within a given time period. TRIR takes into account both minor incidents that require medical treatment and more severe incidents resulting in lost workdays or restricted duties.

Frequency Rate is a safety metric that quantifies the number of workplace incidents relative to the total number of hours worked. This metric provides insight into how often accidents occur in a specific workplace.

Severity Rate is a safety metric that reflects the magnitude of workplace incidents. It takes into account the number of days lost due to injuries or illnesses and relates it to the total number of hours worked.

(1) Starting in 2022, consolidated results include legacy AAM facilities and former Tekfor facilities (June - December).

(2) 2023 Near Miss Frequency Rate is 2.43.



RESPECT FOR HUMAN RIGHTS

Our policies and programs related to human rights show our ongoing commitment to defending the dignity of our Associates, communities and supply chain throughout our global operations.

In 2023, we enhanced our [Human Rights Policy](#), continuing to embrace the United Nations Guiding Principles on Business and Human Rights, International Bill of Human Rights, and the International Labour Organization’s Declaration on Fundamental Principles and Rights at Work.

RIGHTS OF MINORITIES AND INDIGENOUS PEOPLES

AAM respects the rights of local communities to have decent living conditions, education, employment, social activities and the lands on which they live, with consideration for the presence of vulnerable groups.

DIVERSITY AND INCLUSION, HARASSMENT AND DISCRIMINATION

AAM values and advances the diversity and inclusion of our Associates. We are committed to providing a work environment that is free from all discrimination or harassment, including that based on age, race, color, sex, religion, marital status, sexual orientation, genetic history or information, gender identity or expression, disability, protected veteran status, national origin, or other characteristic protected by law. We are committed to the protection of women’s rights and providing equal opportunities for all Associates. We do not tolerate disrespectful or inappropriate behavior, unfair treatment or retaliation of any kind.

WORKPLACE SECURITY

The safety and protection of our Associates is our greatest concern. AAM has taken steps to help prevent incidents of violence from occurring in the workplace. Prompt and remedial action will be taken against anyone who engages in any inappropriate and/or unlawful act or behavior.

WORK HOURS, WAGES AND BENEFITS

The work hours, wages and benefits of our Associates are comparable with those paid and offered by other employers in our industry, and in accordance with applicable collective bargaining agreements. AAM monitors these matters throughout the industry and complies with applicable laws.

LAND RIGHTS AND FORCED EVICTION

AAM avoids forced eviction and the deprivation of land, forests and waters in the acquisition, development or other use of land, forests and waters.

FORCED LABOR AND HUMAN TRAFFICKING

AAM prohibits the use of all forms of forced labor, including prison labor, indentured labor, bonded labor, military labor, modern forms of slavery and any form of human trafficking.

MONITORING AND REPORTING

AAM maintains several mechanisms for reporting potential issues and suspected violations. These include a toll-free business ethics hotline operated by an independent third party, which provides Associates, suppliers, contractors or others with a 24/7, confidential means to report any incidents or concerns by phone or our web-based reporting system. Should we become aware of violations among our Associates, supply base or other business partners, we will take appropriate action. We maintain strong anti-retaliation policies that prohibit retaliation against any individual who, in good faith, reports a suspected violation.

COMMUNITY AND STAKEHOLDER ENGAGEMENT

AAM respects the cultures and traditions of indigenous people in each country where we operate. We act with integrity and in good faith to gain the trust and support of the communities where we operate. We look to partner with companies and organizations that share our values and position on human rights.

HEALTH AND SAFETY IN THE WORKPLACE

The health and safety of our Associates is of paramount importance. AAM is committed to providing and maintaining a safe and healthy workplace, including safe drinking water and sanitation, that complies with applicable health and safety laws and regulations. We encourage Associates to raise any health or safety workplace concerns with management, fostering a climate of openness, responsiveness to, and remediation of health and safety issues.

CHILD LABOR

AAM prohibits the employment of children where the age of employment is not in accordance with applicable laws.



AAAM

LABOR RELATIONS

We respect our Associates' rights to collective bargaining and freedom of association. None of our decisions or operations limit or condition these rights of our Associates. Our [Human Rights Policy](#) states that we respect our Associates' right to join, form or not to join a labor union without fear of reprisal, intimidation or harassment. Where Associates are represented by a legally recognized union, we are committed to bargaining in good faith with their union representatives.

We go beyond a bargaining relationship with the Unions and Works Councils with whom we interact. Through the creation of local committees, we partner with the local representations to jointly look after and improve upon our Associates' safety conditions, and training programs amongst others.

10,582

HOURLY ASSOCIATES WITH UNION AFFILIATION

58%

TOTAL ASSOCIATES WITH UNION AFFILIATION

42

UNIONIZED FACILITIES

12

EUROPEAN WORKS COUNCILS

20

LABOR UNIONS

16 LABOR CONTRACT NEGOTIATIONS SUCCESSFULLY COMPLETED WITHOUT DISRUPTION TO OPERATIONS



MUTUAL RESPECT

Our Mutual Respect Statement emphasizes AAM's commitment to positive, collaborative relationships, and encourages constructive dialogue while maintaining a safe environment. It recognizes the value of others and the importance of treating one another with dignity.

The AAM Mutual Respect Statement has continued to be positioned as a priority in our daily activities, setting the tone at the beginning of meetings with our internal and external stakeholders. Its impact has expanded beyond meetings, gaining presence and relevance in our daily operations, with messaging integrated into our floor operation boards at some facilities. We are convinced that this ongoing focus helps create a more positive and productive environment for our Associates, customers and suppliers.

Our Mutual Respect Statement has been translated for all global Associates and forms the cornerstone of AAM's commitment to our diverse workforce.



AAM ၏ အပတ်အလုပ်လေးစားမှု ဆိုင်ရာ ထုတ်ပြန်ချက်

AAM တွင် ကျွန်ုပ်တို့သည် ကျွန်ုပ်တို့၏အသင်းသားများ၊ အခြားအဖွဲ့ဝင် သက်ဆိုင်သူများနှင့် အပြိုင်တစ်ဆင့်အတူ ပူးပေါင်းဆောင်ရွက်သော ဆက်ဆံရေးများရှိခြင်းကို တန်ဖိုးထားပါသည်။ #TeamAAM ၏အဖွဲ့ဝင်များအနေဖြင့် သင်းကင်းသော လေးစားမှုရှိသော၊ နှင်းထွေးပျဉ်းသော ပတ်ဝန်းကျင်ကို သဘောပေါက်စေရန် တစ်ဖွဲ့တည်းသောအကူပြုချက်များကို နားထောင်ပေးကာ တန်ဖိုးထားပေးရန် တာဝန်ရှိပါသည်။

PROHLÁŠENÍ SPOLEČNOSTI AAM O VZÁJEMNÉ ÚCTĚ

V AAM si vážíme pozitivních vztahů založených na vzájemné úctě mezi členy týmu i dalšími zainteresovanými stranami. Každý člen týmu AAM má povinnost utvářet bezpečné a přívětivé prostředí založené na respektu, kde je každý jedinečný hlas vyslyšen a oceňován.

MUTUAL RESPECT STATEMENT

At AAM, we value positive and collaborative relationships with our teammates and other key stakeholders. Each member of #TeamAAM is responsible for ensuring a safe, respectful and welcoming environment where every unique voice is heard and valued.

DÉCLARATION DE RESPECT MUTUEL D'AAM

Chez AAM, nous apprécions les relations positives et coopératives avec nos collègues et autres intervenants clés. Chaque membre de la #TeamAAM a la responsabilité de garantir un environnement sûr, respectueux et accueillant où chaque voix unique est entendue et valorisée.

AAM “相互尊重”声明

在 AAM，我们重视与团队成员和其他关键利益相关者建立积极的协作关系。#TeamAAM 的每位成员都有责任共建一个安全无忧、相互尊重和友好舒适的环境，让每个独特的声音都得到倾听和重视。

DECLARACIÓ DE RESPECTE MUTU D'AAM

A.AAM, valorem les relacions positives i col·laboratives amb els nostres companys d'equip i altres grups d'interès clau. Cada membre de #TeamAAM és responsable de garantir un entorn segur, respectuós i acollidor, en el qual s'escoltin i es valorin totes les veus.

ERKLÄRUNG VON AAM ZU GEGENSEITIGEM RESPEKT

Bei AAM legen wir Wert auf ein positives und kollaboratives Miteinander unserer Kolleg:innen und Stakeholder:innen. Jede Person im #TeamAAM ist dafür verantwortlich, eine sichere, respektvolle und offene Umgebung zu schaffen, in der jede individuelle Stimme gehört und geschätzt wird.

AAM का पारस्परिक सम्मान वक्तव्य

'AAM में, हम अपने साथियों और अन्य प्रमुख हतिधारकों के साथ सकारात्मक और सहयोगी संबंधों को महत्व देते हैं। #TeamAAM का प्रत्येक सदस्य एक सुरक्षित, सम्मानजनक और स्वागत योग्य वातावरण सुनिश्चित करने के लिए ज़िम्मेदार है जहाँ हर अन्दी आवाज़ को सुना और सराहा जाता है।

AAM COV NQE LUS QHIA KEV SIB HWM

Nyob rau ntawm AAM, peb saib txoj kev sib raug zoo thiab kev sib koom tes ua qhov tseem caeb nrog peb cov npoj yaig thiab lwv tus neeg muaj feem cuam tshuam. Txhua tus tswv cuab ntawm #TeamAAM ua lub luag haujlwm los ua kom muaj xwm ib puag ncig muaj kev nyab xeeb, muaj kev sib hwm thiab txais tos uas txhua lub suab ishwi xeeb raug hnov thiab muaj nuj nqis.

AAMの相互尊重声明

AAMではチームメートやその他の主要利害関係者との前向きで協力的な関係を大事にしています。#チームAAMの各メンバーは、個々の意見をすべて聞き大切に、安全で礼儀正しく心地よい環境を確保する責任があります。

AAM 상호 존중 선언문

AAM의 임직원인 우리는 팀원 및 기타 주요 이해 관계자와의 긍정적이고 협력적인 관계를 중요하게 생각합니다. #TeamAAM은 각 구성원의 의견을 경청하고 가치 있게 여기며 안전하고 서로 존중하며 환영하는 환경을 보장할 책임이 있습니다.

AAM' चे परस्पर आदराचे वधिन

AAM मध्ये, आम्ही आमच्या टीममेट आणि इतर प्रमुख भागधारकांसोबत सकारात्मक आणि सहयोगी नातेसंबंधांना महत्त्व देतो. #TeamAAM चा प्रत्येक सदस्य सुरक्षित, आदरणीय आणि स्वागतार्ह वातावरणाची खात्री करण्यासाठी जबाबदार आहे जिथे प्रत्येक वेगळा आवाज ऐकला जातो आणि त्याला मोल दिले जाते.

OŚWIADCZENIE O WZAJEMNYM SZACUNKU W AAM

W AAM cenimy sobie pozytywne i oparte na współpracy relacje z pracownikami i innymi kluczowymi partnerami. Każdy członek #TeamAAM ma obowiązek zapewnić bezpieczne, oparte na szacunku i przyjazne środowisko pracy, w którym głos każdego pracownika będzie wysłuchany i doceniony.

DECLARAÇÃO DE RESPEITO MÚTUO DA AAM

Na AAM, valorizamos relacionamentos positivos e colaborativos com nossos colegas de equipe e outras partes interessadas importantes. Cada membro da #TeamAAM é responsável por garantir um ambiente seguro, respeitoso e acolhedor, onde cada voz única é ouvida e valorizada.

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DECLARA IA PRIVIND RESPECTUL RECIPROC

La AAM, apreciem relațiile pozitive și de colaborare cu colegii noștri de echipă și cu alte părți interesate importante. Fiecare membru al #TeamAAM este responsabil pentru asigurarea unui mediu sigur, respectuos și primitor, în care fiecare voce unică este ascultată și prețuită.

DECLARACIÓN DE RESPETO MUTUO DE AAM

En AAM, valoramos las relaciones positivas y de colaboración con nuestros compañeros de equipo y otros grupos de interés clave. Cada miembro del #TeamAAM es responsable de garantizar un entorno seguro, respetuoso y agradable donde cada voz única es escuchada y valorada.

AAM-ன் பரஸ்பர மரியாதை அறிக்கை

AAM-ல், எங்கள் குழுவின் மற்றும் பிற முக்கிய பங்குதாரர்கள் உடனான ஆக்கபூர்வமான மற்றும் ஒரங்கு கிணத்தை உறுவகளை நாள்கள் மதிக்கிறோம். ஒவ்வொருவரின் தனிப்பட்ட கருத்தும் கடைபிடிக்கும் மற்றும் அதற்கு மதிப்பளிக்கப்படும் வகையிலான, ஒரு பாதுகாப்பான, மரியாதைக் காரிய மற்றும் வரவறை கும்பட்டியான சமூக உறுதி செய்வதற்கு #TeamAAM-ன் ஒவ்வொரு உறுப்பினரும் பொறுப்புள்ளது.

คำประกาศว่าด้วยการเคารพซึ่งกันและกันของ AAM

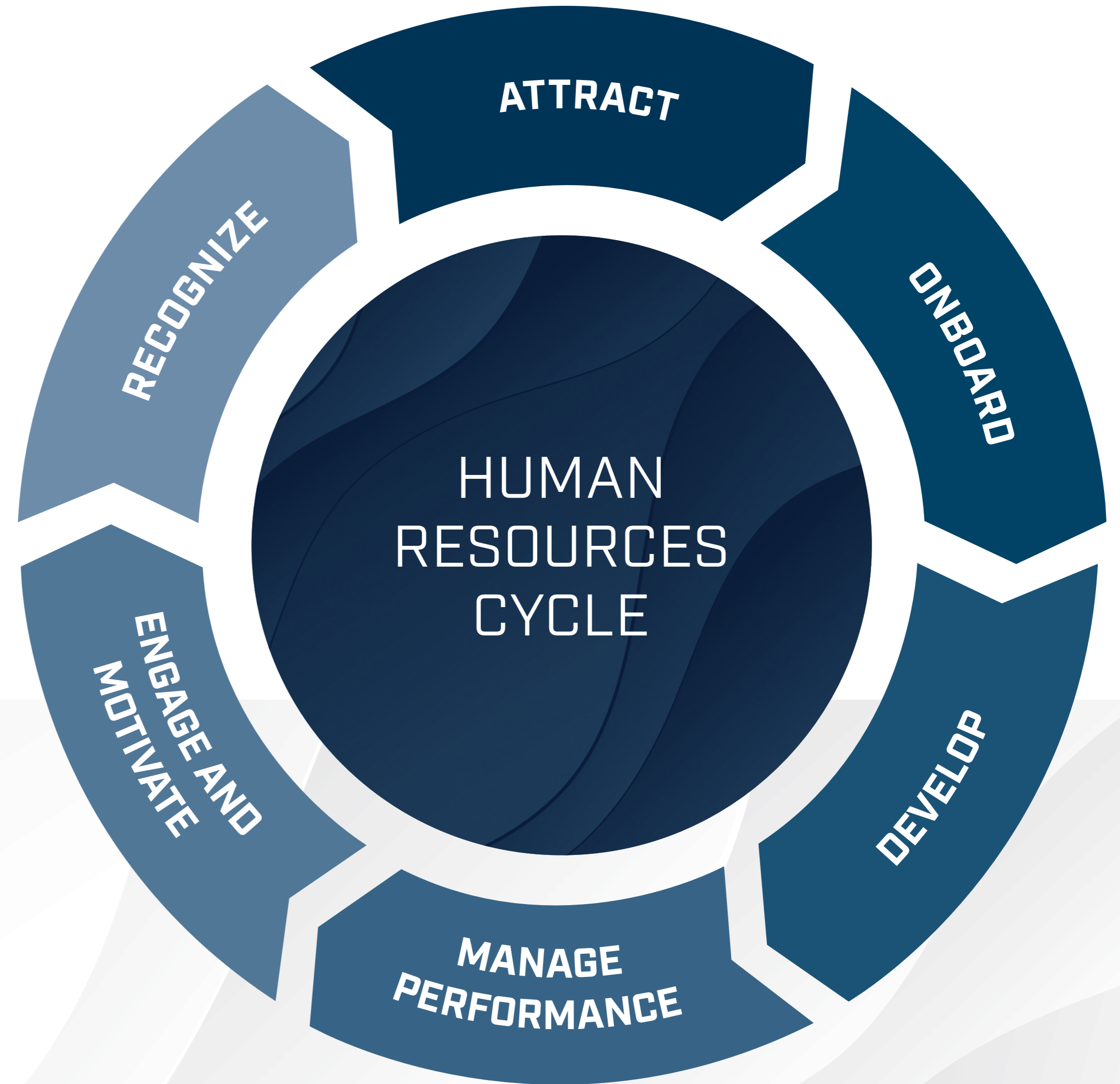
#TeamAAM ของเราให้ความสำคัญกับความสัมพันธ์เชิงบวกและการทำงานร่วมกันกับเพื่อนร่วมทีมและผู้มีส่วนเกี่ยวข้องหลักอื่นๆ สมาชิกแต่ละคนของ #TeamAAM มีหน้าที่รับผิดชอบในการสร้างความเป็นไปในสภาพแวดล้อมที่ปลอดภัย ให้เกียรติ และเคารพซึ่งกันและกัน โดยที่ทุกเสียงที่มีเอกลักษณ์จะได้รับฟังและให้ความสำคัญ

ORGANIZATIONAL CULTURE

AAM's progress and achievements rely on the valuable experience, skills and knowledge of our Associates. We are driven by a culture of quality, operational excellence and technology leadership, and are determined to provide our Associates with meaningful opportunities throughout their career – from onboarding to retirement.

MANAGEMENT STRUCTURE

At AAM, our Human Resources responsibilities are managed by the Senior Vice President of Human Resources and Sustainability, who reports directly to the CEO. The HR organization provides guidance and support across a variety of areas such as Talent Management, Diversity Equity and Inclusion (DEI), Labor Relations, Compliance, Security, Benefits and Compensation, and Human Resources Information Systems. Along with the Corporate HR Associates who manage global programs and processes, regional HR teams are responsible for supporting daily operations, along with local requirements and processes such as monitoring compliance with applicable labor regulations. Every AAM location has an HR professional who works with the facility staff to drive accountability in our processes and systems.





TALENT ATTRACTION AND RETENTION

The attraction and retention of our Associates is a critical aspect of our growth and success. When we participate in career fairs and other recruiting events, we have the mindset of bringing on board long-term talent to grow in their careers. To achieve this, we understand there needs to be the right strategy in place to develop and engage our Associates.

Associates' experiences begin with an onboarding plan that immerses our Associates in the AAM environment, provides the necessary training, builds their internal network and aligns individuals' goals to those of our Company. Along with providing training that starts on their first day, newly hired Salaried Associates are partnered with a buddy to assist with the cultural and operational connection between the new Associates and our Company.

~100
LUNCH WITH LEADERS
SESSIONS

490+
SKIP LEVELS
MEETINGS

FEEDBACK AND ENGAGEMENT

We understand the impact that open communication with our Associates can have on our culture. That is why we promote feedback through a variety of channels. This approach helps create opportunities for our Associates to bring forth questions, ideas, concerns, or simply learn more about fellow Associates and leaders, our Company and strategy.

We know that successful engagement and feedback are not once-a-year initiatives. We proactively connect with our Associates through programs such as our Lunch with Leaders and our expanded Skip Level Meetings. These small group and one-on-one opportunities provide Associates a chance to share their thoughts and experiences with others outside of their day-to-day interactions. The engagements also allow Associates to learn what is happening within the company or across departments – from positive and challenging perspectives. These meetings are also helpful because they allow for open communication between Associates and senior management.

Based on the results from our 2022 Global Engagement Survey, we launched a confidential 2023 Global Pulse Survey to understand any changes in our Associates' satisfaction with their work environment, potential for growth and development, inclusivity and engagement. The results indicated high satisfaction scores in line with 2022, with a 3.8 average on a 5-point scale. We are pleased that both Hourly and Salaried Associates provided their valuable input, with a participation rate of more than 65% of our global workforce.

To ensure all Associates are informed, we shared the results at company-wide town hall meetings led by our senior management. We are committed to continue implementing the initiatives and action plans developed at all locations and plan to conduct another Global Engagement Survey in 2024.

ASSOCIATE RECOGNITION

We recognize the commitment of our Associates to AAM's success. To celebrate and acknowledge their contributions, we have implemented both formal and informal recognition programs. Some programs are connected to specific milestones or contributions such as years of service and significant project completion. In addition, we encourage informal ways of recognizing each other such as in-person appreciation, sending thank-you cards or using our #TeamAAM Shout Out process. The Shout Out program on our intranet provides Associates the flexibility to submit recognition for fellow colleagues around the world that excel in their roles and go above and beyond. It is a way to acknowledge their hard work, dedication and accomplishments in a fun and interactive way.

Along with individual recognition, we hosted several Associate appreciation events globally. Some events included the Associates' families, as we value the support of those connected with our Associates.



FAMILY DAY AT THE ZOO

Associates from our Detroit campus and facilities were invited to bring family and friends for a night of fun and exploration at the zoo.



RECOGNIZING FEMALE ASSOCIATES

During the month of March, events in Araucaria, Brazil were hosted to recognize and celebrate female Associates, including a focus on their emotional and physical wellbeing.



WATER PARK FAMILY CELEBRATION

As an appreciation of our Associates and their families in Guanajuato, Mexico, an annual picnic and celebration was held at a local waterpark.



CHAIRMAN'S AWARD

The Chairman's Award recognizes Associates who have continuously demonstrated the highest level of leadership dedication and commitment.



SENIORITY RECOGNITION

Associates from our plant in El Carmen, Mexico, were recognized for their seniority with AAM.



SUPPORTING SAFETY

Associates at our Minerva Manufacturing Facility in the U.S. were recognized for completing activities and providing suggestions during Safety Week.

BENEFITS AND MORE

LEVEL UP

360
Partnering for Success

POWER UP

#TeamAAM

AAM360

AAM360 is a comprehensive program designed to support our Associates' experience and reinforce AAM's talent strategy. Its four components provide the tools and resources for our Associates to develop both personally and professionally:

- **Benefits and More:** includes compensation and a variety of AAM-sponsored benefits, such as healthcare, dental, life insurance, etc.
- **POWER Up:** encompasses health and wellness programs
- **LEVEL Up:** focuses on development and learning activities
- **#TeamAAM:** involves opportunities for community engagement and team building






BENEFITS AND COMPENSATION

We understand that a key element of our strategy to attracting, retaining and developing our Associates has to do with our compensation and benefit plans. We value our Associates' daily contributions, and we are committed to ensure our programs are competitive in order to support our business needs and to align with our stakeholders' interests.

To support our Associates across the globe, we offer a variety of benefits depending on their geographic location, with the goal to be competitive in all our local markets. An annual compensation and benefits review against industry peers continues to be a priority in our strategy. We perform this initiative at each location through local or regional market data to ensure alignment or make adjustments to address gaps where needed.

