



BRINGING
THE FUTURE
FASTER.

POWERING A SUSTAINABLE FUTURE

2022 SUSTAINABILITY REPORT





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.



~20,000*
ASSOCIATES



18
COUNTRIES



\$5.8B
2022 REVENUE

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 85 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.



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2022 HIGHLIGHTS



Received three Automotive News
PACE program awards



Achieved an A- on the CDP
Climate Change survey



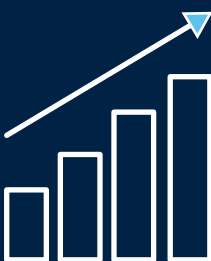
Achieved Silver Status on the EcoVadis
Sustainability Assessment



Achieved SBTi validation of
GHG Emissions goals



Named one of America's
Best Large Employers by Forbes



Improved on all Safety
Performance metrics



Completed a sustainability
materiality assessment



Launched 17 major global
product programs



Hired our first Executive of Diversity,
Equity and Inclusion

CHAIRMAN AND CEO LETTER

AAM was founded on a set of Cultural Values and Strategic Principles that defines who we are to drive performance and build value. These Values and Principles are core to our vision of POWERing a more sustainable future that is safer, greener and more inclusive for Associates, customers, communities and stakeholders.

AT A GLANCE

In 2022, we made great strides in our sustainability (environmental, social and governance, or ESG) objectives.

AAM was among the very first automotive Tier 1 suppliers to have net-zero emissions targets validated by SBTi, the top external validation source in the industry. In addition, we performed a sustainability materiality assessment to identify and prioritize sustainability topics and initiatives for 2023 and beyond.

On the product side, we demonstrated electrification leadership through state-of-the-art electric drive technology by winning three Automotive News PACE program awards for our Electric Vehicle (EV) Technologies. Our Hybrid-Electric 2-speed Electric Drive Unit (EDU) won both a PACE Award and PACE Innovation Partnership Award, while our Electric Integrated 3-In-1 Wheel-End EDU was named a PACEpilot Innovation to Watch.

Early in 2022, we announced our investment in Autotech Ventures. This partnership complements AAM's mission to develop and produce the industry's most efficient and powerful EDUs. In June, we completed our acquisition of Tekfor Group. This move leverages our core strengths, increases our electrification product portfolio, and diversifies our geographic and customer sales mix.

We expanded our efforts to create a more respectful and inclusive company culture for all Associates. We welcomed AAM's first Executive of Diversity, Equity and Inclusion (DEI) in 2022, and further expanded our DEI programming globally. We also included DEI-focused metrics among our key performance and incentive objectives for all Salaried Associates.

ADDITIONAL HIGHLIGHTS INCLUDE:

- Received recognition from our customers and other organizations for our quality, safety and sustainability performance.
- Successfully completed 17 major global product and program launches.
- Established a Supplier Sustainability Council to provide guidance and recommendations around sustainability initiatives between AAM and our global network of suppliers.
- Continued our support of the communities where we live and work through monetary donations and volunteer events with organizations that work to better our local communities, schools and families.
- Named one of America's Best Large Employers by Forbes for the third time.

At AAM, we place a high priority on advancing our sustainability objectives because we believe they will contribute meaningfully to our future success. As you read this report, you will see the significant progress we have made.

I'm proud of what our team has accomplished in 2022 and proud of where we're going. Now more than ever, we are deeply committed to profitably growing our business in a way that is sustainable and socially responsible.

As always, thank you for your support as we work toward *Bringing the Future Faster*.

Sincerely,



David C. Dauch

SUSTAINABILITY PRIORITY TOPICS

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.

SUSTAINABILITY PRIORITY TOPICS

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, initially utilized AAM's 2019 materiality assessment to identify and select the ten most important topics in the areas of Environmental, Social, Product, Supply Chain and Governance. The methodology used to select these priority topics is described in [About this Report](#).