IN 2023:

- Harmonized the compensation structure and programs for our expanded operations with the Tekfor group, aligned with AAM.
- Established a Lifestyle Account in the U.S. which provides an incentive for our Associates to use toward qualifying expenses, such as health-oriented memberships, financial and estate planning and home office equipment upgrades.
- Launched a pay for knowledge program at our Halifax Manufacturing Facility in England.
- Partnered with Progyny, a leading fertility assistance company, to provide family building benefits.



WELLBEING

The overall wellbeing of our Associates is a top priority across the globe. AAM offers comprehensive benefits that encompass a broad range of support which cover four pillars of wellbeing: physical, emotional, financial and social. As part of our POWER Up program, the four pillars center on areas that contribute to a safe, healthy and enjoyable lifestyle. Each year, AAM reviews its benefits program globally to ensure all Associates get the support they need for overall wellness in these areas.

PHYSICAL WELLBEING:

To "thrive" physically means to understand and manage one's health, navigating through and recovering from an illness or injury and taking appropriate preventative actions.

AAM PROGRAMS THAT SUPPORT PHYSICAL WELLBEING:

- Annual Physicals
- Preventative Screenings/Immunizations
- Livongo Diabetes Prevention and Management
- Livongo for Hypertension
- Tobacco Coaching
- Hinge Health (for joint pain)
- Progyny Fertility Benefits

EMOTIONAL WELLBEING:

Being emotionally "balanced" means being self-aware, maintaining good mental health, being resilient, coping with emotional triggers and dealing with life crisis.

AAM PROGRAMS THAT SUPPORT EMOTIONAL WELLBEING:

- Employee Assistance Program (EAP)
- Behavioral Health Network (in-person, virtual/digital)
- Stress Management and Meditation Programs
- Parental Leave Policy

FINANCIAL WELLBEING:

Achieving the state of being financially "secure" means having the financial ability to manage commitments, protect against risks, save for contingencies or future needs and cope with financial shock.

AAM PROGRAMS THAT SUPPORT FINANCIAL WELLBEING:

- Retirement Readiness
- Debt Management
- Financial Education and Planning
- Lifestyle Account

SOCIAL WELLBEING:

Being "connected" is interacting well with others by accepting diversity, being inclusive, knowing how to collaborate with others, successfully resolving conflicts and adapting to change.

AAM PROGRAMS THAT SUPPORT SOCIAL WELLBEING:

- Corporate and Social Responsibility
- Community Service
- Associate Resource Groups



CAREER AND DEVELOPMENT

The engagement and development of our Associates prepares and empowers them for current and future challenges. Through our LEVEL Up program, we are committed to a culture of learning and growth and assisting our Associates to reach their full potential, regardless of what stage of their career they are at. For example:

- For newly hired and new assignment positions, the supervisor and Associate jointly identify areas for development based on key elements of the job.
- As new technology affects an Associate’s job responsibilities, learning and development opportunities are identified by the supervisor and recommendations are made by the Talent Management team regarding related learning initiatives.
- Leadership development programs are discussed between the supervisor and Talent Management to support the progression of our Associates.
- To help our Associates identify their own areas of growth, in 2023, every Salaried Associate worked on a Personalized Development Plan.

As a part of AAM’s ongoing development planning, assessment and evaluation procedures, we use a four-level process to determine the quality of learning offerings and the effectiveness of the training:

- Associate feedback on the overall experience
- Pre/post testing where available and appropriate
- Transfer of knowledge based on training matrix progression and supervisor feedback when appropriate
- Implementation of projects when applicable, based on operational and financial data analysis

Results of the evaluations can lead to corrective actions, such as course revisions, if needed.



IN 2023, WE HELD OVER

530,000

HOURS OF TRAINING FOR OUR ASSOCIATES, WHICH INCLUDED TOPICS IN AREAS SUCH AS:

- Discrimination and harassment
- Diversity, equity and inclusion
- Environmental, health and safety
- Ethics and compliance
- Leadership and other soft skills
- Quality
- Technical or skill-related training

Our LEVEL Up program encompasses all our operations and business offices across the globe. To build the skills and knowledge of our Associates across all levels, five key areas of development are included: DEI, Hourly, Early Career, Leadership and Mentorship.

GMC MAINTENANCE TECHNICIAN TRAINING

A successful example of our ongoing assessment and evaluation procedures was our Heating, Ventilation and Air Conditioning systems training at our Guanajuato Manufacturing Complex in Mexico. After completing the training, our Maintenance and Facilities Associates were able to provide onsite repair and maintenance of the equipment, and eliminate the cost of the outside contractor.

DEI DEVELOPMENT

These offerings are intended to increase our Associates' awareness and provide tools to help them operationalize Diversity, Equity and Inclusion (DEI). The aim is to put those learnings into action in their day-to-day interactions to create a positive work culture and sustain a diverse, equitable and inclusive environment.



Examples include:

- Skip-Level meetings: One-on-one communication between Associates and AAM leaders creates a safe space for Associates to learn what is happening within the company or across departments. To increase the opportunity to participate, all executive level and above leaders complete one skip level meeting per quarter.
- Hourly Associates meetings with Management: Open dialogue and courageous conversations for our Hourly Associates and local leadership provide the chance to share ideas and experiences, and also develop action plans to address concerns raised during the conversations.
- CADIA Accelerator Program and CADIA Connects: This partnership with the Center for Automotive Diversity, Inclusion & Advancement (CADIA) provides an external opportunity for our Associates to participate in a variety of programs which provide an open exchange of information and best practices for diversity and inclusion.
- Lunch with Leaders: Small, cross-functional groups of Associates are partnered with an AAM leader for open discussions. These candid conversations provide a safe space for Associates to voice thoughts and questions on a variety of topics including AAM's business plans and our DEI journey.
- Mutual Respect: All Salaried Associates were required to take this course to create awareness on the importance of creating an environment where we feel like we belong, we feel safe to bring our whole selves to work, and where our differences are celebrated, not feared.





HOURLY ASSOCIATE DEVELOPMENT

These programs are designed to help support our Hourly Associates to improve their technical skills, specialize in a given area or technology and provide the tools to advance in their careers. We continue to actively support the development of our hourly workforce and help them prepare for different challenges and growth in their career in our organization through programs that help enhance their technical skills.

Examples include:

- **Hourly Progression:** This program focuses on the growth of our Associates' experience and skills to remain competitive while also providing them the necessary training on safety, quality and other technical competencies.
- **Operator and Technician Certification:** Associates receive the required, specialized training that is needed to support the specific type of equipment and technology installed at their facilities. The training supports their current areas of operation, along with opportunities to assist them to advance their careers.
- **Team Leader Development:** This program prepares Associates to supervise the hourly workforce, including managerial skills and process knowledge for both labor and production requirements. This allows them to meet daily schedules, oversee process and quality controls, monitor performance and provide feedback.
- **AAM University Program:** This unique program partners with local institutions that offers workforce development and growth for our Associates in Mexico. The education concentrates on areas such as Maintenance, Welding and Metallurgy, with the expansion in 2023 to include Controls.



365,000+

TRAINING HOURS COMPLETED BY OUR HOURLY ASSOCIATES

EARLY CAREER DEVELOPMENT

These programs are designed to assist our Intern and Co-Op Associates in their early career stages to develop the skills, knowledge and experience they need to succeed throughout their career with AAM. We invest in the attraction and retention of future talent by expanding our partnerships with more than 50 global universities and organizations to jointly develop the next generation of AAM Associates and technical experts.



Examples include:

- We engage with students through programs which introduce them to AAM and our daily challenges. This approach allows students to gain real-life experiences and expand their technical skills. These programs target key activities and interactions with AAM leadership and subject matter experts to support future career growth.
- Our Early Career Rotational Program provides a variety of experiences to learn about different aspects of the business while building future potential AAM leaders and technical experts. The 18-month program includes three six-month rotational assignments to help develop critical skills needed for current and anticipated business needs.
- The EcoCAR EV Challenge is a four-year collegiate automotive engineering competition, providing a hands-on educational experience. AAM supports multiple universities in the competition and provides scholarships to students in the program. AAM is also pleased that we have had EcoCAR alumni join our company.





LEADERSHIP DEVELOPMENT

These initiatives are developed to invest in the growth of our Salaried and Executive Associates, and are designed to challenge them in their thinking, planning, decision-making and other soft and technical skills.



Examples include:

- **Problem-Solving Cultural Excellence:** AAM utilizes the Shainin problem-solving approach throughout our global enterprise and has developed an apprentice course. Participation in this program has increased by nearly 13% year-over-year, and we will continue to train and grow our Associates in this critical problem-solving methodology. AAM had 134 certified apprentices, 27 journeymen and 4 masters at the end of 2023.
- **Salaried Development:** Our Associates who lead projects and programs or are new to managing people, are invited to participate in various programs that help them gain understanding of leadership skills, optimize team performance and improve communication.
- **Plant Manager Development:** Our Plant Manager Development Program includes an assessment process, feedback, networking and action learning projects. In 2023, 14 Plant Managers completed the training.
- **Executive Development:** Our Executive Development Program assesses key senior-level Associates on the skills and behaviors needed to be a successful executive at AAM, and provides coaching and development opportunities. Fourteen participants completed the program in 2023.

4,900+
HOURS COMPLETED IN TARGETED DEVELOPMENT PROGRAMS



MENTORSHIP

These opportunities aim to enhance professional development and help our Associates learn and build global cross-functional relationships with leaders. It also provides guidance and feedback on performance, projects, career progression and innovation.

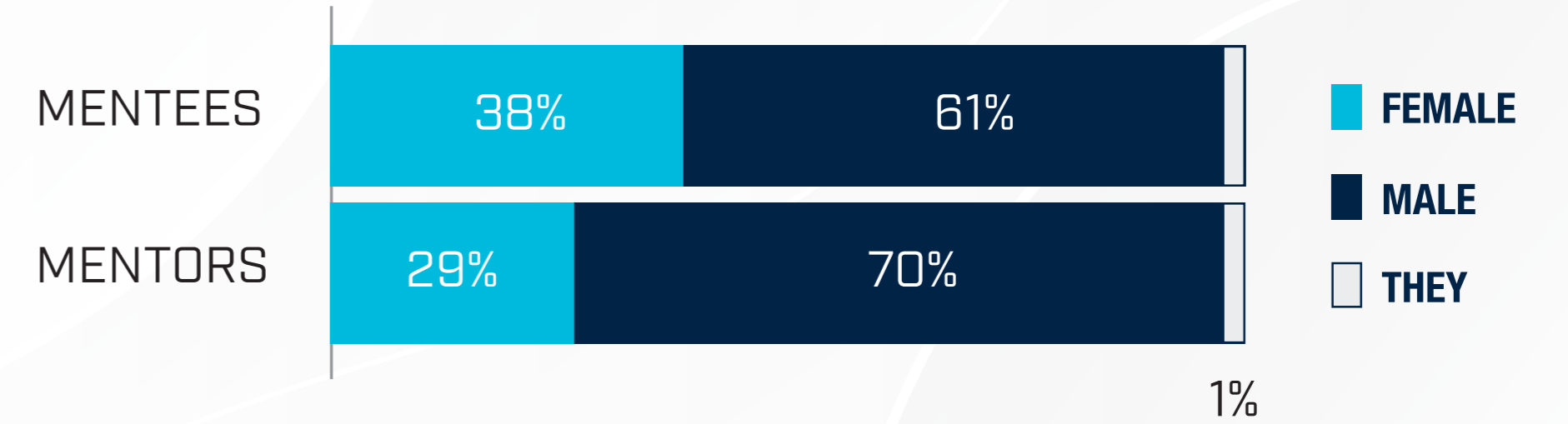


Examples include:

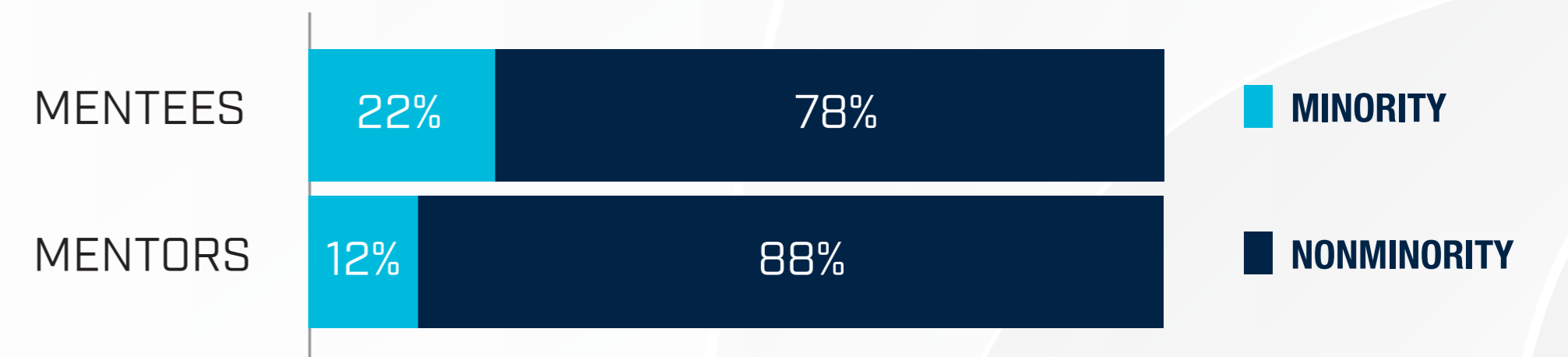
- Global Mentor Program: The AAM Global Mentor Program continued to thrive in 2023, with 93 pairings across the globe. We are focused on increasing the diversity of mentors to encourage the participation of mentees from underrepresented groups.

- Buddy Program: An existing Salaried Associate provides guidance and support to newly hired talent during the onboarding process. As the needs of our company and industry shift, we will continue to expand our professional development and mentorship opportunities.

GLOBAL GENDER PARTICIPATION



U.S. RACE AND ETHNICITY PARTICIPATION



#TeamAAM

COMMUNITY ENGAGEMENT

#TeamAAM represents our greatest asset – our Associates – while also encouraging activities that support, strengthen and better the communities where we work and live. Our community engagement efforts make a positive impact around the world through both financial commitments and volunteerism.

We continue to expand our commitment to organizations that support families, youth outreach, education, wellbeing and social equality. Our commitment to community support is reinforced by providing AAM Salaried Associates the opportunity to dedicate 16 hours during the business day to volunteer at community events without having to use personal time. In addition, Associates contribute financially to these organizations.

In 2023, #TeamAAM spent approximately 6,000 hours volunteering globally and donated over \$1 million (USD) in monetary donations to more than 60 organizations doing important work in our communities. In addition to the hours spent volunteering and monetary donations raised, facilities also participated in 5K charity runs, sponsored local sports teams, hosted toy, food and resource drives, coordinated appreciation days with community first responders and blood drives, and more.





BIODIVERSITY

Our outreach goes beyond the people who live in our local communities.

AAM is also involved in supporting biodiversity across the globe. Through our volunteer efforts, we can have a positive impact on a variety of living species which affect everything from the production of oxygen and filtration of water to the pollination of plants to help grow food. Biodiversity can also offer things such as emotional and social benefits to people by spending time with nature. To further these initiatives AAM partnered with organizations on projects like Reforestation of Eco Parks, Peace Tree Parks, The Greening of Detroit and World Environment Day Tree Planting.



Our Guanajuato Manufacturing Complex in Mexico partnered with the Bajío Community Foundation to hold a toy drive benefiting schools in the community. Associates collected and donated more than 1,800 toys and delivered them to schools in 11 communities in the area. During the three-day donation process, Associates volunteered to distribute the toys in-person to the students



Associates from the Metro Detroit area volunteered with United Way as part of their Literacy Program to pack and distribute nearly 5,000 backpacks filled with school supplies to local students in kindergarten through high school. During a two-day event, AAM volunteers worked together to assemble backpacks and deliver them to nearby schools.



Associates from our Glasgow Manufacturing Facility in Scotland collected food items for Glasgow NW Foodbank, which is part of a nationwide network of foodbanks working to combat poverty and hunger in the U.K.. The donations, which were distributed to community members in need, included a variety of canned goods, non-perishable food items, cleaning supplies and other household items.



Our Asia Headquarters and Engineering Center in China supported “Realize Your Dream,” a community project to help underprivileged students and their families. The goal was to supply both daily necessities and emotional support, inspiring students to stay focused on school and a healthy, positive future. Organized by the Shanghai Youth Development Foundation, the initiative provided items such as food and clothing, along with mental health resources, to more than 400 students and their families.



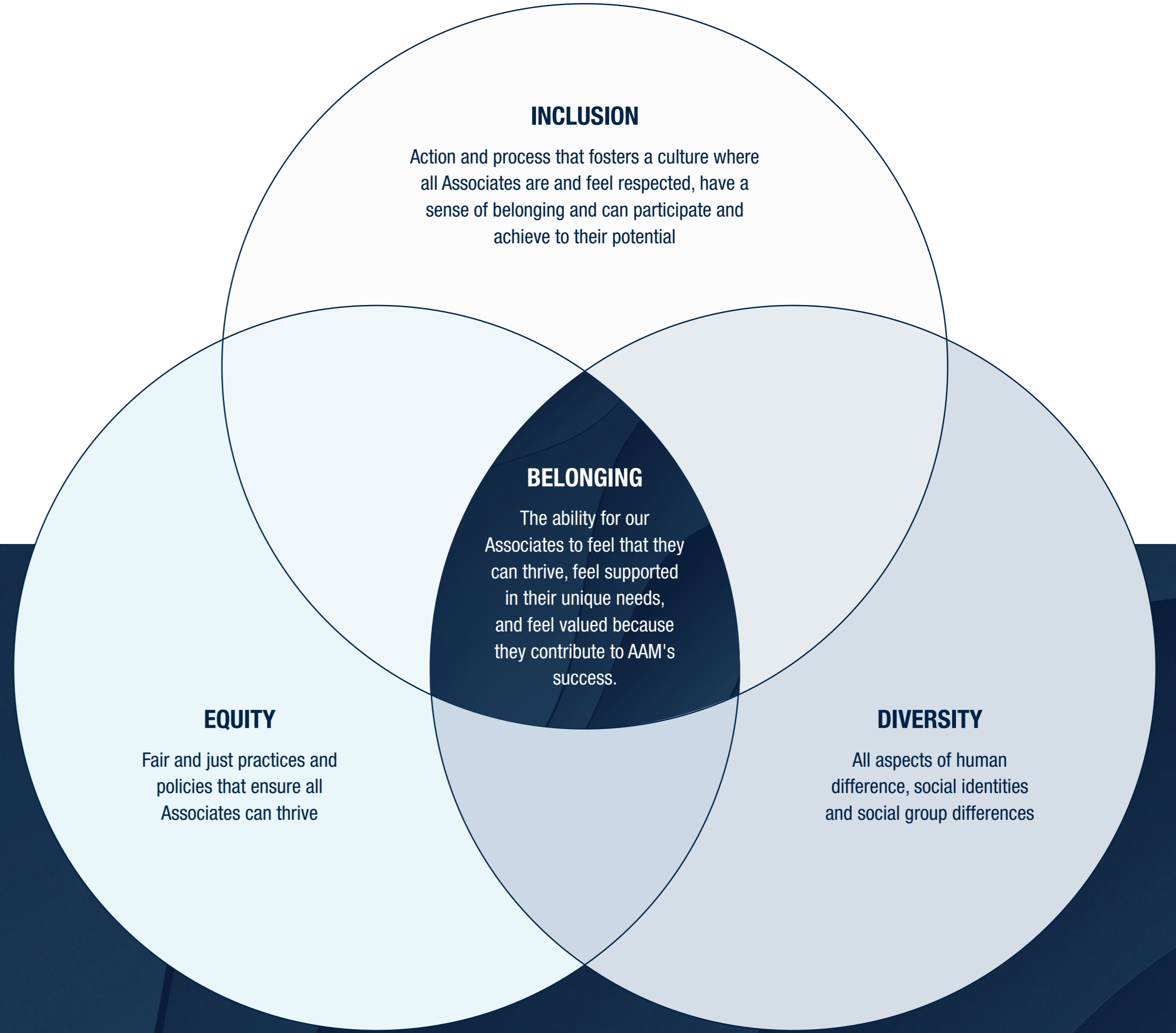
DIVERSITY, EQUITY AND INCLUSION (DEI)

AAM is committed to creating a diverse, equitable and inclusive environment which promotes a sense of belonging for our Associates. Advancing DEI across our organization aligns with our Cultural Values and Strategic Principles, and is fully integrated into our goals and objectives each year. A strong DEI focus not only builds a sense of belonging for our Associates, but it also encourages community engagement, supports customer values, reinforces supplier diversity efforts and impacts overall productivity and profitability. Bottom line, a diverse, equitable and inclusive workplace benefits everyone.

The role of DEI aligns with and supports AAM’s Vision and Mission – it is embedded in our actions as it relates to who we are, and how we do business. Our DEI Statement is foundational to our commitment to a diverse workforce.

AAM DEI STATEMENT

At AAM, we believe diversity drives creativity. We believe an equitable and inclusive culture encourages, supports and celebrates the unique voices of our global workforce. AAM is committed to listening, learning and taking action that will move our company and our communities forward, together.



COMMITMENT AND STRATEGIC ROADMAP

LEADERSHIP COMMITMENT AND BOARD ENGAGEMENT

The importance of DEI is evident in the ongoing commitment of AAM's Senior Executive Leadership team and oversight by our Board of Directors. Their active engagement and expectations set the tone at the top. In addition to quarterly DEI initiative updates, the AAM Board reviews the metrics and results related to our 2030 demographic goals.

To strengthen our DEI strategy, Interactive Leadership workshops were conducted during our global AAM Executive Leadership Conference. These workshops provided AAM leaders with tools focused on inclusive leadership and mitigating bias in day-to-day interactions. Along with our leadership commitment and Board oversight, AAM has an Executive of DEI who manages global awareness initiatives, Associate Resource Group coordination and also serves as a liaison to our external DEI partners.

In 2023, AAM continued to uphold its commitment as a signatory company of the CEO Action for Diversity and Inclusion with actions supporting the pledge:

- Providing unconscious bias training
- Cultivating environments that support open dialogue on complex DEI topics
- Sharing best practices and challenges within DEI
- Ongoing engagement with our Board

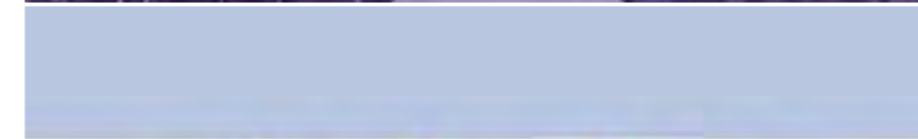
DEI STEERING COMMITTEE

Our DEI Steering Committee helps develop company initiatives and provide Associate recommendations on DEI topics. The Committee includes Associates from across the company who are dedicated to advancing our inclusive culture, and function as DEI ambassadors and change agents. To provide a link, AAM's Senior Executive Team, the Executive Vice President and Chief Financial Officer and the Senior Vice President of HR and Sustainability serve as executive champions for this Committee. The Committee meets on a regular basis throughout the year and monitors and reports on DEI activities and progress.

In 2023, the Committee was restructured into two teams: the Engagement Team and Talent Team. This change gave us the ability to strengthen our focus, while increasing our impact and accountability. AAM also expanded our DEI Steering Committee structure to include voluntary participation in other regions and countries. As a result, our Associates in Mexico launched their own DEI Steering Committee to promote and develop initiatives in their region.



HAPPY INTERNATIONAL WOMEN'S DAY
FROM #TeamAAM



OCTOBER IS NATIONAL DISABILITY EMPLOYMENT AWARENESS MONTH #TeamAAM!



HAPPY KWANZAA



EID MUBARAK!
FROM #TeamAAM



HAPPY PRIDE
FROM #TeamAAM!

DEI STRATEGIC ROADMAP

A key element of our DEI approach is our DEI Strategic Roadmap. The five pillars of our Roadmap outline our path forward and include action plans and monitoring of results as we strive to continuously improve.



DEI
Upskilling



Safe and Inclusive
Environment



Equitable Talent
Management and
Inclusive Benefits
and Policies



External
Engagement



Leadership
Ownership and
Accountability
Measures



DEI UPSKILLING

To build a strong DEI foundation and continue building capabilities to discuss and address DEI topics:

- During our Lunch with Leaders sessions, a video that covers DEI blind spots and assumptions was shared that helped create awareness and generated discussions among the Associates and Executives.
- During the annual goal setting process, Salaried Associates selected individual DEI goals to achieve during the year.



SAFE AND INCLUSIVE ENVIRONMENT

To create a culture that is safe and inclusive for Associates to bring their whole selves to work and increase their sense of belonging:

- Multi-cultural celebrations incorporate educational components through both virtual learning and in-person events. Examples include:
 - Asian American Pacific Islander Awareness session on ‘Why Many Asians Don’t Speak Up and How to Create an Environment for Them to Fully Contribute.’
 - Interfaith Panel Discussion centered on ‘How to be Better Allies for People of Faith in the Workplace.’
 - ‘Intersectionality Workshop’ hosted during Pride Month.
 - National Diversity Week where Associates from India, Mexico and the U.S. shared their experiences on DEI in action in the workplace.
- Implemented safe travel notification on AAM Travel Portal for all Associates and included additional tips for women and LGBTQ+ Associates.





EQUITABLE TALENT MANAGEMENT AND INCLUSIVE BENEFITS AND POLICIES

To enhance AAM policies, procedures, and benefits from a DEI perspective that provide the infrastructure for an equitable and inclusive environment for all Associates:

- In the U.S., we attended 67 recruiting events, with 40% being DEI-focused.
- Our Black, LATIN, Veterans, Young Professionals and Women’s ARGs partnered with AAM’s Recruiting Team to engage with potential prospects during the hiring process.



LEADERSHIP OWNERSHIP AND ACCOUNTABILITY MEASURES

To establish a clear “tone from the top” that DEI is a business imperative:

- Every location developed an action register to advance their 2+1 initiatives and address opportunities uncovered during our 2022 Global Engagement Survey. Progress updates were provided during business reviews.
- In 2023, 10% of Salaried Associates’ variable compensation was tied to our sustainability performance, split evenly between DEI goals and the Environmental Sustainability program.



EXTERNAL ENGAGEMENT

To engage in community efforts and organizations that support the needs of underrepresented groups in its communities:

- AAM is a member of many industry groups that are advancing DEI efforts in our communities. Our active memberships include:
 - Business Leaders of Michigan DEI/Racial Equity Committee
 - Center for Automotive Diversity, Inclusion & Advancement (CADIA)
 - CADIA CEO Coalition for Change
 - GM Supplier Inclusion Board
 - Michigan Council of Women in Technology
 - Women in Manufacturing
 - National Society for Black Engineers
- Our leaders represent the company by speaking at industry and community events to share our DEI journey. For example, our Supplier Inclusion message was presented at an external event during Pride Awareness Month.

GLOBAL DEI 2+1 PROGRAM

Our DEI strategy incorporates not only shared global goals, but it also provides flexibility for individual countries to incorporate their unique needs into the program. This approach helps foster an inclusive environment with meaningful impact at the local level.

Our Global DEI 2+1 Program focuses on three goals (2+1):

- Two goals based on AAM selected global topics.
- One additional goal based on each country’s relevant topics. These +1 topics were identified based on learning and feedback from our facilities across the globe.

By implementing this unique Global DEI 2+1 Program, each country identifies opportunities, develops an action plan and provides tools that will help AAM attract, recruit, engage and retain talent in underrepresented groups.

TWO AAM SELECTED GLOBAL DEI TOPICS

Valuing Differences
provide awareness and the tools to create an inclusive environment where differences are appreciated

Gender
provide awareness and a more balanced representation of gender in the company

+1 TOPICS

Age/Generation



Religion and Spirituality



Physical/Mental Ability



Sexual Orientation/ Gender Identity



Race and Ethnicity



Communication Style





VALUING DIFFERENCES

- **China:** Associates participated in a DEI Gamification Workshop that included interactive activities to help gain a deeper understanding of implementing the “DEI What, Why and How.”
- **Spain:** An Inclusion Awareness event featured a guest speaker who was disabled and shared firsthand experiences and challenges. The presentation made Associates more aware of how they see others and promoted empathy in day-to-day interactions.



GENDER

- **Germany:** A “Girls Day 2023” event included inviting local students to the facility and introducing them to the Manufacturing environment. This gender-focused event helped normalize the idea of women working in STEM roles seen as predominantly male-dominated.
- **India:** A Female Trainee Recruitment program was developed. It provided training opportunities in various areas in the plant, including on the shop floor.



AGE/GENERATION

- **U.K.:** With an anticipated decline in the future U.K. population and potential workforce, Associates focused on connecting with local students to provide information on AAM. The Associates also shared job opportunities with students that would be graduating and looking for early career opportunities.
- **France:** Associates shared experiences and perspectives at an Intergenerational Workshop to gain a better understanding of each other and how to work together more effectively across generations.
- **Romania:** To help new trainees feel more welcome and a part of the AAM family, they were able to invite a guest to attend an introductory AAM event and plant tour.



PHYSICAL/MENTAL ABILITIES

- **Mexico:** Associates partnered with an organization that helps people with disabilities find jobs and trains companies that want to hire people with motor and physical disabilities. Associates were trained on the process and responsibilities of hiring people with disabilities, along with addressing potential challenges and ways to overcome them.
- **Czech Republic:** Understanding that some challenges faced by people with disabilities are unique, a follow-up process was implemented for Associates who identified as having a disability. The goal was to ensure they had the necessary accommodations and a safe space to thrive.



RACE AND ETHNICITY

- **Poland:** Associates had the opportunity to attend “Let’s Get to Know Each Other – Intercultural Polish-Ukrainian Workshops” which were designed to gain awareness and a deeper understanding of each other’s cultures.
- **Brazil:** Throughout the year, communication campaigns promoted mental health and racial equality, which included information such as identifying different types of racism and respecting each person’s rights.
- **South Korea:** An initiative was implemented to create closer bonds among Associates native to South Korea and non-nationals (Associates from other countries). The program concentrated on Associates sharing information with each other about their homelands or native countries, such as their history, culture, language and holidays.
- **U.S.:** An initiative was launched at a facility level to increase awareness and strengthen inclusive communication with Associates whose native language is not English. Multi-language messaging was developed and shared using electronic information boards.



RELIGION AND SPIRITUALITY

- **India:** The annual Family Day celebration focused on advancing DEI initiatives, including both religious and gender diversity elements. In addition, our Pune facility promoted religious holiday awareness of both Ramadan and Christmas festivities.



SEXUAL ORIENTATION /GENDER IDENTITY

- **Thailand:** To encourage diversity, promote equality and support the LGBTQ+ community and their allies, Associates participated in the Pride Parade with the Rainbow Sky Association of Thailand.



COMMUNICATION STYLE

- **Global:** This topic impacts our operations in each country with a focus on supporting Associates to communicate effectively and be culturally competent. To support our efforts, AAM relies on a variety of tools such as Globesmart, an online learning platform that promotes global collaboration and inclusion. Through the platform, Associates are able to explore and compare work styles, learn country-specific insights and grow their cultural competence.

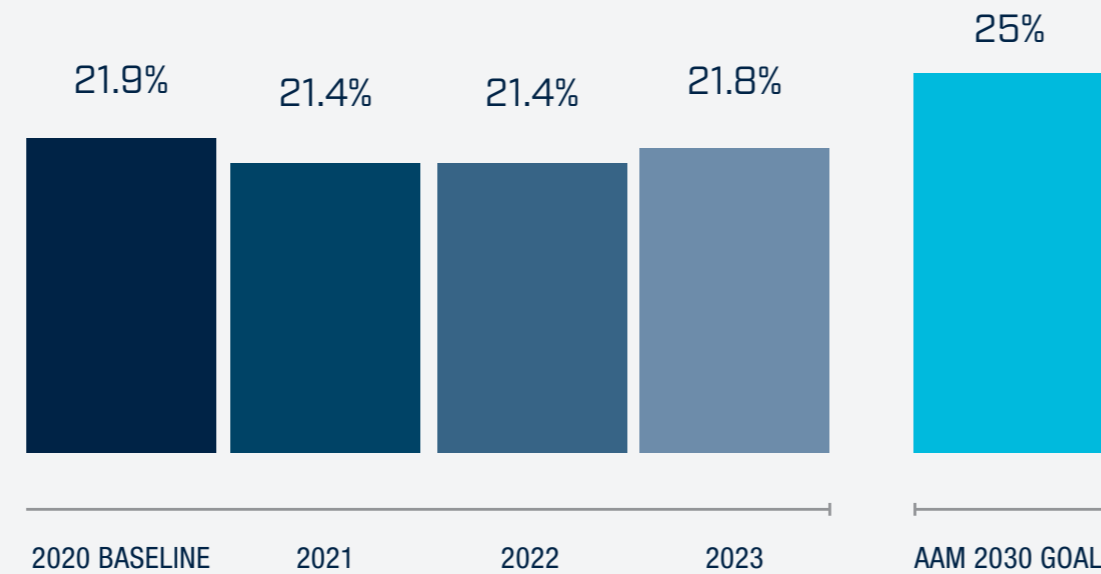


DEI DEMOGRAPHIC GOALS

As a part of our global DEI program, AAM established three global and four U.S. 2030 DEI goals. These goals help drive accountability, are reviewed annually with our Board of Directors and shared with our global workforce. As we continue to strengthen our talent attraction initiatives, AAM expects to see year-over-year improvements in our gender and underrepresented groups.

Global Goal:

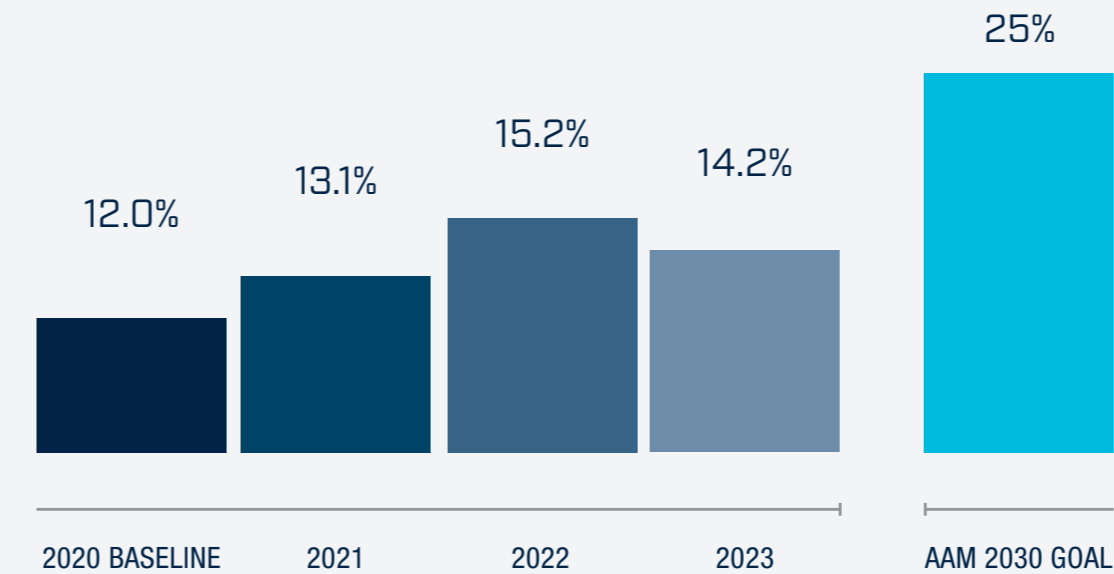
Increase Women representation to 25% in our Global workforce by 2030



In 2023, the number of Women Associates increased by 4.8%. The percentage of women in global leadership ranks decreased.

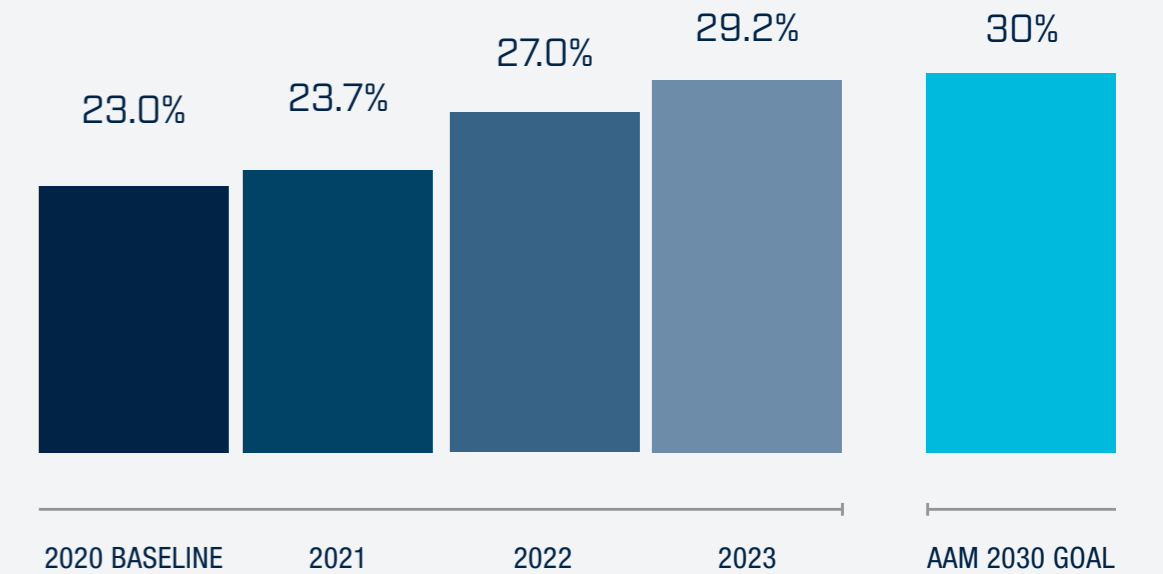
Global Goal:

Increase Women representation in our global leadership ranks to 25% by 2030



Global Goal:

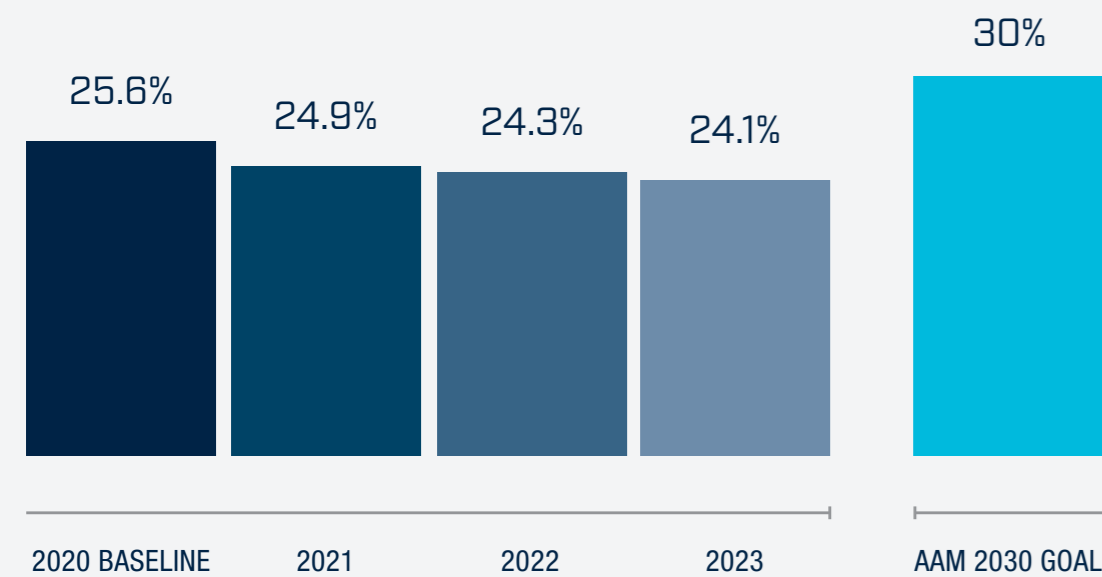
Increase BIPOC representation in our global leadership ranks to 30% by 2030



In 2023, the number of BIPOC Executives increased by 12.3%.

U.S. Goal:

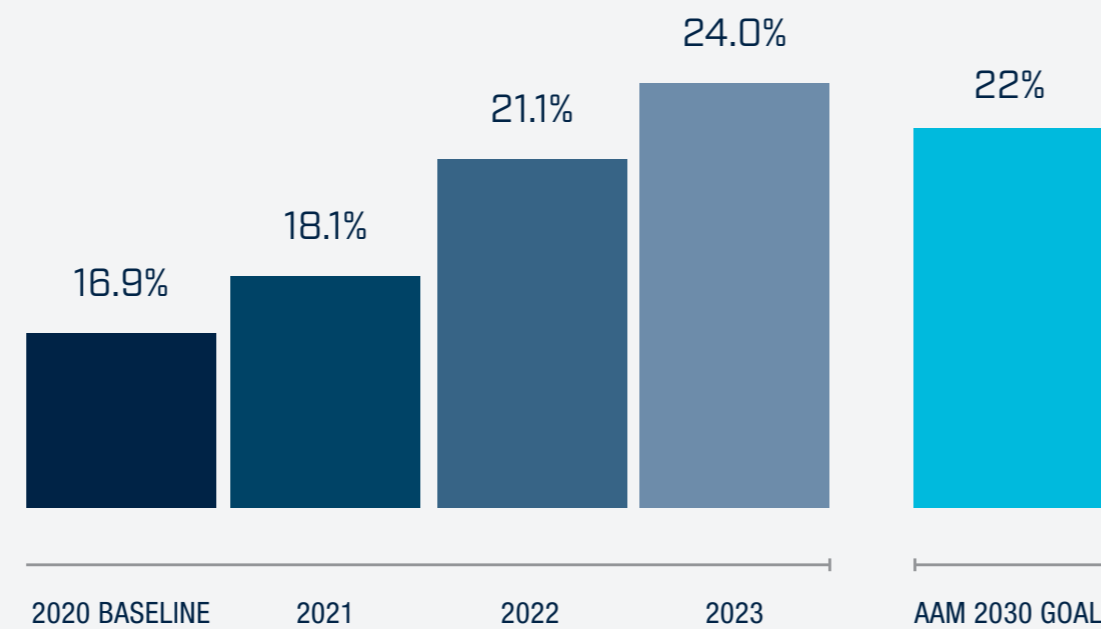
Increase Women representation to 30% in our U.S. workforce by 2030



In 2023, the number of Women Associates increased 4.2% compared to an increase of our U.S. workforce of 5%.

U.S. Goal:

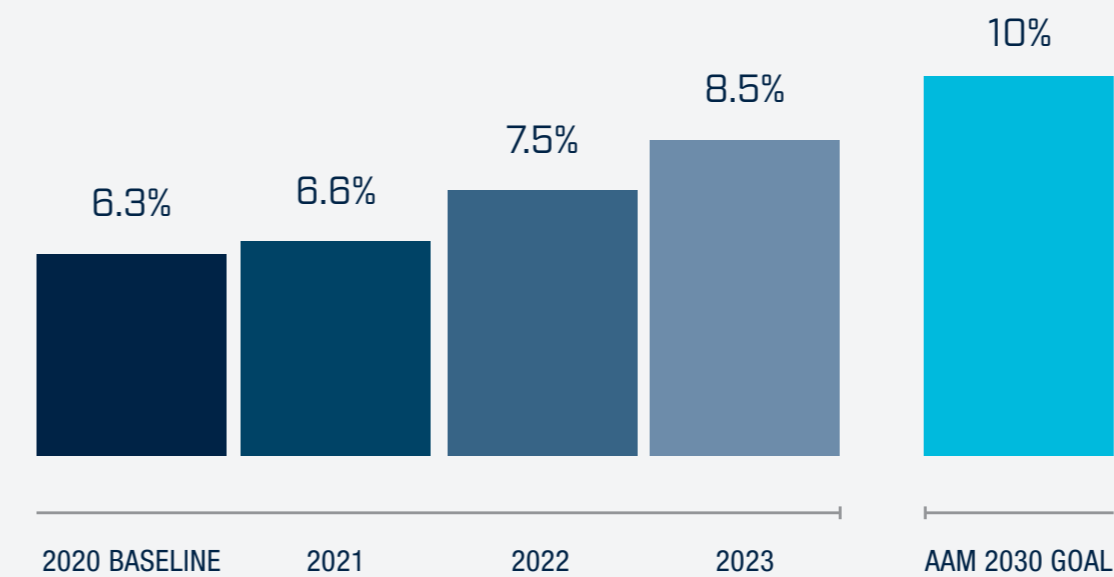
Increase BIPOC* representation in our U.S. workforce to 22% by 2030



In 2023, the number of BIPOC Associates increased by 19.4%.