Environmental

- Energy and Emissions Reduction
- Reduce Water Use at Every Location
- Reduce, Reuse, Recycle Industrial Materials



Supply Chain

- Cascade and Verify Supplier Compliance



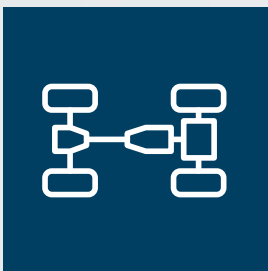
Social

- Associate Health, Safety and Wellbeing
- Attract, Develop, Engage and Retain Diverse Talent
- Partner with Global Communities



Governance

- Ethical Business Practices and Training



Product

- Investment in Technology
- Product Quality and Safety



Discovery
and Analysis

Stakeholder
Engagement

Materiality
Assessment

MATERIALITY ASSESSMENT- 2023 AND BEYOND

It is critical to align with changing stakeholder expectations. With the support of a third-party sustainability advisor, AAM performed a Sustainability Materiality Assessment in the fourth quarter of 2022.

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.

ENVIRONMENTAL

POWERING A GREENER FUTURE...

In 2022, AAM . . .

- Achieved SBTi validation of GHG Emission goals
- Achieved an A- on the CDP Climate Change survey
- Achieved Silver Status on the EcoVadis Sustainability Assessment

PROTECTING THE ENVIRONMENT

Protecting the environment and conserving natural resources are key priorities for AAM. We are committed to POWERing a more sustainable future through social responsibility, environmental stewardship and the reduction of our overall carbon footprint. To meet this commitment, we have set ambitious goals, such as achieving net-zero emissions by 2040 and purchasing 100% renewable energy in the U.S. by 2025.

A major highlight of 2022 was the validation of our net-zero emissions target by the climate-action organization SBTi. SBTi validation means that our emissions reduction targets are in line with goals set by the international community to limit global temperature rise to 1.5°C.

We are among the first automotive Tier 1 suppliers to have net-zero targets validated by SBTi, demonstrating our ongoing drive toward leadership in environmental sustainability, and our commitment to improving ourselves and our supply base. An indicator of our focus in this area was recognized in early 2023 with the announcement of AAM being awarded the GM Overdrive Award for our sustainability efforts.



In 2022, we fulfilled many of the commitments we have made in pursuit of those goals, including those from our 2021 Sustainability Report:

- Achieving SBTi validation of our emissions reduction targets
- Improving our CDP score and EcoVadis rating
- Conducting a Climate Scenario Analysis
- Performing a Product Life Cycle Analysis
- Completing a Materiality Assessment
- Reducing our GHG emissions footprint
- Increasing renewable energy purchases, commensurate with our emissions and renewable energy goals
- Enhancing our Sustainability organization to meet evolving requirements
- Advancing our E⁴ integration, a key part of the AAM Operating System (AOS)
- Making progress towards our Zero Waste-to-Landfill goal
- Advancing the development of our supplier sustainability program to include SBTi validation of our most important suppliers

Committed to achieving net-zero emissions by 2040 and purchasing 100% renewable energy in the U.S. by 2025.



2022 ENVIRONMENTAL OBJECTIVES

As part of our sustainability journey, we developed and advanced eight focus areas that comprise our Environmental Sustainability program:



**Implement
Metrics and Improve
Performance**



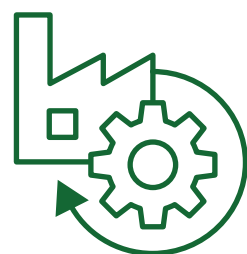
**Carbon-Free and
Renewable Energy
Purchases**



**Organization
and
Training**



**Advancement
of our E⁴
Sustainability System**



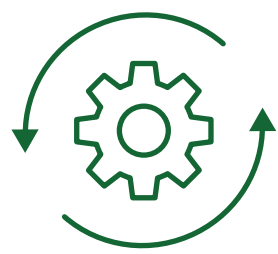
**Working
with our
Suppliers**



**External Reporting
and Customer
Collaboration**



**Continuous
Improvement Project
Implementation**



**Sustainable
Product
Development**



OBJECTIVE 1: IMPLEMENT METRICS AND IMPROVE PERFORMANCE

AAM Environmental Sustainability baselines, targets and goals revolve around four critical program elements:

1 Energy Consumption

2 Emissions

3 Water Management

4 Waste Management

Formal performance tracking in these areas was implemented throughout 2022 on a consolidated Environmental Scorecard and reviewed semiannually by AAM management. This scorecard translates our goals into short-term annual targets for the purpose of providing constant feedback to the organization as to the progress being made on Environmental Sustainability goals.