U.S. Goal:

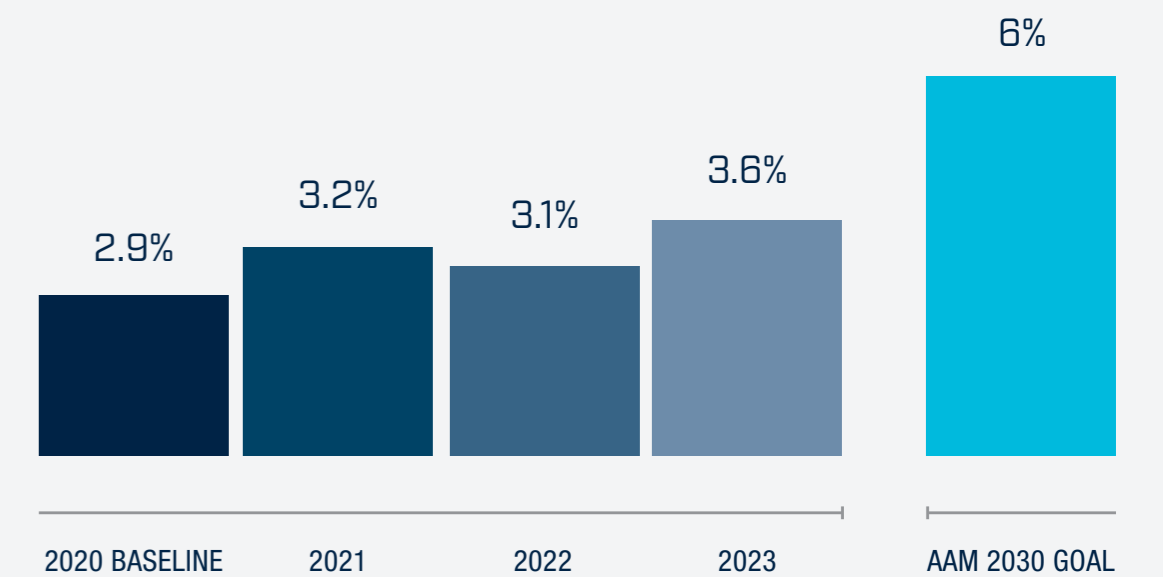
Increase the representation of Black Associates in our U.S workforce to 10% by 2030



In 2023, the number of Black Associates in our U.S. workforce increased by 17.7%. The number of Black Salaried Associates increased by 22.8%.

U.S. Goal:

Increase the representation of Black Salaried Associates in our U.S workforce to 6% by 2030



*BIPOC = Black, Indigenous and People of Color

DEI ENGAGEMENT

An essential element of creating an inclusive work environment is helping Associates feel safe bringing their whole selves to work. Associate Resource Groups (ARGs) are voluntary, Associate-led networks based on shared experiences, characteristics or backgrounds. They can foster a sense of belonging, provide support, enhance career development and contribute to personal growth both inside and outside AAM. We encourage all our Associates to participate in ARGs either as a member or a supportive ally.

AAM has five ARGs that align with our business strategy, along with three ARG facility-level chapters. They are supported by Executive Sponsors, who provide guidance on strategy and initiatives. The ARGs incorporate the 4Cs Model, a commonly used approach for employee resource organizations which focuses on:

- **Career:** Promote Associate engagement initiatives and partner for diverse talent acquisition/referral opportunities, retention and career development
- **Culture:** Incorporate key cultural awareness opportunities and champion initiatives that foster an inclusive work culture, as well as inspire psychological safety and allyship
- **Community:** Represent AAM in external community events and participate in community volunteer and philanthropic efforts
- **Company:** Support efforts communicating AAM's brand and visibility as an employer of choice and identify ARG collaboration opportunities where possible.

AAM'S ARGs



POWHER



U.S. VETERANS



YOUNG PROFESSIONALS



BLACK ASSOCIATE NETWORK



LATIN



CAREER

- The Young Professionals ARG hosted our CEO to share AAM’s business objectives and priorities, as well as his personal approach on having a coaching mentality. He offered advice on early career goals and leadership skills.
- The Black Associate Network coordinated ‘The Power of Psychological Safety in the Workplace’ workshop, an important topic as Associates navigate their careers in the workplace.
- The Veterans ARG hosted an event with the Director of Army Strategic Outreach and Partnerships as a guest speaker. The keynote message covered relevant topics regarding the careers of Veterans and how to effectively engage when recruiting Veterans.



CULTURE

- The Black Associate Network hosted a guided tour at Detroit’s Charles H. Wright Museum as a part of the Juneteenth celebration, allowing Associates to gain a better understanding of African American History.
- The five ARGs collaborated on webinars that concentrated on building a healthy culture, including topics such as Mental Health Stigma and Managing Stress.
- POWhER hosted AAM’s inaugural Pink Out Day at AAM during Breast Cancer Awareness Month.



COMMUNITY

- The LATIN ARG partnered with Cristo Rey High School to promote career options to students after they graduate. Cristo Rey is a faith-based school which provides college preparatory education and professional work experience to students from Spanish speaking families with limited financial means.
- The Young Professionals ARG volunteered and donated to Detroit Abloom, an organization which transforms vacant blighted lots into wellness gardens and offers programs to enhance the surrounding community.



COMPANY

- POWhER represented AAM at the Automotive News Leading Women Event, ‘Shaping the Landscape.’ The event focused on advancement of gender equity and representation in the automotive industry.
- The LATIN ARG sponsored an annual conference in partnership with a non-profit organization that is committed to making college education a reality for Latino students.



AWARDS

As AAM continues to strengthen our DEI culture, we realize our success is a result of our Associates embracing our journey. We are honored to receive a variety of DEI-focused awards that reflect our efforts and progress.

We also have individual Associates who have been recognized for their personal career achievements. Three AAM Associates earned The Women of Color in STEM awards in 2023, while two AAM Associates were selected as Modern-Day Technology Leader Award recipients at the Black Engineer of the Year Awards.



Forbes 2023
Best Employers for Diversity



Forbes 2023
Best Employers for New Grads



Forbes 2023
Best Employers for Women



Corp! Awards 2023
Diversity Focused Company Award



Corp! Awards 2023
Diversity Focused Company Award Overall Winner



India 2023
Great Place to Work Certification



PRODUCT

In 2023, AAM...

- Recognized as a 2023 Automotive News PACEpilot program finalist
- Launched 14 major global product programs
- Received 21 quality performance awards



From our very beginning, AAM has been focused on delivering POWER to our customers. Our expertise in driveline and metal forming technologies and our decades of experience serve as the foundation for a new generation of products designed for a greener, more sustainable world. We are driving the industry toward smarter technologies with our focus on Innovative Technology and Electrification, Sustainable Product Development and Product Quality and Safety.

We have built our reputation through proving ourselves as leaders in the manufacturing and development of traditional internal combustion engine (ICE) solutions that improve efficiency and fuel economy. With our 13-year history of electric vehicle (EV) solutions development, we continue to push the boundaries of what is possible. We are extremely proud of our ability to develop solutions that help keep drivers safe, improve vehicle performance and power density, and increase efficiency while maintaining our attention to quality and durability. By taking a balanced approach to product development, we are able to create solutions that can be procured as systems, subsystems and components that can be integrated into existing systems – providing our customers with flexibility and options across any vehicle segment.



IN 2023, AAM LAUNCHED
14 Major Programs
TO CUSTOMERS AROUND THE WORLD

MANAGEMENT STRUCTURE

At AAM, product development responsibilities are shared across our Product Engineering and Quality organization and Strategy and Business Development organization. The Vice President of Product Engineering and Quality reports directly to the President and Chief Operating Officer, while the Vice President of Strategy and Business Development reports directly to the CEO. Continuous communication and collaboration between these teams are crucial for a successful product development process.

AAM conducts market research and monitors industry trends through its Product Management Department. This research guides the Advanced Engineering group in developing innovative solutions for the future. Subsequently, AAM leverages the Platform Development team to transform these ideas into marketable solutions. These solutions then progress to the System Engineering team, who customizes and validates them to prepare the product for production.

Our product development strategy follows a logical progression from initial market research to the final product launch. It also involves cross-functional teams with specific responsibilities at each stage, ensuring that the product aligns with market needs and is of high quality.

Additionally, it is important to maintain a feedback loop between the System Engineering team, Advanced Engineering team and Product Management Department to enhance the design of the product as needed, based on real-world performance and market feedback. This iterative and collaborative approach can help refine and improve products over time.



AAM'S HISTORY IN ELECTRIC PROPULSION

Since 2010, AAM has been at the forefront in developing electric propulsion systems that are essential for powering hybrid and fully electric vehicles to reduce CO₂. AAM has delivered over 550,000 Electric Drive Units (EDUs) to hybrid and battery-electric vehicles around the world. We continue to develop cutting-edge technologies across multiple vehicle segments.

Delivered more than

550,000

Electric Drive Units

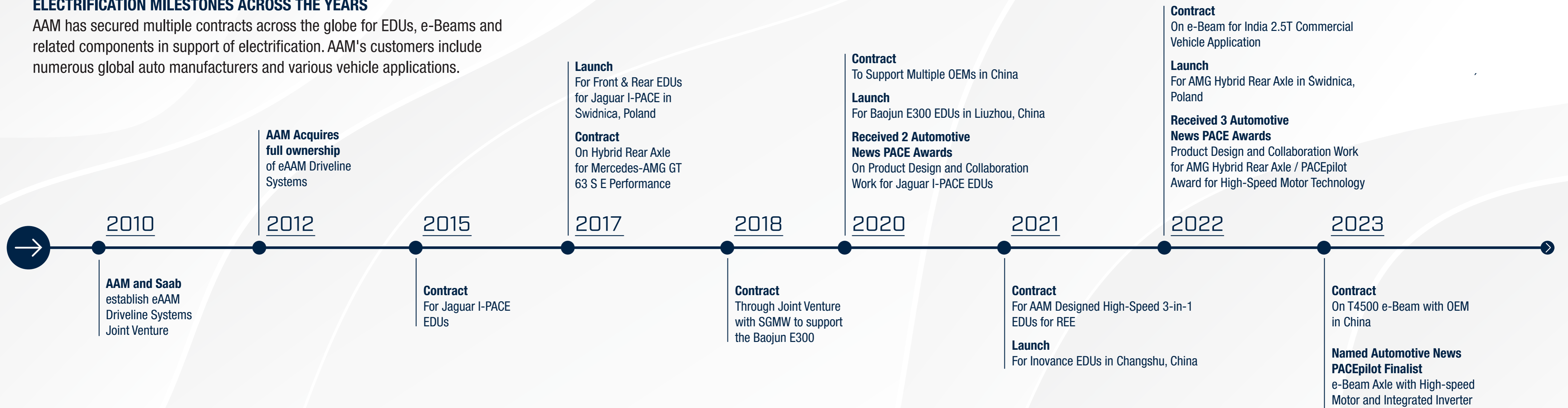
Won

5

Automotive News PACE and PACEpilot Awards previously, and named a finalist in 2023

ELECTRIFICATION MILESTONES ACROSS THE YEARS

AAM has secured multiple contracts across the globe for EDUs, e-Beams and related components in support of electrification. AAM's customers include numerous global auto manufacturers and various vehicle applications.



ELECTRIC PROPULSION TODAY

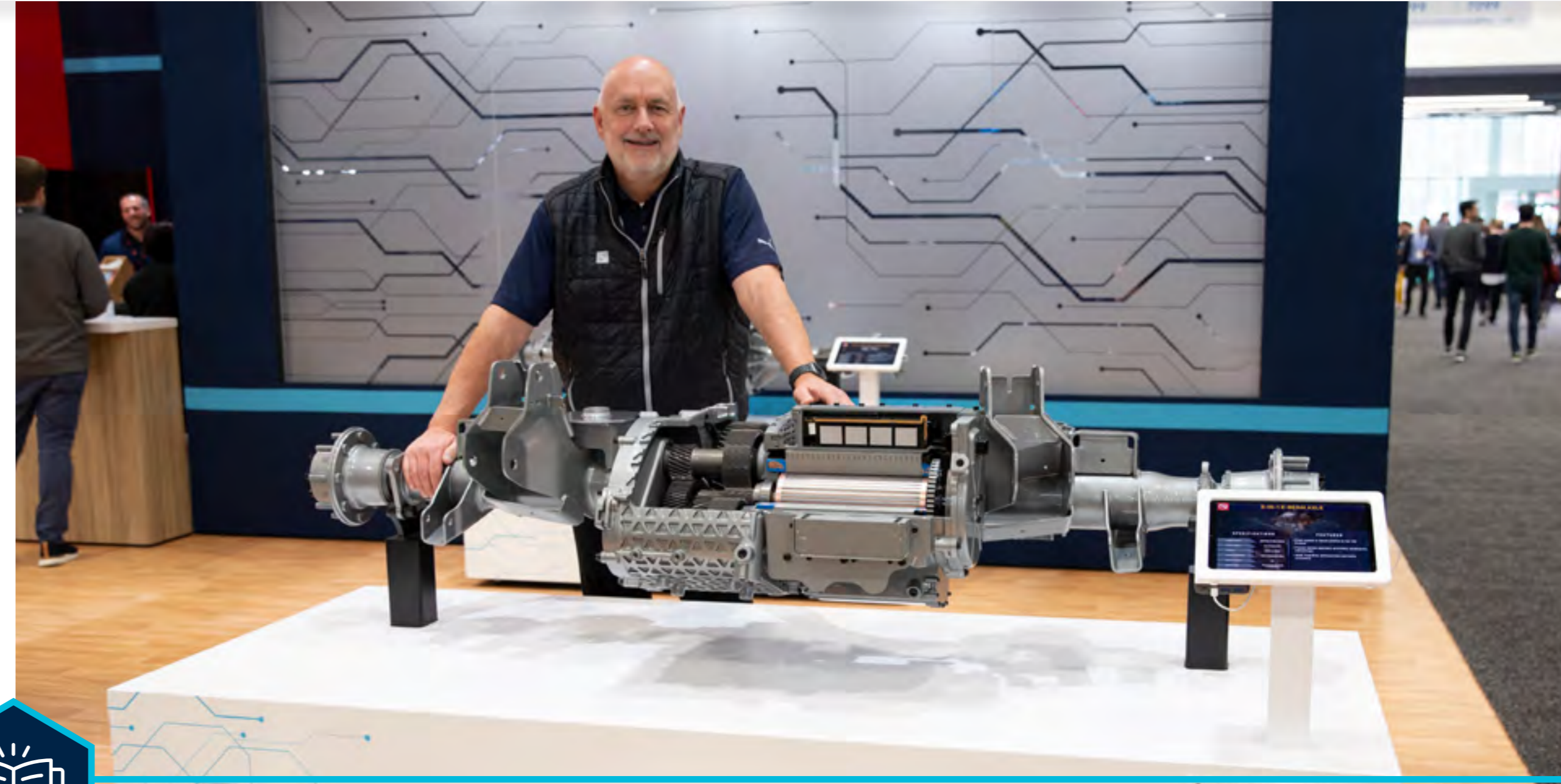
Today, AAM's electric drive units are integrated in a range of vehicles, from compact and sport utilities to high-performance EVs and hybrids. We're expanding our reach with new contracts aimed at incorporating our technology into multiple battery electric and hybrid electric trucks through the second half of the decade. Listening to our customers, we are engineering a range of electrified beam axles that are designed to be modular and adaptable to each customer's unique vehicle and requirements. Our goal is to gain more than 10% of our estimated addressable market share by 2030 and to grow our status as the global leader in electric powertrain technology.

TECHNOLOGY

AAM continues to support the changing needs of the automotive industry by advancing our electrification platform technology. Our technology focuses on delivering a consumer experience that speeds the adoption of electric vehicles by removing barriers such as cost, performance and range.

AAM Associates around the world are designing and engineering advanced electric propulsion technology centered around highly integrated systems. We have consistently been exceeding expectations for efficiency, power density and target weight – critical elements for EVs. Our growing portfolio leverages our expertise with industry-leading driveline systems and offers exceptional scalability, and customers can procure our solutions as systems, subsystems or components – providing them with options across vehicle segments.

AAM has been dedicated to this future for more than a decade and we are accelerating the development of game-changing electric-drive platforms and weight savings technologies. Our comprehensive portfolio of Electric Drive Units (EDUs), Electric Beam Axles (e-Beams), gearboxes, sub-assemblies and components can support a variety of zero-emissions/propulsion technologies.



ENERGY EFFICIENCY

We are focused on environmentally-friendly advanced propulsion technology.

AAM engineers are developing high-speed induction drive motor technologies for the next generation of vehicles. These electric drive units aim to be lighter, more compact, and more cost-effective than electric drive units currently on the market. Their enhanced efficiency, along with reduced production costs, can enable consumers to buy more affordable vehicles that can travel longer distances on a single charge - factors that are likely to boost EV adoption and the market share of electric and hybrid electric vehicles.

Induction motors provide higher operational efficiencies at higher speed and lower torque characteristics of most highway and extended driving. Moreover, they eliminate the need for rare earth magnets, often criticized for their environmental and social impact.

AAM's eco-friendly induction motor designs represent just one facet of our commitment to improving the sustainability of electric and hybrid vehicles through advanced motor research and development.

ELECTRIC DRIVE UNITS

AAM continues to raise the bar for electric drive technology, designing products with a significantly higher power range and best-in-class improvements in mass and volumetric efficiency.

Our family of EDUs operate at a range of rotational speeds and power levels to meet the demands of various customers and markets. Configurations can operate at speeds at or beyond 24,000 rpm to maximize power density, delivering more power to the wheels in a smaller and lighter packaging space than other EDUs on the market.

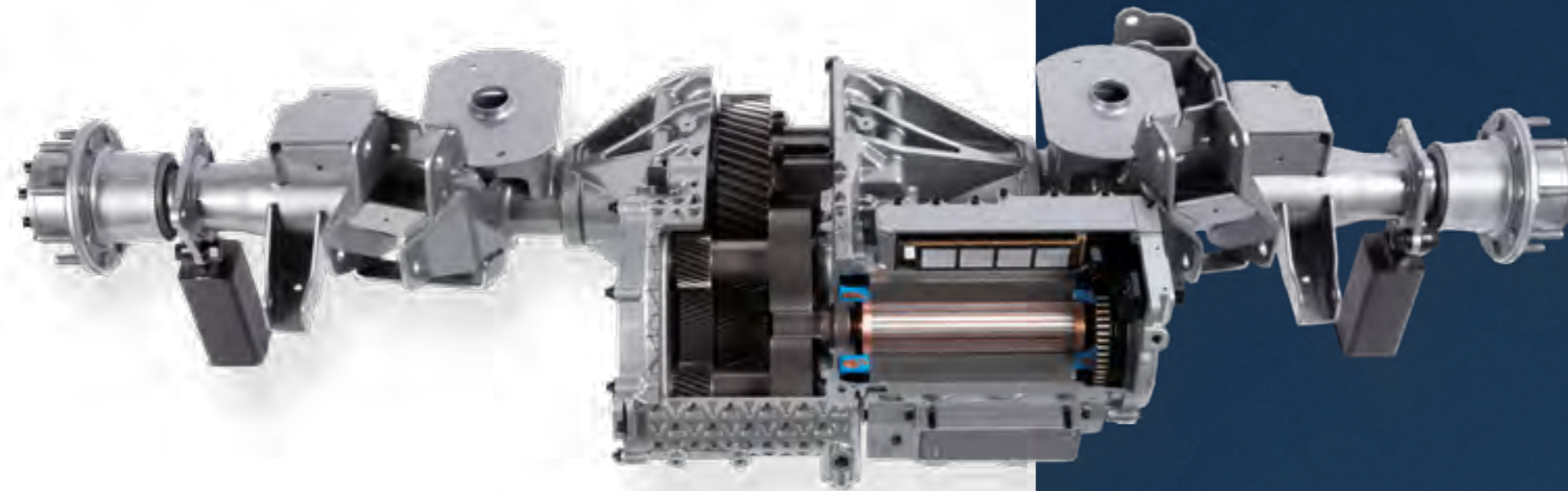
Our market-ready driveline systems are compatible with many electrified architectures and are segment independent. They can be configured with multiple motor diameters and flexible slack lengths to provide optimized packaging and torque for most applications.



ELECTRIC BEAM AXLES

AAM is developing and testing its next-generation Electric Beam Axle (e-Beam) technology for light and medium-duty trucks. These e-Beams feature 20,000+ rpm e-Machines, high-reduction gearboxes and integrated inverters, as well as options for equipping AAM's TracRite open, electronic-locking, or limited-slip differentials.

In addition, we are developing and testing unique cooling methods to allow the high-speed e-Machine to deliver sustained peak power levels. Heat can be extracted closer to the source thanks to our innovative thru-stator and thru-shaft oil cooling technologies.



AWARDS

Leading up to 2023, AAM already secured five PACE program awards for our electrification technology. In 2022, AAM received a PACE Award and PACE Innovation Partnership Award for our P3 2-speed Electric Drive Technology, and a PACEpilot award for our P4 Integrated 3-In-1 Wheel-End Electric Drive Unit.

We also received two PACE awards in 2020 related to our Electric Drive Technology on the Jaguar I-PACE, an all-electric, all-wheel drive, luxury sport utility vehicle. The honors included the Automotive News PACE Innovation Partnership Award which was presented jointly to AAM and Jaguar Land Rover. This award recognized the collaboration and commitment to design and build the safe, compact, quiet and efficient Electric Drive Technology on the award-winning I-PACE vehicle.

In 2023, AAM was honored as a finalist in the Automotive News PACE pilot program for our Electric Beam Axle with a High-speed Motor and Integrated Inverter. This recognition highlights AAM's commitment to bringing innovation to a product segment that AAM has led for almost three decades.

INNOVATION

AAM's POWER is in our people, products and processes. Since our founding nearly 30 years ago, we have invested more than \$2.5 billion in research and development. In addition, in 2023, approximately 75% of our research and development spend was on sustainability-focused projects.

FACILITIES

Located across the globe, AAM's Engineering Centers serve as centers of collaboration, exploration, inspiration and dedication. This forward-thinking helps us to accelerate technology leadership and development of advanced products. AAM's global presence encompasses 14 engineering-focused facilities, which includes five main regional Engineering Centers.



- 1 Advanced Technology Development Center - ATDC** serves as an innovative hub for engineering collaboration, encompassing the entire spectrum of product development. From initial ideation to streamlined process development, engineers work collectively, harnessing team feedback at each phase of the journey.
- 2 Rochester Hills Technical Center - RHTC** is dedicated to rigorous Product Validation and Testing. It serves as the primary hub for comprehensive testing solutions and offers a broad array of services, ranging from full vehicle instrumentation and testing to systems and component-level testing. RHTC also specializes in durability, efficiency, fatigue, NVH, and metallurgical testing, catering to the thorough validation needs across the entire AAM product line.
- 3 European Headquarters and Engineering Center - EHEC** serves as a strategic hub, purposefully equipped to support the entire product line within the region. It aligns with the standardized processes and procedures followed at RHTC and ATDC, emphasizing collaboration, quality, and innovation across all operations.
- 4 Asia Headquarters and Engineering Center - AHEC** is designed and fully equipped to support the entire product line manufactured within the region. It operates under the same rigorous processes and procedures as RHTC and ATDC, ensuring consistent quality and adherence to high standards.
- 5 Pune Engineering and Development Center - PEDC** is a pivotal hub supporting global developments while tailoring solutions for regional customers. Featuring a state-of-the-art prototype facility, PEDC operates with independence, positioned to meet the demands emerging from the region.

DEMONSTRATION VEHICLE FLEET

AAM operates a versatile fleet of vehicles comprised of both production models and demonstration electric vehicles. This fleet is designated for both engineering and business development purposes.

The production models showcase our electric drive technologies in vehicles imported from the markets we serve across the world. Additionally, our demonstration fleet includes vehicles specifically constructed by AAM's Advanced Engineering Innovation team. These vehicles serve to develop and exhibit AAM's industry-leading high-speed 3-in-1 electric drive technology. The collection features three all electric AWD trucks and a battery electric AWD mid-size sport utility vehicle. Each of these vehicles has distinct power and voltage levels, including different suspension setups that demonstrate the versatility of our technology to address a range of truck applications.

By road testing these fleet vehicles in real world conditions and engaging directly with our customers, we continue to learn and demonstrate the tangible benefits of our technologies.

SUSTAINABLE PRODUCT DEVELOPMENT

AAM understands that sustainable product development is not only important due to its positive environmental and social impacts, but also due to its potential to make processes more efficient and effective. With topics ranging from materials management to packaging and recycled content, AAM's approach to product development is an important aspect in our overall sustainability strategy.

From an environmental perspective, a majority of our Scope 3 emissions are attributed to product use. In order to make impactful changes, AAM evaluates sustainable options during the product development phase. One development tool that is considered significant is Life Cycle Assessment (LCA). LCAs provide information on the product-level for both upstream and downstream impacts. To better understand the variables in the assessment and interpretation of the results, we originally collaborated with a third-party consultant to complete our first representative LCAs. Based on the lessons learned from that project, we are developing our long-term approach to integrating LCAs into our processes.



VIRTUALIZATION INITIATIVE

AAM focuses on innovative and efficient approaches to product development.

AAM has implemented a strategic virtualization initiative focused on multiple objectives. This includes leveraging innovative physics-based methods to enhance efficiency while reducing physical testing. By doing so, the program facilitates cost reduction in engineering development and expedites time-to-market. Initially, the virtualization initiative was directed toward conventional axles. Following its success, the same methodology was applied to hybrid electric vehicle axles.

The current phase of the virtualization program is focused on electrified drivelines and making the testing efforts more efficient. This innovative and sustainable approach has enabled Associates to publish 21 peer-reviewed journal and conference papers. In addition, we have presented our virtualization initiative successes at 24 technical conferences.

MATERIALS MANAGEMENT

The management of materials, such as raw and recycled material content, chemicals and substances, is a fundamental element of a sustainable strategy. In order to provide efficient material information flow across the supply chain and follow national and international compliance standards, the International Material Data System (IMDS) was developed over 20 years ago. IMDS is a key element in our Production Part Approval Process (PPAP), as it requires IMDS submission for each part, including details about the chemicals, substances and materials used to produce the part. The material information submitted is verified to ensure that it complies with legal requirements and environmental regulations to ensure product safety, improve sustainability and have traceability in the supply chain. Below are examples of regulations embedded within the IMDS submission process:

- **ELV Directive** - the European Union's End-of-Life Vehicles Directive
- **GADSL** - Global Automotive Declarable Substance List
- **REACH** - Registration, Evaluation, Authorization and restriction of Chemicals

As a global supplier, we comply with all regulations and customer requirements regarding the tracking and disclosure of any potentially hazardous materials in the products we ship. While our approach may vary due to specific customer or local government requirements, our practice is to use IMDS to disclose the materials within our products. Any changes to product materials are reflected with updates to our IMDS entries.

AAM extends our materials management expectations to our supply chain as outlined in our Supplier Code of Conduct (SCoC). Suppliers should identify, minimize or eliminate the use of restricted substances in manufacturing processes and finished products to ensure regulatory compliance. They should also be aware of any use of restricted substances in processes and finished products, and actively investigate suitable substitutes to maintain product and environmental stewardship.



PACKAGING AND RECYCLED MATERIAL

AAM makes an impact by integrating responsible practices throughout our value chain.

Another aspect of AAM's sustainable product development approach is attention to sustainable packaging. By concentrating on packaging processes and materials used, we can lower the environmental impact. We are incorporating a variety of sustainable packaging actions, such as:

- As part of our new business quoting process, our Corporate Material Handling Engineering team can challenge situations where expendable (e.g., single use) vs. returnable (e.g., multiple uses) dunnage has been indicated. This supports making more sustainable decisions during the quoting process.
- In 2023, AAM recycled over 13,000 tons of wood and cardboard materials globally.

Our recycled content efforts are extended throughout our supply base. Our SCoC indicates that our suppliers are required to offer a recycled option in their quotations when recycled materials can meet the required specifications. Based on a survey from our direct material suppliers, we estimate that approximately 74% of our controllable direct material spend is for content derived from recycled material, while only 26% comes from raw or virgin material.

QUALITY AND SAFETY

As a material topic at AAM, product quality and safety goes beyond meeting required standards, and is also about making sure our customers trust in our brand and rely on our products. As a part of AAM’s approach to ensure we have robust processes, we have a series of audits to verify product and process integrity are maintained in our manufacturing facilities. Our focus is paying attention to every detail, ensuring continuous improvement and utilizing best practices in pursuit of global quality leadership.

MANAGEMENT AND COMPLIANCE

AAM’s Quality organization is managed using a global and local approach. The Vice President of Product Engineering and Quality is responsible for ensuring that the quality management system meets ISO 9001:2015 and IATF 16949:2016 requirements, along with promoting a customer focus throughout the organization. Quality Managers or designees are responsible for reporting on the performance of the quality management system and opportunities for improvement to top management, and ensuring that the integrity of the system is maintained.

From a local perspective, Plant Managers are responsible for setting plant goals and objectives, while Production Supervisors are responsible for conformity of product requirements and have the authority to stop shipment. In addition, Manufacturing Managers ensure that production operation across all shifts are staffed with personnel responsible for ensuring conformity of product requirements.

Q⁴ QUALITY OPERATING SYSTEM

Our Q⁴ Operating System is a key element of our AAM Operating System (AOS). AOS leverages our global standards, policies and best practices across all disciplines. This system ensures our leadership in customer satisfaction, lean production and efficient cost management.

As part of our AOS, the Q⁴ Operating System integrates AAM’s values, goals and objectives to drive continuous improvement and create a sustainable and actionable quality and warranty program addressing both OEM first-time quality and warranty reduction for vehicles and users.

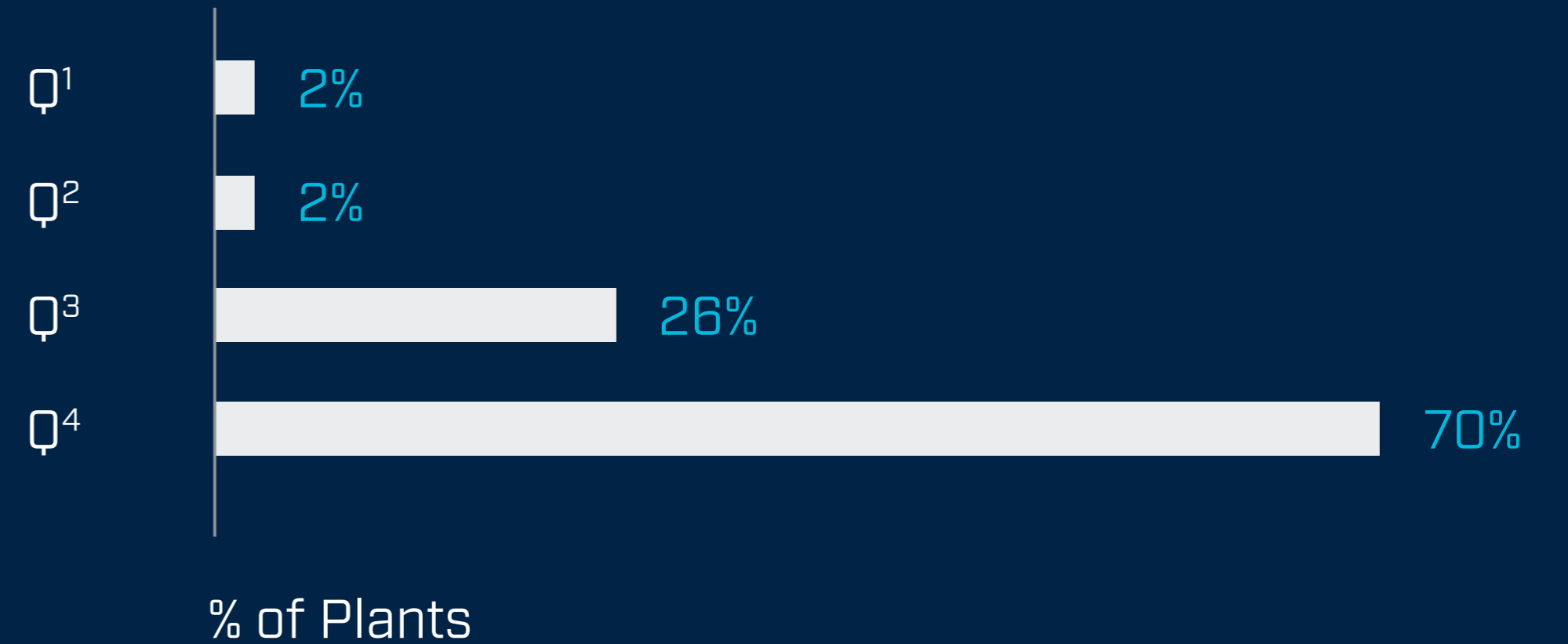
The relationship between warranty and quality are interdependent. A comprehensive warranty process reinforces the assurance of a high-quality product, fostering consumer trust and satisfaction.

THE KEY ELEMENTS OF AAM’S LONG-TERM QUALITY AND WARRANTY PLAN INCLUDE:

- Clear customer focus through excellent service and fast response
- Zero defect mindset in pursuit of perfect quality products
- Global Read-Across process to share and apply to all manufacturing locations
- Continuous Associate development to strengthen technical and quality system capabilities
- Problem solving and analysis to ensure robust process enhancements
- Broad and detailed audits for quality system awareness consistency across AAM locations



Q⁴ LEVEL ATTAINMENT



LEVEL 1

Quality System not fully implemented. Customer protection based on offline containment. Quality department owns product quality with support from multidisciplinary team. Reactive quality approach.

LEVEL 3

Quality system consistently followed throughout the plant. Customer protection based on checks at the station. Product quality ownership fully transitioned from Quality to Manufacturing department.

LEVEL 2

Quality System compliance based on enforcement. Customer protection based on end-of-line inspection. Product quality ownership transferred from Quality to Manufacturing department.

LEVEL 4

Nonconformances are prevented through error-proofing and robust quality planning. Manufacturing sustains ownership of product quality with support from multidisciplinary team. Proactive quality approach.



QUALITY ENGAGEMENT

AAM's inaugural Quality Day was celebrated across the globe.

With our continued focus on quality, AAM launched its inaugural Quality Day in 2023 at all locations across the globe. "Quality is everyone's responsibility" was the slogan, reinforcing the commitment from all Associates to the quality of our products, processes and services. The event not only celebrated our quality culture, but it also included interactive activities for Associates, customer interface points and family participation at some locations.

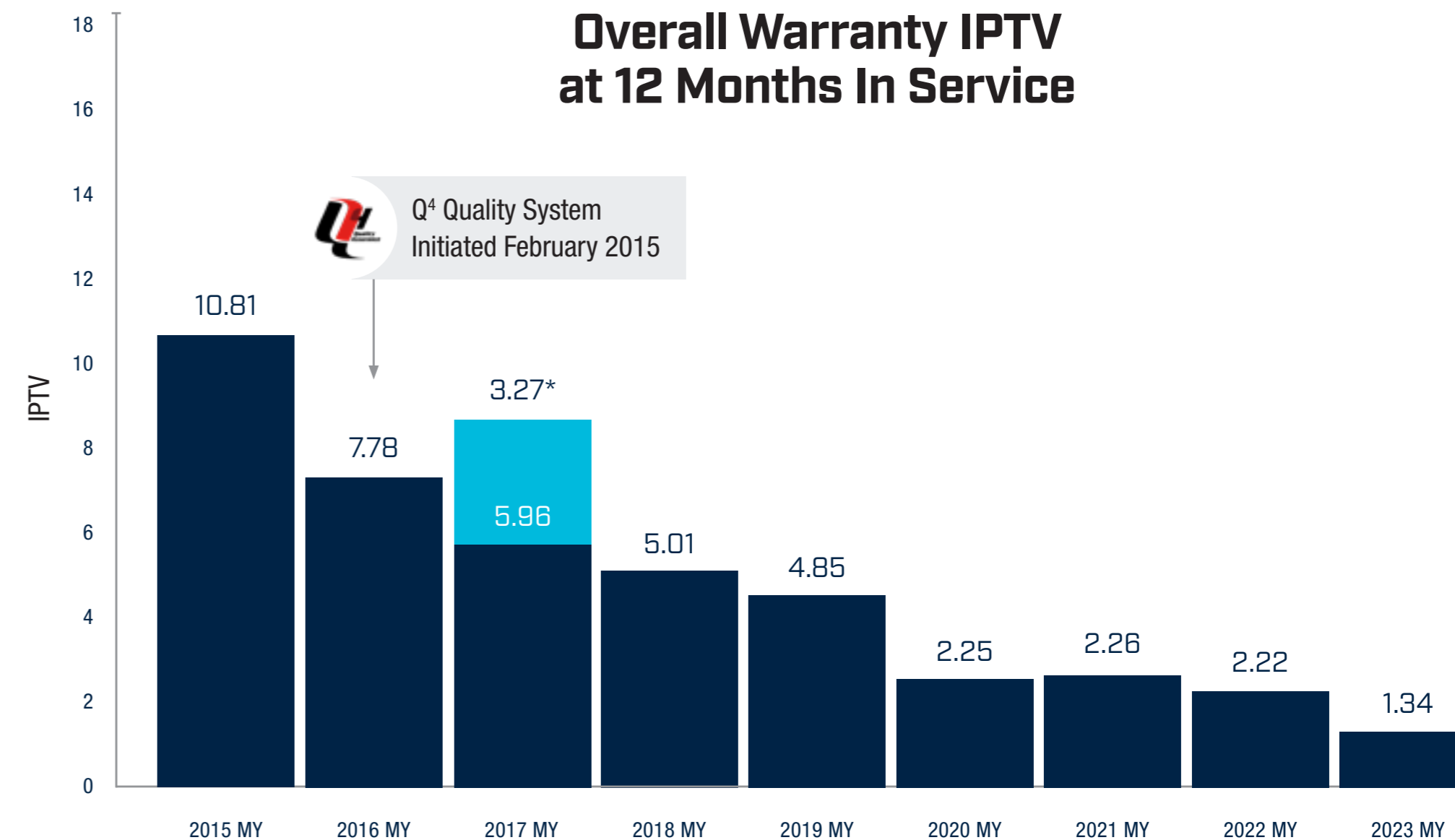
Along with our first Quality Day, AAM held Q⁴ workshops across multiple locations in the U.S., Mexico, Brazil and Europe. The workshops aimed to familiarize participants with our Q⁴ Quality Management System by focusing on the elements outlined in the Q⁴ Assessment Checklist. Throughout the event, participants engaged in various interactive sessions, practical exercises and insightful discussions that allowed them to gain a comprehensive understanding of AAM's Q⁴ Quality Management System.



QUALITY PERFORMANCE

AAM has seen a direct correlation between better Q⁴ level performance and improvement in incidents per thousand vehicles at 12 months in service (IPTV @ 12 MIS). IPTV @ 12 MIS is AAM's leading indicator for warranty issues and is key to achieving vehicle end user satisfaction and safety.

Since the development of our Q⁴ Quality System in 2015, AAM'S IPTV has improved by approximately 85%, based on AAM'S IPTV 1.34 rate at 2023 year-end MIS.



*Non-AAM manufacturing related (supplier field action)



2023 QUALITY AWARDS

Company	Award and Location	Company	Award and Location	Company	Award and Location
GM	GM Overdrive Award AAM World Headquarters	SAIC-GM	Supplier Quality Excellence Award Changshu Manufacturing Complex - 1	PACCAR	Quality Achievement - Below 10 PPM Hausach Manufacturing Facility
GM	Supplier Quality Excellence Award Auburn Hills Manufacturing Complex	SAIC-GM	Stabilized Supply Chain Award Changshu Manufacturing Complex - 1	CNH Industrial	Gestion de la Mejora Continua - Continuous Improvement Management El Carmen Manufacturing Facility
GM	Supplier Quality Excellence Award Changshu Manufacturing Complex - 1	FORD	Q1 Quality Award Changshu Manufacturing Complex - 2	HINO	Quality Achievement Oxford Forge
GM	Supplier Quality Excellence Award Guanajuato Manufacturing Complex - 3	FORD	Q1 Quality Award Auburn Hills Manufacturing Complex	AISIN	Special Performance Achievement Royal Oak Manufacturing Facility
GM	Supplier Quality Excellence Award Guanajuato Manufacturing Complex - 4	FORD	Q1 Quality Award Guanajuato Manufacturing Complex - 4	AISIN	Certificate of Award - Quality & Delivery Performance Subiaco Manufacturing Facility
GM	Supplier Quality Excellence Award Guanajuato Manufacturing Complex - 5	DAIMLER	Best Knowledge Sharing Displays and Active Collaboration - Quality Week Initiatives Chennai Manufacturing Facility	SHAININ	Dorian Award - Bottom Line Improvement Award AAM World Headquarters
GM	Certification of Excellence Platinum - Outstanding On-Time Shipping Performance Subiaco Manufacturing Facility	DAIMLER	Master of Quality Award El Carmen Manufacturing Facility	ACMA OF INDIA	Automotive Component Manufacturers Association (ACMA) of India Quality Circle Competition Chakan Manufacturing Facility

SUPPLY CHAIN

In 2023, AAM...

- Released a new Supplier Code of Conduct
- Launched a global transportation campaign to reduce emissions
- Increased our Supplier Diversity spend year-over-year by 12%



SUPPLY CHAIN

AAM works closely and collaboratively with Supplier Partners around the globe to deliver POWER to our customers. A critical key to our success is building a resilient supply chain that can adapt to changing markets and requirements, while overcoming challenges. Reinforcing greater transparency is the foundation of our sustainable supplier strategy, driven through our sourcing, monitoring and engagement efforts.

MANAGEMENT STRUCTURE

AAM relies on two organizations within the company to develop and manage our supply chain efforts. The Global Procurement and Supplier Quality Engineering organization is responsible for managing and directing all processes, systems and activities relating to the purchase of direct and indirect materials and services. They also ensure compliance to Production Part Approval Process (PPAP) requirements and work with the supply base to resolve part quality and production capacity issues.

The second organization, Global Supply Chain, is vital to making sure our products arrive on time to our customers around the globe. Their responsibilities range from demand and capacity analysis to import and export functions.

These two organizations are managed using a global and local approach to ensure company policies and commitments are supported, while complying with requirements that may vary by market. The Vice Presidents of both organizations report directly to the President and Chief Operating Officer, allowing for direct communication and continuity of approach.





SOURCING AND MONITORING

We drive our Values and Principles throughout the AAM supply chain to ensure alignment with our sustainability program and corporate objectives. Our relationships with Supplier Partners are built around compliance, collaboration and continuous improvement.

SUSTAINABLE SOURCING

The purpose of supplier engagement, performance, monitoring and remediation is to drive a sustainable sourcing program and a resilient supply chain. This approach supports the important aspects of environmental protection, social responsibility and corporate governance. As a part of the process, prospective suppliers must [register on the AAM website](#) and provide the requested information for us to assess the business need and potential fit with our company.

SUPPLIER DUE DILIGENCE

Beginning with the onboarding phase, AAM uses a robust due diligence process to ensure suppliers are committed to upholding our business expectations and requirements. This process includes assessments and reviews, as well as ongoing monitoring for domestic and international sanctions. We also check for placement on watch lists, adverse media coverage, and criminal and civil charges.

During the onboarding phase, prospective suppliers are required to read, acknowledge and adhere to our Global Terms and Conditions. All AAM purchase orders include our [Global Terms and Conditions](#) which hold suppliers responsible for providing products and services in compliance with applicable standards, rules and regulations. In addition, they are also required to read, acknowledge and adhere to our Supplier Requirements Manual (SRM), Anti-Corruption Policy and Supplier Code of Conduct (SCoC).



SUPPLIER REQUIREMENTS MANUAL: [↗](#)

outlines the expectations and standards for all current and prospective suppliers, including their extended supply chains. Topics covered in the manual include quality, procurement, engineering, logistics, global trade, cybersecurity, environmental sustainability, social responsibility and corporate governance.



ANTI-CORRUPTION POLICY: [↗](#)

provides a framework for promoting effective compliance with anti-corruption laws and regulations globally. It also reinforces our commitment to compliance, transparency and integrity in all business activities as set forth in our Supplier Code of Conduct.



SUPPLIER CODE OF CONDUCT: [↗](#)

released in 2023 as a result of a proactive collaboration with our Supplier Partners. It was developed to promote the lawful, professional and responsible practices that emphasize respect for human rights, business ethics and the environment.

RESOURCES

AAM employs numerous strategies and initiatives to ensure our Supplier Partners have the resources they need to meet our expectations and requirements. We have established supplier scorecards to validate the achievement of our mutual goals, which include, but are not limited to, cost, quality, delivery and launch.

Our procurement sourcing process, principles of environmental protection, ethical labor practices, employee health and safety requirements, and business integrity expectations are cascaded through our supply chain. The AAM website has a dedicated section for current and prospective suppliers that addresses our expectations, policies and continuing education requirements.

Our [iSupplier Portal](#) is also available and accessed through the AAM website. It provides bulletins, manuals, guidelines and other documents that are critical for doing business with our company.

MONITORING PROCESS

To help us better understand environmental, social and corporate governance in our supply chain, we send self-assessment questionnaires (SAQ) to our suppliers. In 2023, nearly 40% of our direct material suppliers (by emissions) shared their SAQ results.

We continue to monitor and respond to the changing landscape of sustainability. To help drive sustainability performance improvements throughout our supply chain, we plan to launch a new measurement tool in 2024. The new tool will aim to help identify risks and opportunities, assess sustainability practices, monitor and track actions, understand and improve performance, and help manage our program more effectively. Additionally, the new tool will strive to optimize our data collection system for monitoring our Supplier Partners' progress with establishing their own science-based targets.

From an environmental perspective, AAM set a target that 67% of our direct material suppliers (by emissions) will have science-based targets validated by an accredited third party by 2027. In 2023, more than 11% of our direct material suppliers (by emissions) had validated targets, and nearly 10% have committed to working to set them.

AAM's Supplier Code of Conduct strengthens our connection to our supply chain and promotes resilient business practices:



CONFLICT MINERALS

As a part of our annual monitoring processes, AAM suppliers are required to comply with AAM’s conflict mineral reporting requirements as directed by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. The Act requires manufacturers to disclose whether the products they manufacture or contract to manufacture contain “conflict minerals necessary to the functionality or production” of those products, which directly or indirectly finance or benefit armed groups in the Democratic Republic of Congo (DRC) or a surrounding country (Angola, Burundi, Central African Republic, Congo Republic, Rwanda, Sudan, Tanzania, Uganda, and/or Zambia). Specifically, the term “conflict minerals” is defined as tin, tantalum, tungsten, and gold (3TG) or their derivatives.