We continue to make progress in the areas of GHG emissions and renewable energy purchases in line with our short- and long-term goals.

Energy and Emissions Performance (not including Tekfor)

ENERGY INTENSITY

Goal: 3% annual improvement from 2020 baseline

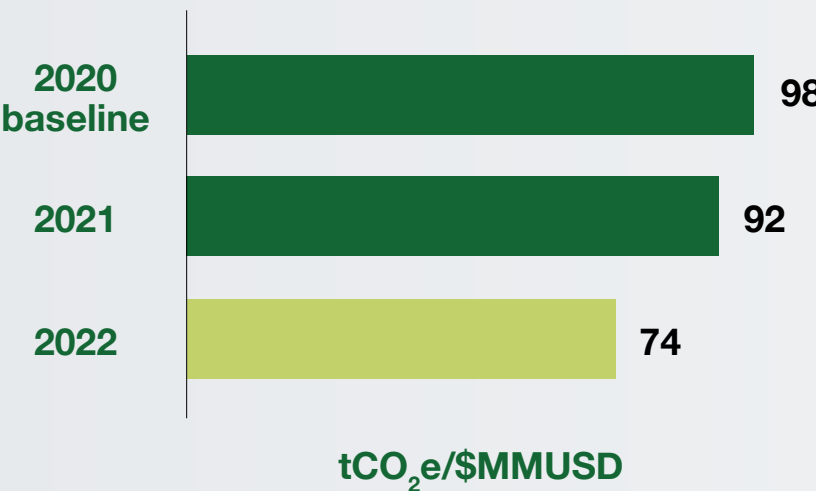


ENERGY PERFORMANCE

Year	Energy mmBtu	Sales \$MMUSD	Energy mmBtu/\$MMUSD	% Change
2020	5,560,553	5,954 ⁽¹⁾	934	—
2021	5,122,186	5,157	993	(6.3%)
2022	5,224,627	5,598 ⁽²⁾	933	6.0%

EMISSIONS INTENSITY

Goal: 5% annual improvement from 2020 baseline



EMISSIONS PERFORMANCE

Year	Emissions tCO ₂ e	Sales \$MMUSD	Emissions tCO ₂ e/\$MMUSD	% Change	Scope 1	Scope 2
2020	462,935	4,711 ⁽³⁾	98	—	80,963	381,972
2021	475,782	5,157	92	6.1%	87,033	388,749
2022	416,269	5,598 ⁽²⁾	74	19.2%	85,979	330,290

In 2022, absolute energy consumption increased, reflecting a more active business environment. Despite the increase, internal efficiencies improved and overall energy and emissions intensity decreased. In addition, our renewable energy purchasing plan reduced net emissions by 19.2% year-over-year.

Specifically, our science-based emissions target for 2022 was 416,642 tCO₂e compared to an actual performance of 416,269 tCO₂e. This required nearly 46% of our purchased energy in the U.S. be renewable or carbon-free, exceeding our goal of 40%. This is in line with our goal to be 100% renewable or carbon-free in the U.S. by the end of 2025.

(1) 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.

(2) 2022 Sales do not include Tekfor activity (June - December 2022). AAM's 2022 Consolidated Sales, including Tekfor, was \$5,802.4 million.

(3) 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.



Water Management (not including Tekfor)

We are decreasing the withdrawal of water in the areas we operate. In 2022, we withdrew 1,386 ML of water compared to a goal of 1,549 ML and had no safe water incidents that have impacted community water resources.

Year	Withdrawal ML	Sales \$MMUSD	Water Intensity ML/\$MMUSD
2020	1,935	5,954 ⁽¹⁾	0.32
2021	1,565	5,157	0.30
2022	1,386	5,598 ⁽²⁾	0.25

Waste Management (not including Tekfor)

We met our waste diverted from landfill target, with a total of 78% of our waste, by weight, diverted from landfill. As we work to reach our goal of zero waste-to-landfill by 2035 at all facilities, 75% of our plants have already met this goal.

Waste Management Initiatives	2020	2021	2022
Solid Waste Generation Total (Ton)	169,811	195,275	211,265
Non-Hazardous Waste Recycling (Ton)	16,536	18,558	33,081
Recycled or Reused Scrap Metal (Ton)	104,193	128,674	130,911
Solid Waste Diversion (%)	71%	75%	78%

(1) 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.
 (2) 2022 Sales do not include Tekfor activity (June - December 2022). AAM's 2022 Consolidated Sales, including Tekfor, was \$5,802.4 million.