Selected suppliers must complete a conflict minerals report for the calendar year, including a list of all smelters and refiners of 3TG necessary to the functionality or production of products supplied to AAM.

In addition, AAM also requests that certain suppliers complete the Extended Minerals Reporting Template (EMRT) for due diligence related to the minerals mica and cobalt. To ensure compliance with these requirements, each manufacturer in the supply chain must request information from all direct material suppliers. Failure to comply with these requirements may compel AAM to partially or completely re-source current business, as AAM must comply with legal obligations outlined in the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010.

To support this effort, our website features a subsection dedicated to the management of Conflict Minerals. This section includes annual supplier requirements, including:

- [AAM Conflict Minerals Reporting Template](#)
- [Annual Conflict Minerals Report](#)
- [Conflict Minerals Policy Statement](#)

In addition, our internal website is used to educate Associates on Conflict Minerals due diligence.

To support responsible mineral production and sourcing globally, AAM is a member of the Raw Materials Initiative (RMI). RMI provides companies with tools and resources that improve regulatory compliance, align with international standards, and support industry and stakeholder expectations.

AAM also actively participates in the Automotive Industry Action Group’s (AIAG) Responsible Materials Work Group, where supply chain industry experts work together to tackle related issues and challenges. They also influence widely used materials reporting content guidelines, standards and documents that impact the way we do business every day. As part of this group, AAM is a member of the Smelter Engagement Team which conducts outreach encouraging new and existing smelters/refiners to participate in smelter audits.

SUPPLIER ENGAGEMENT AND DIVERSITY

As a part of our engagement approach and supply chain support, we encourage suppliers who may not have their own sustainability programs to leverage our partnership with the Automotive Industry Action Group. AIAG is a cooperative auto industry forum that focuses on improving business processes and practices involving trading partners and peers throughout the supply chain.

We also have a [Supplier Sustainability](#) section on the AAM website, which includes a free e-learning and knowledge assessment, as well as several AIAG reference documents:

- Automotive Industry Guiding Principles Document
- Automotive Sustainability Practical Guidance Document
- AIAG Corporate Social Responsibility

AAM’s Supplier Council plays a key role in our Global Procurement and Supply Chain vision. The AAM Supplier Council members function as connections between AAM and our comprehensive supply base. Council members are selected based on criteria such as strategic fit, business volume, business unit (e.g., Driveline, Metal Forming) and type of buy (e.g., direct, raw material, indirect). The Council meets on a quarterly basis to discuss industry and market conditions, share best practices and review AAM/Supplier initiatives prior to implementation.



SUPPLIER SUSTAINABILITY COUNCIL

By partnering with our supply chain, we make a difference together.

As a division of the AAM Supplier Council, the Supplier Sustainability Council (SSC) represents the mix of our supply base that contributes to the majority of our Scope 3 emissions and serves as a voice for our global Supplier Partners. The SSC meets quarterly to discuss AAM sustainability policies and practices, along with overviews and guest speakers covering topics such as:

- Renewable Energy
- Science-Based Targets
- Materiality Assessments
- ISO 50001
- Cybersecurity
- Global Steel Climate Council Standard
- Supplier Code of Conduct
- ESG Platforms
- Sustainability Scorecards

Our SSC and strong supplier engagement approach provide feedback, guidance and recommendations on sustainability initiatives and strengthen alignment between AAM and our global network of suppliers.



EXECUTIVE CHAMPION PROGRAM

In 2023, AAM launched our Executive Champion Program which aims to improve Supplier Partner relationships, performance and sharing of new technology with our strategic suppliers. Each strategic supplier is assigned an Executive Champion that serves as a supplier advocate, assists with “roadblock” issues and hosts a semi-annual business review.

SUPPLIER DIVERSITY

The development of a sustainable, competitive and qualified Supplier Diversity Network is one of our key corporate objectives, and we are committed to building a supply chain that reflects the communities where we live and work. Additionally, we strongly encourage our tiered suppliers to implement their own supplier diversity policies and sourcing strategies.

AAM SUPPLIER AWARDS

AAM hosted our 29th Annual Supplier Day, where a leadership panel discussion focused on topics such as the unpredictable landscape and future supply chain opportunities. We also recognized our top suppliers during the event, including the AAM Supplier of the Year and Supplier Excellence Awards. Keeping with tradition, AAM has recognized exceptional suppliers each year since our founding in 1994.

During the event, AAM also presented our inaugural Sustainability Visionary Award. AAM requested supplier self-nominations, including information regarding each applicant’s most impactful or innovative efforts related to environmental, social and governance topics. A team of AAM Associates from various sustainability-related areas then evaluated each entry based on a consistent scoring system.

We seek to build sustainable relationships with Supplier Partners from underrepresented and underutilized groups, including:

- Minority Owned Businesses
- Woman Owned Businesses
- Veteran Owned Businesses
- Service Disabled Veteran Owned Businesses
- Disabled Owned Businesses
- LGBTQ+ Owned Businesses
- Small Businesses (as designated by the U.S. Small Business Association)
- Historically Underutilized Business Regions

In 2023, we increased our year-over-year Supplier Diversity spend by:

12%

We met all our customers’ supplier diversity expectations, achieving a green rating. To support increased business opportunities for diverse suppliers, we continued to make progress in three strategic areas of focus: Program Development, Industry Engagement and Performance.

We continue to participate in the Michigan Minority Supplier Development Council's (MMSDC) InFuse Mentoring Program, which promotes the progression and development of corporate supplier diversity programs. We graduated from the program in 2023 and are currently mentors to a major health care system. Additionally, we also graduated from the MMSDC Academy, which aimed to drive growth initiatives, focused on training and best practices for supplier diversity programs.

AAM continued to serve as a Corporate Coach for the National Minority Supplier Development Council's Center of Excellence Certification Program. The program is designed to build minority entrepreneur competitiveness through relationship building and collaboration.



INDUSTRY DIVERSITY

AAM actively engages in a number of industry and community organizations that advocate, connect, certify and develop diverse owned suppliers. We contributed to these organizations through sponsorships, mentorship, board and committee participation and conferences. The organizations we support include:



DIVERSITY AWARDS

We continue to focus on our customers' supplier diversity expectations and have received several awards from customers and advocate organizations recognizing our commitment to supplier diversity and validating our work toward an impactful supplier diversity program.



Certificate of Achievement for meeting Toyota's supplier diversity targets



Nissan Motor Corporation Supplier Diversity Overachiever Award





TRANSPORTATION AND DISTRIBUTION

A resilient and responsible supply chain goes beyond activities within individual facilities – it includes transporting products as efficiently and effectively as possible, at the right time, to the right place, in the right quantities. Optimizing transportation modes and capacity can have a positive impact from an environmental perspective and also improve cost savings. AAM works with both internal and external resources to evaluate various transportation modes and alternative fuel options for opportunities to improve efficiency and reduce GHG emissions.



NO IDLE CAMPAIGN

AAM launches a global program focused on environmental and financial impacts.

One of AAM’s 2023 global projects to help us POWER a greener future was the launch of a unique “Idle Free Zone” campaign at all of our facilities. On any given day, AAM facilities have hundreds of trucks in our shipping and receiving areas. By enforcing “Idle Free” zones, we can aid in fuel savings and maintenance costs. The project can also impact vehicle life span, and, most importantly, do our part to help reduce emissions. This campaign also supports AAM’s science-based target of net-zero emissions by 2040.

COLLABORATIONS

By collaborating with external organizations focused on efficient transportation, we have access to information on clean and efficient transportation strategies. With 90% of our global transportation spend occurring in North America, many of our sustainable transportation initiatives are heavily concentrated in this region. Two such North American organizations that we partner with include SmartWay and Transporte Limpio.

- The U.S. Environmental Protection Agency’s SmartWay program helps companies advance supply chain sustainability by measuring, benchmarking and improving freight transportation efficiency. AAM increased our use of the highest efficiency carriers (based on Smartway criteria) by 81% from 2021 to 2022. As a result of our improvement, we were recognized as a 2023 High Performer, with only 5% of all SmartWay shippers meeting the performance criteria. In 2023, 95% of AAM’s U.S. and Canadian transportation spend was routed on SmartWay carriers.
- AAM remained an active partner in Mexico’s Ministry of Environment and Natural Resources Transporte Limpio Clean Transportation Program. The program centers on the adoption of strategies, technologies and best practices that make transport more efficient, safe and sustainable. AAM was recognized as one of the Most Outstanding Companies in 2023 based on our excellent environmental performance score. In 2023, 86% of our Mexico transportation spend was with Transporte Limpio carriers.

In addition to the collaborations, AAM utilizes the Transporeon Carbon Visibility Platform to calculate AAM’s carbon emissions across the global Transportation network to support Scope 3 emissions reporting. We were able to make advancements in 2023 that allowed for greater accuracy of carbon emissions reporting, including improved granularity and visibility of impacts by location, mode and carrier, along with benchmarking capabilities.

CONTINUOUS IMPROVEMENT PROCESS PROJECTS

Distribution network sustainability and efficiency improvements were also realized through projects focused on improving load utilization, shipment consolidation, frequency, mode and component packaging. Continuous Improvement Process (CIP) projects are reviewed on a regular cadence to support advancement, remove potential roadblocks and calculate the financial and environmental impacts.

As an example, improved component packaging CIP projects at facilities in India and Mexico resulted in eliminating more than 1,260 tons of CO₂e emissions and approximately \$1.4 million in cost savings.

GOVERNANCE

In 2023, AAM...

- Introduced a new Cybersecurity Awareness program, #AAMSecure
- Revised the AAM Code of Business Conduct
- Expanded our ESG Governance structure to cover core sustainability topics



GOVERNANCE

At AAM, we have combined strong leadership experience, policies and governance structures to manage our business responsibly and ethically. AAM is led by a team of knowledgeable, forward-thinking and passionate industry experts. In addition, AAM's Board of Directors* bring together decades of strategic and visionary experience in a wide variety of industries, culminating in effective and thorough guidance.

MANAGEMENT STRUCTURE AND BOARD LEVEL OVERSIGHT

The Board of Directors plays a critical role in sustainability governance through effective and engaged oversight and is responsive to feedback from shareholders. Consistent with Board responsiveness with shareholder feedback, the Board holds senior leadership accountable for sustainability performance and reporting. The full Board receives quarterly sustainability updates from AAM's Sustainability Program Lead as an agenda item. Board committees oversee topics related to their areas of responsibility and provide regular updates to the full Board.

BOARD COMMITTEE ROLES IN THE AAM SUSTAINABILITY PROGRAM

- **Nominating/Corporate Governance:** Oversees policies, strategies and performance related to sustainability matters, including DEI, human capital management and climate-related topics.
- **Audit Committee:** Oversees policies and activities related to financial reporting, internal controls, risk management, cybersecurity, ethics and corporate compliance.
- **Compensation Committee:** Structures executive compensation programs to drive performance aligned with our business strategy, including advancements in our Sustainability Program.
- **Technology Committee:** Oversees product technology with a focus on advancements in electrification, lightweighting and other key product technologies.



DAVID C. DAUCH ^E
Chairman of the Board and Chief Executive Officer



ELIZABETH A. CHAPPEL ^{G T}
Former President and Chief Executive Officer, Detroit Economic Club



WILLIAM L. KOZYRA ^{G C T}
Chairman and Chief Executive Officer, Wilko Plastics, Inc.



PETER D. LYONS ^{G C}
Counsel, Freshfields Bruckhaus Deringer U.S. LLP



JAMES A. MCCASLIN ^{A G C E T}
Retired President and Chief Operating Officer, Harley-Davidson Motor Company



WILLIAM P. MILLER II ^{A T}
Senior Managing Director: Capital Markets, Investments and Governance Financial Markets International, Inc.



ALEKSANDRA A. MIZIOLEK
Retired Chief Transformation Officer, Cooper-Standard Holdings, Inc.



HERBERT K. PARKER ^{A G}
Retired Executive Vice President of Operational Excellence and Chief Financial Officer, Harman International



SANDRA E. PIERCE ^{A C}
Retired Chair, Huntington Bank



JOHN F. SMITH ^{A E T}
Principal, Eagle Advisors
Retired Group Vice President, General Motors



SAMUEL VALENTI III ^{A G C}
Chairman and Chief Executive Officer, Valenti Capital LLC

- ^A Audit Committee
- ^G Nominating/Corporate Governance Committee
- ^C Compensation Committee
- ^E Executive Committee
- ^T Technology Committee

* Information above reflects Board of Directors as of March 15, 2024.



BOARD SKILLS AND QUALIFICATIONS

The desired skills and qualifications of the Board are focused in areas that enhance their effectiveness. Key skills and qualifications of our Board Members are depicted below.



ACTIVE ENGAGEMENT WITH OUR SHAREHOLDERS

Our Board and management team greatly value our shareholders' opinions and feedback. Our proactive, year-round shareholder engagement process includes an annual shareholder outreach program, conducted in the fall and winter. Our investor communication program consists of meetings and communications with shareholders throughout the year in various forums and encourages meaningful dialogue about topics of interest. The Board regularly receives reports of shareholder feedback from these programs for its consideration.



INVESTOR COMMUNICATION PROGRAM

THROUGHOUT THE YEAR

- Senior management participation in conferences
- One-on-one and group meetings
- Events held at AAM locations featuring innovations in technology/electrification
- Day-to-day interaction with Investor Relations

ANNUAL SHAREHOLDER OUTREACH PROGRAM

SEMI ANNUAL

- Fall/Winter outreach seeking engagement with shareholders and with proxy advisory firms
- Led by CFO and Investor Relations Department
- Lead independent director/compensation Committee Chair participates in and is available for outreach meetings

BOARD INVOLVEMENT

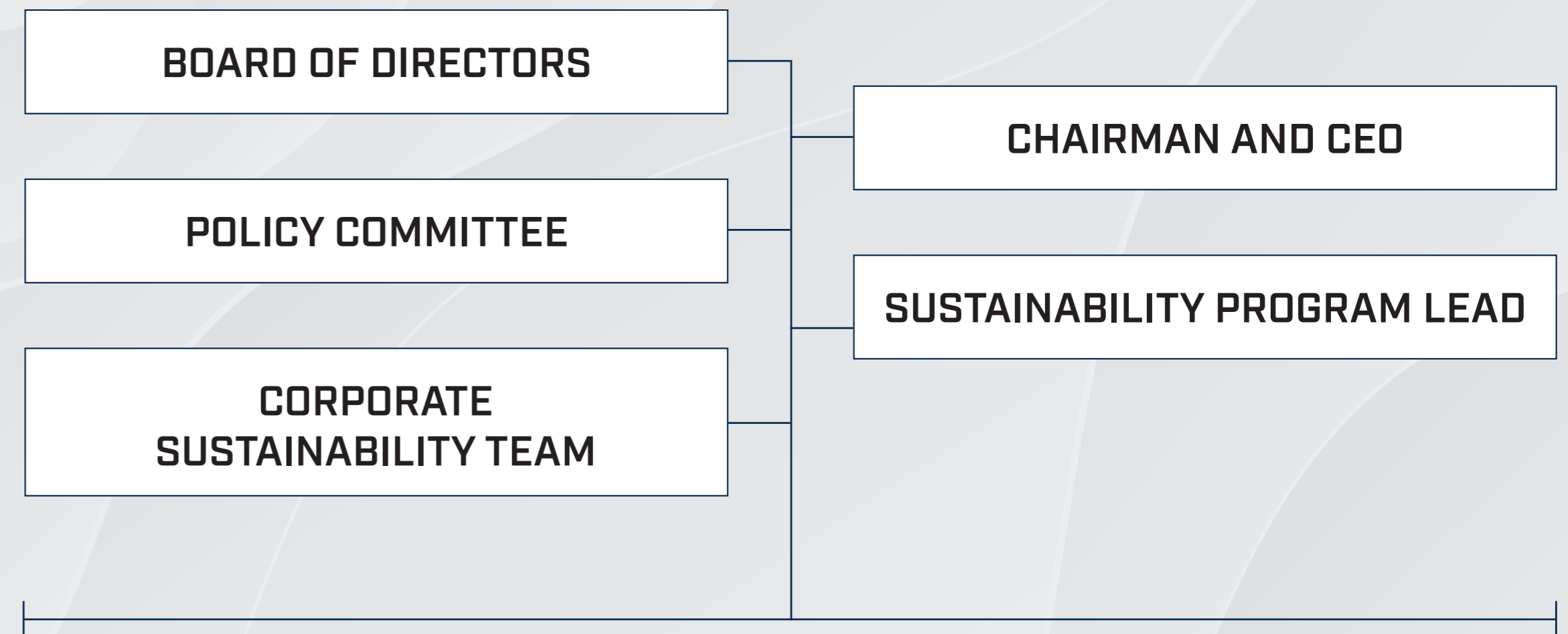
ROUTINE

- Board considers shareholder feedback and shareholder vote in decision-making
- Board reviews disclosure enhancements
- Board and management discuss shareholder feedback and the Board's response

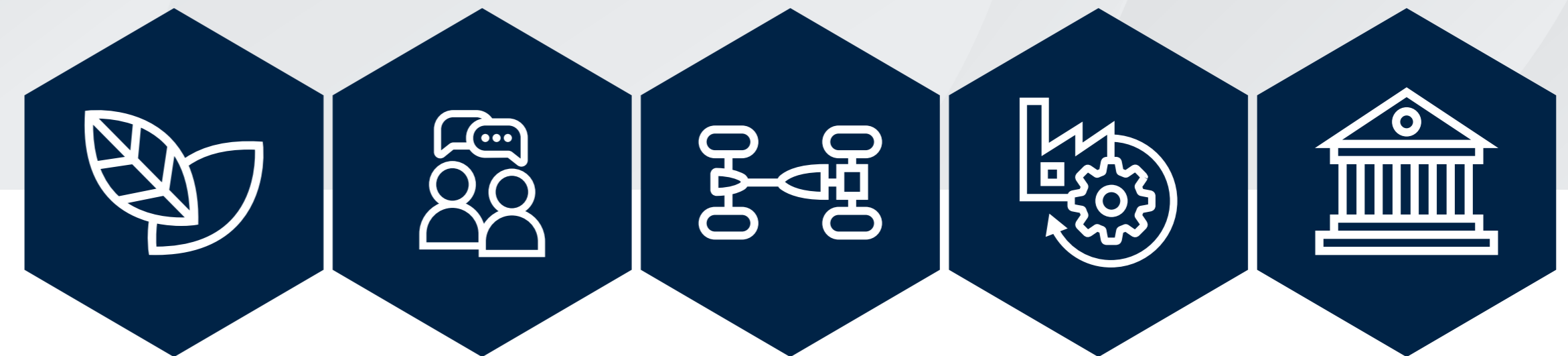
SUSTAINABILITY GOVERNANCE

Governance of sustainability at AAM begins with our Board of Directors and moves through clearly established ownership responsibilities at multiple levels in the organization.

- **Board of Directors, Chairman and CEO:** Provide program governance and alignment of sustainability initiatives with overall business strategy.
- **Policy Committee:** Responsible for policymaking and implementation, including the determination of material topics. Chaired by our CEO, this committee consists of our President and Chief Operating Officer, EVP and Chief Financial Officer, Sr VP Human Resources and Sustainability, VP and General Counsel, and the Top Business Unit Leaders.
- **Sustainability Program Lead (Sr VP Human Resources and Sustainability):** Reports to AAM's CEO and is responsible for guiding and directing corporate sustainability initiatives.
- **Corporate Sustainability Team:** Reports to AAM's Sr VP Human Resources and Sustainability and is responsible for sustainability-related communication, customer requests and rating agency assessments; works closely with top-level leadership on sustainability strategy, gap analysis and relevant initiatives; supports internal and external stakeholder engagement on sustainability matters.
- **ESG Working Group:** The ESG Working Group was expanded in 2023 to include leads who are responsible for our 15 material topics. In addition, monthly reports focusing on the material topics were incorporated into the process to ensure information is shared across all relevant groups. The ESG Working Group includes leaders from Human Resources; Facilities and Environmental, Health and Safety; Supply Chain; Procurement; Strategy and Business Development; Product Engineering and Quality; Manufacturing Services; IT; Investor Relations; Marketing and Communications; Corporate Finance; and Legal.



ESG WORKING GROUP



ENVIRONMENTAL

SOCIAL

PRODUCT

SUPPLY CHAIN

GOVERNANCE



RISK MANAGEMENT

AAM's Board of Directors has oversight of risk management with a focus on the most significant risks facing the Company. The Board believes that effective internal controls and risk management processes are essential for achieving shareholder value and their risk oversight process builds upon management's risk assessment and mitigation processes. AAM's comprehensive risk management process is led by top management, structured and based on standards, and executed in an environment of strong internal controls with comprehensive policies and procedures. AAM applies an enterprise risk management approach to assess and define substantive financial and strategic risks within our business, as well as upstream and downstream in our value chain.

AAM evaluates business and industry risks in four main categories: strategic, operational, financial and compliance. Strategic concerns consider circumstances such as: changing industry dynamics, failure to attract and retain key talent, political risk, manufacturing site concentrations and climate-related risks.

Operational impacts may include IT and cybersecurity risk, supply chain disruptions and labor availability. Financial considerations include fiscal crisis or severe financial downturns as well as inflationary cost pressures. Compliance risks include an assessment of AAM's ability to comply with financial, regulatory, environmental, or other regulated subjects and standards. Mitigation of the top identified risks, as well as risks in direct operations, is managed at the plant, business unit and enterprise level, depending on the risk topic.

Risk management practices and processes are embedded throughout the Company in the AAM Operating System (AOS), a global operating system designed to deliver operational excellence by leveraging our global standards, policies and best practices. The AOS includes several modules and sub-systems in each of the functional areas of the business including:

- Q⁴ Quality Operating System
- S⁴ Safety Operating System
- SCM⁴ Global Supply Chain Operating System
- E⁴ Environmental Operating System
- IT⁴ Information Technology Operating System
- IPM⁴ Integrated Program Management Operating System

Each of these systems includes processes designed to identify, assess and mitigate issues within that functional area.

Climate-related risk is one of the top-ten risks to be evaluated through our risk management process. Additional information can be found in the [Environmental section](#).

CYBERSECURITY AND DATA PROTECTION

We are committed to safeguarding the confidentiality, integrity, and availability of our data and critical systems through continuously evaluating and improving our Information Security program.

We partner with our customers, stakeholders and suppliers to strategically identify opportunities to reduce risk through establishing appropriate levels of protection and mitigation.

The Audit Committee of the AAM Board oversees our cybersecurity risk management program, as well as other information technology controls, procedures, programs and mitigation processes. This Committee receives quarterly reports from AAM's Chief Information Security Officer on cybersecurity and data protection.

CYBERSECURITY AWARENESS AND TRAINING

With a mission of Enabling the Business, Securely, the Information Security team is focused on not only educating AAM Associates and Suppliers to become more cyber aware but also on implementing controls that balance user experience with risk reduction.

All AAM Associates with access to AAM Information Systems must complete cybersecurity awareness training. Phishing testing and training is conducted on an ongoing basis and results are reported quarterly to the Audit Committee of the AAM Board.

In 2023, the new Cybersecurity Awareness program #AAMSecure was introduced. This program promotes organization-wide awareness via global and regionally-targeted cybersecurity announcements and an information security digital resource center.

The AAM Information Security Council (ISC), made up of leadership representatives from across the organization, meets quarterly to discuss current threats and trends and the resulting Information Security initiatives and priorities. The ISC members provide support for policy changes and insights into how the Information Security team can more effectively educate, communicate and support.

AAM ENTERPRISE CYBERSECURITY PRINCIPLES

- 1 Promote a strong security culture
- 2 Optimize and automate processes to drive efficiencies
- 3 Integrate security into AAM business functions
- 4 Enhance AAM's ability to identify, detect, respond and recover
- 5 Place resiliency and adaptability at the core of controls

INFORMATION SECURITY MANAGEMENT SYSTEM

We have built an Information Security Management System (ISMS) that is integrated into the risk management framework to identify evolving risks and build a comprehensive strategy to address them. The ISMS leverages strong governance frameworks such as NIST, CIS, TISAX and ISO 27001.

Our ISMS is built on a balance of people, processes and technologies comprised of:

- Information security experts holding multiple industry certifications
- 24/7 security monitoring using internal and external resources
- External security assessments and control validation
- Security awareness and phishing tests
- Annual table-top exercises
- Industry-leading email, endpoint and network protection technologies
- Principle of Least Privilege
- Multi-factor authentication
- Comprehensive incident response plan
- High availability, disaster recovery and business continuity
- Third-party risk management
- Continuous Threat Exposure Management (CTEM)





ETHICS AND COMPLIANCE PROGRAM

At AAM, we believe that doing what is right is vital to our continued success. We are committed to abiding by all laws and regulations of the jurisdictions in which we operate. We have developed a global ethics and compliance program to ensure a culture of integrity.

The Ethics and Compliance Committee (ECC) oversees our ethics and compliance programs, policies and procedures.

ETHICS AND COMPLIANCE COMMITTEE

MEMBERSHIP

- CEO
- President
- Executive Vice President and CFO
- Senior Vice President Human Resources and Sustainability
- Vice President and General Counsel
- Director Internal Audit

KEY RESPONSIBILITIES

- Overseeing the review and disposition of compliance-related concerns or complaints
- Reviewing the effectiveness of our compliance programs
- Reviewing risk management/assessment practices and policies regarding legal and regulatory compliance risks
- Managing of the effectiveness of our training and communication programs in promoting a culture of integrity, ethics and compliance



ETHICS AND COMPLIANCE TRAINING

A key element of our ethics and compliance program is education. Our training program helps Associates understand the expectations and policies related to our [Code of Business Conduct](#) and other compliance areas.

For example, the Code of Business Conduct course covers the key elements of the Policy, requires Associates to demonstrate their knowledge of risk areas specifically in the automotive industry, identifies consequences to actions and provides resources. AAM’s Mutual Respect course focuses on how we can build a work environment where we feel like we belong, where we feel safe to bring our whole selves to work and where our differences are celebrated, not feared. The course covers understanding and recognizing different types of harassment and discrimination, understanding the impact of our actions, retaliation, proper reporting, and how AAM handles complaints.

All Salaried Associates, including management, are required to complete annual ethics and compliance courses. Variable incentive payments are linked to the completion of these mandatory courses. In 2023, 100% of Salaried Associates completed these requirements, which included the following courses:

- Code of Business Conduct
- Conflicts of Interest
- Mutual Respect
- Careful Communications

AAM Salaried Associates and management are also required to review the [Anti-Corruption Policy](#) and [Conflict of Interest Policy](#) on an annual basis and disclose relevant information.

In addition, all newly hired Salaried Associates are required to complete Protecting Proprietary Information and Data Privacy courses. This supports our commitment to safeguarding the confidentiality, integrity, and availability of our data and critical systems. Newly hired Salaried Associates are also encouraged to attend courses led by subject matter experts that focus on AAM’s history, innovation and products.

The ECC annually reviews our ethics and compliance training curriculum to ensure that Salaried Associates receive training each year on current and trending topics of importance to AAM and our stakeholders. In 2023, the ECC added mandatory training on Mutual Respect and Careful Communications to enhance Associate awareness of these compliance topics.

In 2023, AAM began conducting in-person, instructor-led Ethics and Compliance training on a risk-prioritized basis. The topics included Introduction to AAM’s Compliance and Ethics Program and Conducting Internal Investigations. We plan to continue expanding the in-person training program in 2024.

CODE OF BUSINESS CONDUCT

Our Associates are expected to conduct business using the highest standards of ethics and integrity. The AAM [Code of Business Conduct](#) serves as a guide to help Associates understand and meet these expectations, and is accessible in all the languages spoken where we conduct business. All Associates are required to read the Code and acknowledge their obligation to comply as part of their annual training. Newly hired Associates are introduced to the Code during the onboarding process.

The Code is reviewed annually by both the Nominating/Corporate Governance Committee of the AAM Board of Directors and the full Board.

We actively monitor compliance with the Code through an ethics line and web-based platform. These are available to all Associates, suppliers and customers, which allow them to report ethics and compliance concerns.

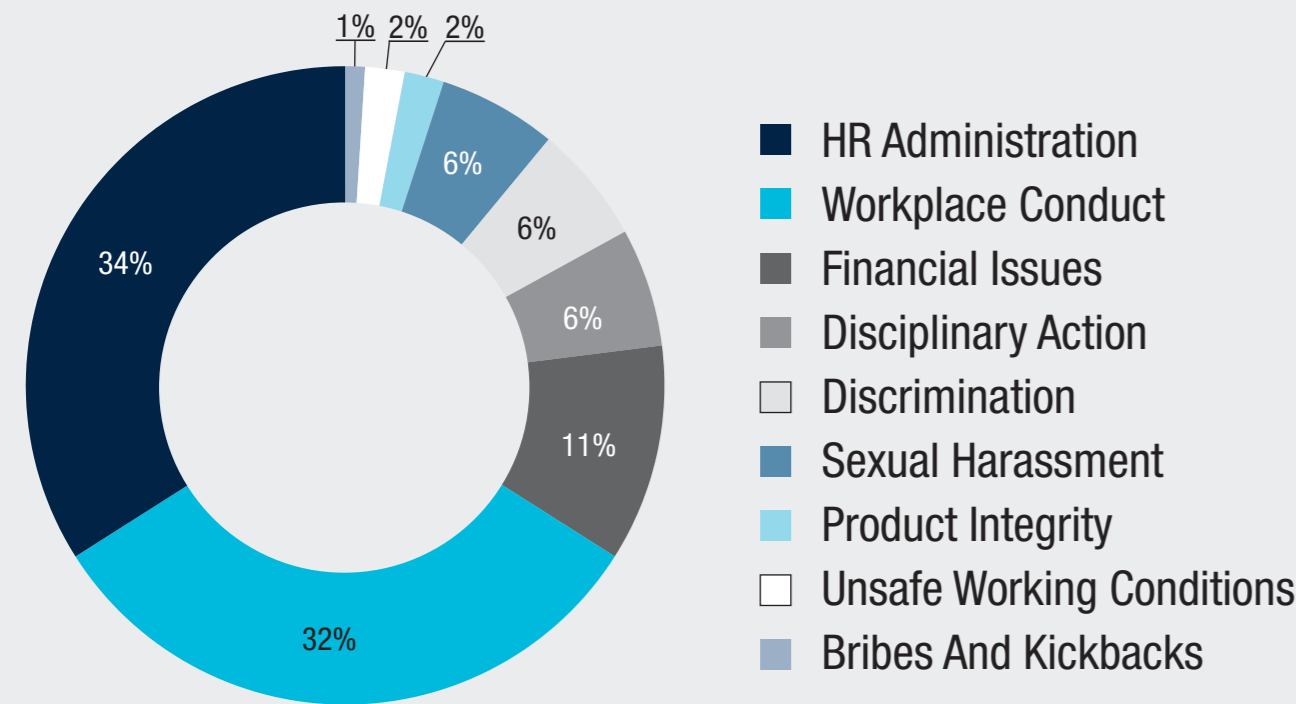
CODE OF CONDUCT TRAINING MODULES INCLUDE:

- Promoting Fair Purchasing Practices
- Protecting Human Rights
- Protecting our Environment
- Participating in the Political Process

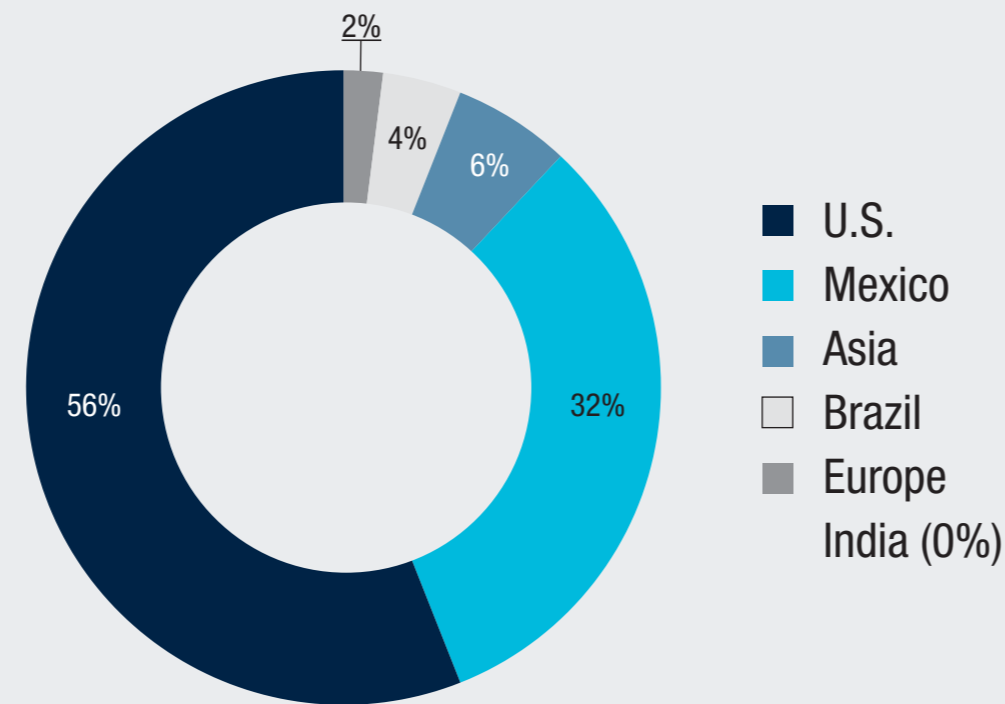




ETHICS LINE - 2023 REPORTS BY ALLEGATION



ETHICS LINE - 2023 REPORTS BY COUNTRY OR REGION



Reports received during 2023 were predominately related to workplace conduct and originated from the U.S. and Mexico.

ETHICS AND COMPLIANCE REPORTING AND MONITORING

Ethics line complaints are shared with the CEO, the Chair of the Audit Committee of the Board of Directors and the members of an internal ethics line working group. This working group includes AAM’s VP and General Counsel, Director of Internal Audit, Director of HR Compliance, Director of Legal Compliance and the Head of Security.

The working group meets monthly to review every open call, web submission or other form of inquiry. Investigations are conducted by appropriate personnel and the working group ensures that investigations are addressed in a timely and thorough manner. The VP and General Counsel then reports to the full Audit Committee on these activities and related compliance issues on a quarterly basis.

REPORTING AND INVESTIGATIONS

- 24/7/365 availability online or via toll-free call to a third-party call center with local language translators available
- Option to remain anonymous
- 100% of reports investigated
- Substantiated reports frequently result in group or individual counseling or training; more serious violations can result in verbal and written warnings or termination of employment

- A quarterly summary of all the reports is provided to the Audit Committee of the Board of Directors
- In 2023, AAM received 324 reports to our Ethics Line. This equates to 1.5 reports per 100 Associates, which is within the median range of benchmarking data provided by our Ethics Line provider
- Our 2023 substantiation rate* of 52% indicates a high level of quality, actionable reports

*Substantiation rate is based on investigations that have been concluded as of March 8, 2024.



HUMAN RESOURCES POLICIES AND PROCEDURES

We are committed to reviewing and updating Human Resources policies and procedures on a continuous basis. This includes adding and revising language to reflect our inclusive values while encouraging Associates to bring their whole selves to work. In addition, we have a large, content-rich online library available to advance our Associates' knowledge in diversity, equity and inclusion.

EQUAL EMPLOYMENT OPPORTUNITY

AAM is an equal employment opportunity employer. AAM will not discriminate against any associate or applicant for employment because of age, race, color, gender, religion, weight, height, marital status, sexual orientation, genetic history or information, gender identity or expression, disability, protected veteran status, national origin or other characteristics protected by law.

AAM will take additional actions to promote fairness and diversity as part of our policy, hiring practices, organizational development and succession planning. AAM will commit to providing flexible work arrangements and reflections rooms where possible and continue our commitment to promote Mutual Respect throughout the Company. AAM is also committed to maintaining a diverse, equitable and inclusive work environment and provide a culture that supports DEI learning events, discussion and engagement events.

UNLAWFUL HARASSMENT, SEXUAL HARASSMENT AND DISCRIMINATION

AAM has a company-wide Unlawful Harassment, Sexual Harassment and Discrimination Policy where all Associates have the right to work in an environment free from all forms of harassment and discrimination.

Unlawful harassment, sexual harassment or discrimination of Associates, customers, suppliers or others because of age, race, color, gender, religion, weight, height, marital status, sexual orientation, genetic history or information, gender identity or expression, disability, protected veteran status, national origin, any protected status or characteristic protected by law is illegal and violates AAM's policy.



INDUSTRY ASSOCIATIONS

We work to stay current with the policies, regulations and trends of the global automotive industry. To ensure we remain at the forefront of the industry, we participate in associations and organizations around the world. Through our membership and involvement in these groups, we can share best practices, grow our knowledge and advance our position as a leader among global suppliers.

NORTH AMERICA

- Automotive Industry Action Group
- CADIA CEO Coalition for Change
- Center for Automotive Diversity, Inclusion and Advancement
- Center for Automotive Research (CAR)
- Forging Industry Association
- Motor Equipment Manufacturers Association
- National Association of Manufacturers
- Society of Automotive Engineers
- Women in Manufacturing
- Society of Women Engineers
- The U.S.-Mexico Chamber of Commerce

EUROPE

- European Association of Automotive Suppliers
- Hessenmetall – Verband der Metall-und Elektro-Unternehmen Hessen e.V.
- Industrieverband Massivumformung e.V.
- VDA – Verband der Automobilindustrie e.V.

SOUTH AMERICA

- American Chamber of Commerce for Brazil

ASIA

- American Chamber of Commerce, Shanghai
- China Industry Technology Innovation Strategic Alliance for Electric Vehicle
- European Union Chamber of Commerce in China
- American Chamber of Commerce, Thailand
- Korean Auto Industry Cooperation Association
- American Chamber of Commerce in India
- Automotive Component Manufacturer Association
- The Automotive Research Association of India





APPENDIX





ABOUT THIS REPORT

Our focus is to drive continuous improvement in the sustainability areas most important to AAM and our stakeholders. This is our fifth sustainability report describing the company’s approach to sustainability program governance, priority topics, key metrics and targets, and our key sustainability initiatives and achievements. Our previous report covered the calendar year 2022 and was published in April 2023.

The content of this report generally covers subject matter for the calendar year 2023 and is limited to American Axle & Manufacturing Holdings, Inc. and its wholly-owned subsidiaries. Dollar amounts presented within this report are stated in U.S. dollars. Unless otherwise noted, all metrics related to AAM’s operations, products, workforce and financial data refer to the calendar year ending December 31, 2023.

REPORTING FRAMEWORKS

Global Reporting Initiative (GRI) Standards: The GRI Standards were developed to enable organizations to report on their material impacts across the economy, environment and people. This report references the GRI Standards listed in the GRI Content Index.

Sustainability Accounting Standards Board (SASB): The SASB framework is a set of standards that identifies industry-specific, financially material sustainability topics and metrics. This report references the SASB Standards according to the Transportation – Auto Parts industry classification.

Task Force on Climate-Related Financial Disclosures (TCFD): The Financial Stability Board has developed a voluntary, consistent, climate-related financial risk disclosure for use by companies in providing information to investors, lenders, insurers and other stakeholders. Our public disclosures on climate change are included in the AAM 2023 Sustainability Report, our 2023 CDP climate change response and in our 2023 Annual Report on Form 10-K, in alignment with the TCFD recommendations.

2023 SUSTAINABILITY MATERIAL TOPICS

The content featured in this report is based on the results of our 2022 materiality assessment. The assessment process followed Global Reporting Initiative (GRI) guidance and included:

DISCOVERY AND ANALYSIS:

- Analysis of industry-specific sustainability disclosures
- Benchmarking and comparison against industry best practices
- Review of AAM’s sustainability-related disclosures, policies and procedures

STAKEHOLDER ENGAGEMENT:

- Interviews with customers, Board Members and internal stakeholders from AAM functions, including Environmental, Health and Safety, Finance, Human Resources, Marketing and Communications and Procurement
- Materiality survey of more than 700 internal and external stakeholders such as Associates, customers, suppliers and the AAM Board of Directors

MATERIALITY ASSESSMENT:






- Analyze findings
- Identify common themes, trends and expectations across stakeholder groups
- Recommend material topics to integrate into business plans and reporting processes

The results of the assessment will be used in 2023 and beyond as we evaluate our strategy, develop additional long-term commitments and prioritize our sustainability-related initiatives.





AAM SUSTAINABILITY-RELATED COMMITMENTS

	2023	2025	2027	2030	2035	2040
 Energy and Emissions		Achieve 100% renewable energy in the U.S.	Commit 67% of direct material suppliers (by emissions) have science-based targets validated by an accredited third party		Achieve 100% renewable energy globally	Achieve net-zero GHG emissions across the value chain from a 2020 base year
 Waste and Hazardous Materials Management					Achieve zero waste-to-landfill status for all manufacturing facilities	
 Water and Wastewater Management		Achieve zero incidents of water scarcity or water contamination in the watersheds in which we operate (annual commitment)				
 Innovative Technology and Electrification				Achieve electrification market share >10% of our estimated addressable market share		
 Diversity, Equity and Inclusion (DEI)				Increase Associate representation: <ul style="list-style-type: none"> • 25% Women in our global workforce • 25% Women in our global leadership ranks • 30% BIPOC* in our global leadership ranks • 30% Women in our U.S. workforce • 22% BIPOC* in our U.S. workforce • 10% Black in our U.S. workforce • 6% Black Salaried in our U.S. workforce 		

*BIPOC = Black, Indigenous and People of Color

FORWARD-LOOKING STATEMENTS

In this Sustainability Report, we make statements concerning our expectations, beliefs, plans, objectives, goals, strategies and future events or performance. Such statements are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and relate to trends and events that may affect our future financial position and operating results. Terms such as “will,” “may,” “could,” “would,” “plan,” “believe,” “expect,” “anticipate,” “intend,” “project,” “target” and similar words or expressions, as well as statements in future tense, are intended to identify forward-looking statements. Forward-looking statements should not be read as a guarantee of future performance or results and will not necessarily be accurate indications of the times at or by which such performance or results will be achieved.

Forward-looking statements are based on information available at the time they are made and/or management’s good-faith belief as of that time with respect to future events and are subject to risks and uncertainties and may differ materially from those expressed in or suggested by the forward-looking statements. These risks and uncertainties include factors detailed in the reports we file with the Securities and Exchange Commission, including those described under “Risk Factors” in our most recent Annual Report on Form 10-K and our Quarterly Reports on Form 10-Q. These forward-looking statements speak only as of the date of this communication. We expressly disclaim any obligation or undertaking to disseminate any updates or revisions to any forward-looking statement contained herein to reflect any change in our expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.





ENVIRONMENTAL SUPPLEMENTAL INFORMATION

RENEWABLE AND CARBON-FREE ENERGY PURCHASING BY LOCATION**

U.S.

FACILITY	% RENEWABLE*
AAM World Headquarters	100%
Advanced Technology Development Center	100%
Auburn Hills Manufacturing North	0%
Auburn Hills Manufacturing South	100%
Bluffton Manufacturing Facility	100%
Bolingbrook Manufacturing Facility	100%
Chicago Manufacturing Facility	100%
Columbus Manufacturing Facility	100%
Fort Wayne Manufacturing Facility	0%
Fraser Manufacturing Facility	100%
Minerva Manufacturing Facility	100%
North Vernon Manufacturing Facility	0%
Oxford Forge	100%

FACILITY	% RENEWABLE*
Oxford Manufacturing Facility	100%
Ridgway Manufacturing Facility	100%
Rochester Hills Technical Center	100%
Rochester Manufacturing Facility	100%
Royal Oak Manufacturing Facility	0%
St. Marys Manufacturing Facility	100%
Subiaco Manufacturing Facility	100%
Three Rivers Manufacturing Facility	100%
Troy Manufacturing Facility	100%
Twinsburg Manufacturing Facility	100%
Warren Manufacturing Facility	100%
Wooster Manufacturing Facility	0%

EUROPE

FACILITY	% RENEWABLE*
Barcelona Manufacturing Facility	100%
Brasov Manufacturing Facility	0%
Decines Manufacturing Facility	0%
Eisenach Manufacturing Facility	100%
Europe Headquarters & Engineering Center	100%
Glasgow Manufacturing Facility	0%
Halifax Manufacturing Facility	100%
Hausach Manufacturing Facility	0%
Ivance Manufacturing Facility	0%
Lyon Manufacturing Facility	0%
Oslavany Manufacturing Facility	0%
Rotenburg Manufacturing Facility	0%
Schmölln Manufacturing Facility	0%
Świdnica Manufacturing Facility	100%
Valencia Manufacturing Facility	0%
Zbysov Manufacturing Facility	0%
Zell Manufacturing Facility	100%

ASIA

FACILITY	% RENEWABLE*
Asia Headquarters & Engineering Center	0%
Chakan Manufacturing Facility	0%
Changshu Manufacturing - Plant 1	0%
Changshu Manufacturing - Plant 2	0%
Chennai Manufacturing Facility	0%
Pune Engineering & Development Center	0%
Pune Manufacturing Facility	0%
Pyeongtaek Manufacturing Facility	0%
Rayong Manufacturing Facility	0%
Suzhou Manufacturing Facility	0%

AMERICAS (EXC. U.S.)

FACILITY	% RENEWABLE*
Araucária Manufacturing Facility	100%
Betim Manufacturing Facility	100%
El Carmen Manufacturing Facility	0%
Guanajuato Forge	0%
Guanajuato Manufacturing - Plant 1	0%
Guanajuato Manufacturing - Plant 2	0%
Guanajuato Manufacturing - Plant 3	0%
Guanajuato Manufacturing - Plant 4	0%
Guanajuato Manufacturing - Plant 5	0%
Guanajuato Manufacturing - Plant 6	0%
Indaiatuba Manufacturing Facility	100%
Irapuato Manufacturing Facility	0%
Jundiaí Manufacturing Complex 1	100%
Jundiaí Manufacturing Complex 2	100%
Las Colinas Manufacturing Facility	0%
Ramos Manufacturing Complex - Plant 1	0%
Ramos Manufacturing Complex - Plant 2	0%
Silao Manufacturing Facility	0%

* Includes both renewable and carbon-free energy.

**Includes manufacturing, engineering and/or headquarters-related facilities as of December 31, 2023.



ENVIRONMENTAL SUPPLEMENTAL INFORMATION

ENERGY AND WATER DATA

% OF RENEWABLE* ENERGY BY REGION	
U.S.	75.0%
Europe	40.8%
Asia	0.0%
Americas (Exc. U.S.)	10.6%

WATER WITHDRAWAL [ML] BY REGION	
U.S.	693
Europe	236
Asia	176
Americas (Exc. U.S.)	618
Water Scarce Regions	
Water Scarce Regions	783
Non-water Scarce Regions	
Non-water Scarce Regions	941

* Includes both renewable and carbon-free energy.



SOCIAL SUPPLEMENTAL INFORMATION

FULL TIME U.S. EMPLOYEE DEMOGRAPHICS

EMPLOYEES BY GENDER

GENDER	TOTAL	PERCENTAGE
Male	4,418	75.9%
Female	1,404	24.1%
Unidentified	0	0.0%

PROFESSIONALS* BY GENDER

GENDER	TOTAL	PERCENTAGE
Male	678	73.6%
Female	243	26.4%
Unidentified	0	0.0%

EXECUTIVE/SENIOR LEVEL OFFICIALS AND MANAGERS* BY GENDER

GENDER	TOTAL	PERCENTAGE
Male	142	83.5%
Female	28	16.5%
Unidentified	0	0.0%

EMPLOYEES BY RACE, ETHNICITY AND GENDER

CATEGORY	TOTAL	MALE	FEMALE
American Indian or Alaska Native	22	13	9
Asian	361	282	79
Black/African American	492	385	107
Hispanic/Latino	442	312	130
Native Hawaiian or Pacific Islander	5	4	1
Two or More Races	75	61	14
Unidentified	0	0	0
White	4,425	3,361	1,064

PROFESSIONALS* BY RACE AND ETHNICITY

CATEGORY	TOTAL	PERCENTAGE
American Indian or Alaska Native	1	0.1%
Asian	157	17.0%
Black/African American	32	3.5%
Hispanic/Latino	51	5.5%
Native Hawaiian or Pacific Islander	0	0.0%
Two or More Races	7	0.8%
Unidentified	0	0.0%
White	673	73.1%

EXECUTIVE/SENIOR LEVEL OFFICIALS AND MANAGERS* BY RACE AND ETHNICITY

CATEGORY	TOTAL	PERCENTAGE
American Indian or Alaska Native	0	0.0%
Asian	14	8.2%
Black/African American	2	1.2%
Hispanic/Latino	12	7.0%
Native Hawaiian or Pacific Islander	2	1.2%
Two or More Races	2	1.2%
Unidentified	0	0.0%
White	138	81.2%

*Based on EEO-1 Job Classification.



SOCIAL SUPPLEMENTAL INFORMATION

FULL TIME GLOBAL EMPLOYEE DEMOGRAPHICS AND TRAINING DATA

EMPLOYEES BY GENDER

GENDER	TOTAL	PERCENTAGE
Male	14,933	78.2%
Female	4,164	21.8%
Unidentified	1	0.0%

EMPLOYEES BY REGION

REGION	TOTAL	PERCENTAGE
Asia	1,711	8.9%
Europe	3,685	19.3%
North America	12,695	66.5%
South America	1,007	5.3%

AVERAGE TRAINING HOURS PER EMPLOYEE

EMPLOYEE CATEGORY	HOURS
Hourly	365,250
Salaried	165,250
Total Training Hours	530,500
Average Training Hours per Employee	27.5

EMPLOYEES BY GENDER AND AGE GROUP

AGE GROUP	FEMALE	MALE
29 and Under	6.1%	17.8%
30 to 49	11.0%	41.5%
50 and over	4.7%	18.9%

EMPLOYEES BY GENDER AND REGION

REGION	FEMALE	MALE
Asia	1.2%	7.8%
Europe	3.7%	15.6%
North America	16.0%	50.4%
South America	0.9%	4.4%

TOTAL TRAINING HOURS BY TOPIC

TOPIC	HOURS
Safety	113,000
Environmental	36,500
Quality	55,000
Technical Skills	299,000
Ethics and Compliance	18,000
DEI, Leadership, Language and other Professional Development	9,000



As AAM focuses on making a positive global impact, we consider nine United Nations Sustainable Development Goals (SDGs) to be most connected with our 2023 priority topics.

These examples of AAM goals, initiatives and achievements align with the relevant SDGs.

	SDG	AAM GOALS, INITIATIVES AND ACHIEVEMENTS
	GOOD HEALTH AND WELL-BEING: Ensure healthy lives and promote well-being for all at all ages	<ul style="list-style-type: none"> • Benefits focus on four wellbeing pillars: physical, emotional, financial and social • Psychological safety and wellness support through a variety of global programs and initiatives • Partnered with Progyny, a leading fertility assistance company, to provide family building benefits
	GENDER EQUALITY: Achieve gender equality and empower all women and girls	<ul style="list-style-type: none"> • Goal to increase the representation of women in AAM's global workforce to 25% by 2030 • Goal to double the representation of women executives at global leadership levels to 25% by 2030 • Named Forbes 2023 Best Employers for Women
	AFFORDABLE AND CLEAN ENERGY: Ensure access to affordable, reliable, sustainable and modern energy for all	<ul style="list-style-type: none"> • Goal to source 100% renewable or carbon-free energy globally by 2035, and by 2025 in the U.S. • 75% of energy sourced in the U.S. in 2023 was renewable or carbon-free • 44% of energy sourced globally in 2023 was renewable or carbon-free
	DECENT WORK AND ECONOMIC GROWTH: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	<ul style="list-style-type: none"> • Supply Chain Human Rights addressed in new Supplier Code of Conduct, covering topics such as Women's Rights, Rights of Minorities and Indigenous Peoples, Land Rights and Forced Eviction • Partner with organizations globally to provide college co-op, summer intern and other student programs • Ensuring human rights are respected through our enhanced Human Rights Policy
	INDUSTRY, INNOVATION AND INFRASTRUCTURE: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	<ul style="list-style-type: none"> • Approximately 75% of R&D spend in 2023 on sustainability-focused projects • Goal of > 10% of our estimated addressable market share by 2030 in electric powertrain technology • Finalist in Automotive News PACEpilot program, recognizing commitment to innovation
	REDUCED INEQUALITIES: Reduce inequality within and among countries	<ul style="list-style-type: none"> • Exceeded 2030 goal of 22% BIPOC Associates in workforce by achieving 24% in 2023 • Global DEI 2+1 program progressed globally • Named one of the Best Employers for Diversity by Forbes in 2023
	RESPONSIBLE CONSUMPTION AND PRODUCTION: Ensure sustainable consumption and production patterns	<ul style="list-style-type: none"> • Goal of zero waste-to-landfill status for all facilities by 2035 • 84% of waste, by weight, diverted from landfill in 2023 • Annual goal of zero incidents of water contamination and water scarcity in watersheds where we operate
	CLIMATE ACTION: Take urgent action to combat climate change and its impacts	<ul style="list-style-type: none"> • Net-zero emissions goals validated by SBTi • Established a biodiversity partnership with the Wildlife Habitat Council • 67% of our direct material suppliers (by emissions) required to have science-based targets validated by 2027
	RESPONSIBLE CONSUMPTION AND PRODUCTION: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	<ul style="list-style-type: none"> • Expanded ESG Governance structure to cover core sustainability topics • Updated Code of Business Conduct



GRI STANDARDS INDEX

GRI Standard	Disclosure	Reference/Response	Page						
GRI 2: GENERAL DISCLOSURES 2023									
	2-1 Organizational details	American Axle & Manufacturing Holdings, Inc. (NYSE:AXL) is a publicly traded corporation incorporated in the state of Delaware. Our shares are traded on the New York Stock Exchange. 2023 Form 10-K : Business	—						
	2-2 Entities included in the organization’s sustainability reporting	2023 Form 10-K : Exhibit 21	—						
	2-3 Reporting period, frequency and contact point	2023 Annual (published April 2024) Contact: Sustainability@AAM.com	—						
	2-4 Restatements of information	Any restatements are noted as part of the data presented within the body of this report.	—						
	2-5 External assurance	This report has not been externally assured.	—						
	2-6 Activities, value chain and other business relationships	2023 Form 10-K : Business	—						
	2-7 Employees	Social Supplemental Information	88-89						
	2-8 Workers who are not employees	<table border="1"> <thead> <tr> <th>CATEGORY</th> <th>NUMBER</th> </tr> </thead> <tbody> <tr> <td>Hourly</td> <td>418</td> </tr> <tr> <td>Salaried</td> <td>87</td> </tr> </tbody> </table>	CATEGORY	NUMBER	Hourly	418	Salaried	87	—
CATEGORY	NUMBER								
Hourly	418								
Salaried	87								
	2-9 Governance structure and composition	Governance	72-74						



GRI STANDARDS INDEX

GRI Standard	Disclosure	Reference/Response	Page
GRI 2: GENERAL DISCLOSURES 2023 – (CONTINUED)			
	2-10 Nomination and selection of the highest governance body	2024 Proxy Statement : Corporate Governance	–
	2-11 Chair of the highest governance body	Governance	72-74
	2-12 Role of the highest governance body in overseeing the management of impacts	Governance	72-74
	2-13 Delegation of responsibility for managing impacts	Governance	72-74
	2-14 Role of the highest governance body in sustainability reporting	Governance	72-74
	2-15 Conflicts of interest	Ethics and Compliance Training Conflict of Interest Policy	78 –
	2-16 Communication of critical concerns	Ethics and Compliance Program Code of Business Conduct	77-79 –
	2-17 Collective knowledge of the highest governance body	2024 Proxy Statement : Corporate Governance	–
	2-18 Evaluation of the performance of the highest governance body	2024 Proxy Statement : Corporate Governance	–



GRI STANDARDS INDEX

GRI Standard	Disclosure	Reference/Response	Page
GRI 2: GENERAL DISCLOSURES 2023 – (CONTINUED)			
	2-19 Remuneration policies	2024 Proxy Statement : Compensation Discussion & Analysis	–
	2-20 Process to determine remuneration	2024 Proxy Statement : Compensation Discussion & Analysis	–
	2-21 Annual total compensation ratio	2024 Proxy Statement : CEO Pay Ratio	–
	2-22 Statement on sustainable development strategy	Chairman and CEO Letter	6
	2-26 Mechanisms for seeking advice and raising concerns	Code of Business Conduct	–
	2-27 Compliance with laws and regulations	Code of Business Conduct	–
	2-28 Membership associations	Industry Associations	81
	2-29 Approach to stakeholder engagement	Sustainability Strategy Active Engagement with our Shareholders About this Report 2024 Proxy Statement : Corporate Governance	7-8 73 83 –
	2-30 Collective bargaining agreements	2023 Form 10-K : Business Labor Relations	– 23



GRI STANDARDS INDEX			
GRI Standard	Disclosure	Reference/Response	Page
GRI 3: MATERIAL TOPICS 2023			
	3-1 Process to determine material topics	Sustainability Strategy About this Report	7 83
	3-2 List of material topics	Sustainability Strategy	7
	3-3 Management of material topics	Governance	72-74
GRI 200: ECONOMIC			
205 - ANTI-CORRUPTION			
	205-1 Operations assessed for risks related to corruption	Ethics and Compliance Reporting and Monitoring	77
	205-2 Communication and training about anti-corruption policies and procedures	Ethics and Compliance Reporting and Monitoring	77-79
	205-3 Confirmed incidents of corruption and actions taken	2023 Form 10-K : Legal Proceedings	—
206 - ANTI-COMPETITIVE BEHAVIOR			
	206-1 Legal actions for anti-competitive behavior, anti-trust and monopoly practices	2023 Form 10-K : Legal Proceedings	—



GRI STANDARDS INDEX			
GRI Standard	Disclosure	Reference/Response	Page
GRI 300: ENVIRONMENTAL			
	301-2 Recycled input materials used	Product	58
302 - ENERGY			
	302-1 Energy consumption within the organization	Energy Environmental Supplemental Information	14 86
	302-2 Energy consumption outside of the organization	Supply Chain	65-70
	302-3 Energy intensity	Energy	14
	302-4 Reduction of energy consumption	Energy	14
303 - WATER AND EFFLUENTS			
	303-1 Interactions with water as a shared resource	Water Management CDP Water Security Response	16 -
	303-2 Management of water discharge-related impacts	Water Management CDP Water Security Response	16 -
	303-3 Water withdrawal	Water Management	16
	303-4 Water discharge	CDP Water Security Response	-
	303-5 Water consumption	CDP Water Security Response	-



GRI STANDARDS INDEX

GRI Standard	Disclosure	Reference/Response	Page
GRI 300: ENVIRONMENTAL – (CONTINUED)			
305 - EMISSIONS			
	305-1 Direct (Scope 1) GHG emissions	Emissions	13
	305-2 Energy indirect (Scope 2) GHG emissions	Emissions	13
	305-3 Other indirect (Scope 3) GHG emissions	Emissions Monitoring Process Supplier Sustainability Council	13 64-65 67
	305-4 GHG emissions intensity	Emissions Carbon-Free and Renewable Energy	13 15
	305-5 Reduction of GHG emissions	Emissions Carbon-Free and Renewable Energy	13 15
306 - WASTE			
	306-1 Waste generation and significant waste-related impacts	AAM Environmental Policy Waste Management	- 17
	306-2 Management of significant waste-related impacts	AAM Environmental Policy Waste Management	- 17
	306-3 Waste generated	Waste Management	17
	306-4 Waste diverted from disposal	Waste Management	17
	306-5 Waste directed to disposal	Waste Management	17
308 - SUPPLIER ENVIRONMENTAL ASSESSMENT			
	308-1 New suppliers that were screened using environmental criteria	Supply Chain	63-66
	308-2 Negative environmental impacts in the supply chain and actions taken	Supply Chain	63-66



GRI STANDARDS INDEX

GRI Standard	Disclosure	Reference/Response	Page																																																	
GRI 400: SOCIAL																																																				
401 - EMPLOYMENT																																																				
	401-1 New employee hires and employee turnover	<table border="1"> <thead> <tr> <th rowspan="13">NEW EMPLOYEE HIRES AND EMPLOYEE TURNOVER</th> <th>HIRES</th> <th>NUMBER</th> <th>PERCENTAGE*</th> </tr> </thead> <tbody> <tr> <td>Total Hires</td> <td>5,475</td> <td>28.7%</td> </tr> <tr> <td>Male</td> <td>4,156</td> <td>21.8%</td> </tr> <tr> <td>Female</td> <td>1,308</td> <td>6.8%</td> </tr> <tr> <td>Unidentified</td> <td>11</td> <td>0.1%</td> </tr> <tr> <td>29 and under</td> <td>2,767</td> <td>14.5%</td> </tr> <tr> <td>30 to 49</td> <td>2,226</td> <td>11.7%</td> </tr> <tr> <td>50 and over</td> <td>482</td> <td>2.5%</td> </tr> <tr> <th>TURNOVER</th> <th>NUMBER</th> <th>PERCENTAGE*</th> </tr> <tr> <td>Total Turnover</td> <td>5,014</td> <td>26.3%</td> </tr> <tr> <td>Male</td> <td>3,866</td> <td>20.2%</td> </tr> <tr> <td>Female</td> <td>1,138</td> <td>6.0%</td> </tr> <tr> <td>Unidentified</td> <td>10</td> <td>0.1%</td> </tr> <tr> <td>29 and under</td> <td>2,221</td> <td>11.6%</td> </tr> <tr> <td>30 to 49</td> <td>2,057</td> <td>10.8%</td> </tr> <tr> <td>50 and over</td> <td>736</td> <td>3.9%</td> </tr> </tbody> </table>	NEW EMPLOYEE HIRES AND EMPLOYEE TURNOVER	HIRES	NUMBER	PERCENTAGE*	Total Hires	5,475	28.7%	Male	4,156	21.8%	Female	1,308	6.8%	Unidentified	11	0.1%	29 and under	2,767	14.5%	30 to 49	2,226	11.7%	50 and over	482	2.5%	TURNOVER	NUMBER	PERCENTAGE*	Total Turnover	5,014	26.3%	Male	3,866	20.2%	Female	1,138	6.0%	Unidentified	10	0.1%	29 and under	2,221	11.6%	30 to 49	2,057	10.8%	50 and over	736	3.9%	—
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	401-3 Parental leave	We provide parental leave as required by federal and local rules and regulations.	—																																																	

* Percentages are calculated based on total global Associates.



GRI STANDARDS INDEX

GRI Standard	Disclosure	Reference/Response	Page
GRI 400: SOCIAL – (CONTINUED)			
403 - OCCUPATIONAL HEALTH AND SAFETY			
	403-1 Occupational health and safety management system	Health and Safety	19-21
	403-2 Hazard identification, risk assessment and incident investigation	Health and Safety	19-21
	403-3 Occupational health services	Benefits and More	28-29
	403-4 Worker participation, consultation and communication on occupational health and safety	Health and Safety	19-21
	403-5 Worker training on occupational health and safety	Health and Safety Social Supplemental Information	19-21 89
	403-6 Promotion of worker health	Benefits and More POWER Up	29 30
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationship	Health and Safety	19-21
	403-8 Workers covered by an occupational health and safety management system	Management Structure and Compliance	19
	403-9 Work-related injuries	Safety Performance Metrics	21
404 - TRAINING AND EDUCATION			
	404-1 Average hours of training per year, per employee	Social Supplemental Information	89
	404-2 Programs for upgrading employee skills and transition assistance programs	Level Up	31-36
	404-3 Percentage of employees receiving regular performance and career development reviews	100% of eligible salaried employees receive regular performance and career development reviews	—



GRI STANDARDS INDEX			
GRI Standard	Disclosure	Reference/Response	Page
GRI 400: SOCIAL – (CONTINUED)			
405 - DIVERSITY AND EQUAL OPPORTUNITY			
	405-1 Diversity of governance bodies and employees	% of Women on Board of Directors = 27%* % of BIPOC on Board of Directors = 9%*	–
	405-2 Ratio of basic salary and remuneration of women to men	This data is being collected and analyzed as part of AAM's DEI Strategic Roadmap	–
408 - CHILD LABOR			
	408-1 Operations and suppliers at significant risk for incidents of child labor	Respect for Human Rights Human Rights Policy	22 –
409 - FORCED OR COMPULSORY LABOR			
	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Respect for Human Rights Human Rights Policy	22 –
410 - SECURITY PRACTICES			
	410-1 Security personnel trained in human rights policies or procedures	100% of security personnel have completed Code of Conduct training, which addresses human rights policies and procedures.	–
413 - LOCAL COMMUNITIES			
	413-1 Operations with local community engagement, impact assessments and development programs	#TeamAAM	37-38
414 - SUPPLIER SOCIAL ASSESSMENT			
	414-1 New suppliers that were screened using social criteria	Supply Chain	63-66
	414-2 Negative social impacts in the supply chain and actions taken	Supply Chain	63-66

* Information reflects Board of Directors as of March 15, 2024.



SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB) STANDARDS INDEX

Code	Topic	Metric	Reference/Response	Page
ACCOUNTING METRICS				
TR-AP-130A.1	Energy Management	Total energy consumed Percentage grid electricity Percentage renewable	4,173,552 GJ 100% of electric power drawn from the grid 44%	— — 15
TR-AP-150A.1	Waste Management	Total amount of waste from manufacturing Percentage hazardous Percentage recycled	313,828 tons (303,114 tons of non-hazardous waste generated + 10,714 tons hazardous waste) ~3% 84%	—
TR-AP-250A.1	Product Safety	Number of recalls issued, total units recalled	AAM had no product recalls during 2023.	—
TR-AP-410A.1	Design for Fuel Efficiency	Revenue from products designed to increase fuel efficiency and/or reduce emissions	The majority of our revenue is from products designed to improve fuel efficiency and reduce emissions.	—
TR-AP-440A.1	Materials Sourcing	Description of the management of risks associated with the use of critical materials	Conflict Minerals Policy 2023 Form 10-K	66 —
TR-AP-440B.1	Materials Efficiency	Percentage of products sold that are recyclable	Sustainable Product Development Substantially all products we sell are principally comprised of steel, iron, copper or aluminum, which are recyclable materials.	57 —
TR-AP-440B.2		Percentage of input materials from recycled or remanufactured content	Packaging and Recycled Material	58
TR-AP-520A.1	Competitive Behavior	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	2023 Form 10-K: Legal Proceedings	—



TASKFORCE FOR CLIMATE-RELATED FINANCIAL DISCLOSURE (TCFD) STANDARDS INDEX

Disclosure	Reference/Response	Page
GOVERNANCE		
a) Describe the board's oversight of climate-related risks and opportunities	Management Structure and Board Level Oversight Sustainability Governance	72 74
b) Describe management's role in assessing and managing climate-related risks and opportunities	Environmental Governance	10-11 72-75
STRATEGY		
a) Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term	Climate risk assessment and scenario analysis was conducted in 2022. Results and strategy have been integrated into the AAM risk management process with risks and opportunities defined.	—
b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy and financial planning	2023 Form 10-K: Business	—
c) Describe the resilience of the organization's strategy under different climate-related scenarios, including a 2°C or lower scenario	Climate risk assessment and scenario analysis was conducted in 2022. Risks, opportunities and mitigation actions under both high and low carbon scenarios have been defined.	—
RISK MANAGEMENT		
a) Describe the organization's processes for identifying and assessing climate-related risks	AAM leverages the Risk Management Process to assess and develop action toward climate concerns. Input into the risk management process is based on the results of a Climate Scenario Analysis conducted in 2022. Climate Risk is listed as one of the top-10 risk concerns of AAM.	—
b) Describe the organization's process for managing climate-related risks	Analysis: Formal Climate Scenario Analysis Process: risk management process	—
c) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organization's overall risk management	A dedicated environmental sustainability leader at a senior executive level identifies potential climate-related risks for analysis and consideration by the AAM Risk Management Working Group. This Group is responsible for determining which risks should be reviewed by the Company's Policy Committee and Board of Directors. Sustainability Governance.	—
METRICS		
a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	Environmental CDP Climate Change Response	10-17 —
b) Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 GHG emissions and the related risks	Environmental CDP Climate Change Response	13-15 —
c) Describe the targets used to manage climate-related risks and opportunities and performance against targets	Environmental CDP Climate Change Response	10-17 —