Tekfor Group Acquisition Impact

As a result of our Tekfor acquisition in June 2022, we will be calculating new baselines in 2023, based on 2022 data, for future targets. To do this, we compiled data surrounding energy, water, emissions, waste and renewable energy for each Tekfor facility. This data will be used to update year-over-year targets in each of those areas in 2023.

To align with stated goals, a primary focus will be on improving consumption efficiencies in each of the Tekfor manufacturing facilities.

Non-Manufacturing Facility Impact

In 2022, we developed systems to gather and formalize energy and emissions data at AAM’s non-manufacturing facilities. This includes sites at our Detroit Campus, and our regional business offices based on their relevant carbon footprint.

As a result of our Tekfor acquisition and data from our non-manufacturing facilities, new baselines for internal energy efficiency targets will be created in 2023, based on 2022 data. The exception is that emissions targets will remain baselined from 2020 results and in line with our validated SBTi targets.

2022 ENERGY PERFORMANCE

Entity	Energy mmBtu
AAM Total	5,224,627
Tekfor (June - December 2022)	283,416
Non-manufacturing	134,051
Consolidated Total	5,642,094



OBJECTIVE 2: CARBON-FREE AND RENEWABLE ENERGY PURCHASES

Purchasing renewable or carbon-free energy is a foundational strategy in meeting our 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 ambitions relative to short-term net-zero emissions targets.

We completed [purchases of carbon-free or renewable energy](#) commensurate to achieving our 2022 goals on a U.S. basis. In total, we avoided 159,333 tCo₂e through our purchases of renewable energy at 24 facilities in the U.S. Along with efficiency improvements in our internal operations to meet our Scope 1 and 2 goals, renewable energy purchases will offset energy consumption at a rate of 5% per year to align with our 2040 net-zero commitment.

% RENEWABLE IN THE U.S. (NOT INCLUDING TEKFOR)

(By emissions level)

Year	2021	2022	2023	2024	2025
Plan	36%	40%	43%	57%	100%
Actual	36%	46%	—	—	—



OBJECTIVE 3: ORGANIZATION AND TRAINING

After strengthening our expertise in environmental sustainability at the corporate level in 2021, our focus in 2022 shifted to ensuring proper leadership, ownership and commitment at the plant level.

Each facility designated environmental sustainability champions and established Green Teams to advocate for environmental responsibility and generate energy efficiency plans. This included the confirmation of ownership on a technical level of all facility equipment, power and utility management.

We also continued to advance a culture of sustainability by strengthening Associate awareness of our corporate initiatives. We launched a series of videos and learning packets focused on our environmental objectives. The information was shared at each location to train Associates on how to play an active role in our sustainability efforts.





OBJECTIVE 4: ADVANCEMENT OF OUR E⁴ ENVIRONMENTAL SUSTAINABILITY SYSTEM

Our E⁴ system is a key part of the AOS which is designed to deliver operational excellence by leveraging our global standards, policies and best practices across all disciplines. Specifically, E⁴ focuses on the implementation of environmental and energy management principles in support of our overall sustainability effort.

The Environmental Sustainability Assessment is organized around a four-level rating scale. Improvements in these four levels reflect the maturity and effectiveness of the system inside an AAM facility:

LEVEL

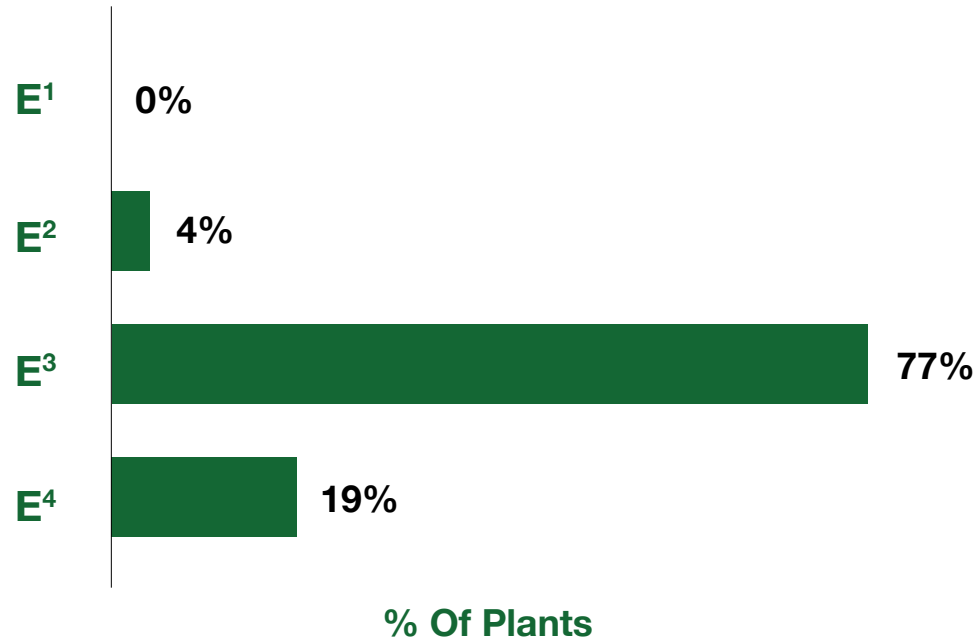
- 1 Foundational environmental management systems, leadership commitment, and Associate awareness are in place.
- 2 Corporate procedures are being followed, metrics are established, and data management systems are in place.
- 3 Facility utility systems are designed and maintained to optimize performance.
- 4 Performance metrics are being met and the facility is being innovative and proactive in continuous improvement activities.



Our Zell Manufacturing Facility in Germany was the first plant to meet all criteria on the AAM Environmental Sustainability Assessment and achieved level 4.

E⁴ LEVEL ATTAINMENT

Our E⁴ system will be integrated at Tekfor facilities in 2023.



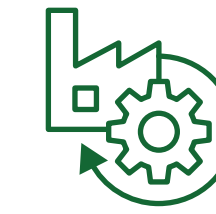
In 2022, we focused on adopting E⁴ standards throughout operations in each of our facilities. These criteria include Associate awareness, leadership commitment to sustainability goals, implementation of metrics and data management, continuous improvement projects and general actions to improve energy efficiency.

An E⁴ Advisory Council meeting is held every two weeks so facilities can share accomplishments and implementation strategies. In addition, we created a manual that captures best practices and defines expectations for each of the E⁴ assessment modules.

Each facility has been assessed for its alignment with E⁴ program criteria. In 2022, 100% of facilities improved their performance when compared to 2021, with 10 facilities reaching level 4 ahead of schedule. Our goal is to have all legacy facilities at level 4 by the end of 2023.

Our Zell Manufacturing Facility in Germany was the first plant to meet all criteria on the Assessment and achieved level 4. This plant continuously sets the standard for sustainability practices and has become an outstanding example of the standards we strive to achieve in all facilities.

In addition, a key strategy is to implement our E⁴ operating system at plants that were acquired as part of the Tekfor acquisition, with the goal of having Tekfor plants at level 4 by the end of 2024.



OBJECTIVE 5: WORKING WITH OUR SUPPLIERS

In 2022, we launched the first phase of our [sustainable procurement strategy](#).

Our top 20 suppliers (by emissions) participate in quarterly Supplier Sustainability Council meetings focused on collaboration and education to increase sustainability performance.

To achieve our SBTi goals, we require 67% of our suppliers (by emissions) to have targets validated by SBTi by 2027. This is a critical step in reducing our Scope 3 emissions, which comprise approximately 90% of our total emissions footprint. By the end of 2022, 12% of suppliers in that population had their targets validated and 14% committed to submitting to SBTi.

We encourage our suppliers to adopt their own sustainability programs and we provide guidance and training on implementation strategies and topics such as renewable energy and sustainable transportation. In 2022, we participated in several events with major suppliers, including panel discussions and speaking engagements.

These activities illustrate our growing leadership role in not only implementing sustainable practices within our own operations but in encouraging our suppliers to do the same.



OBJECTIVE 6: EXTERNAL REPORTING AND CUSTOMER COLLABORATION

Our ongoing work to advance our understanding of third-party reporting requirements has resulted in improved performance on both the CDP and EcoVadis surveys.

Prior to submitting our responses to both CDP and EcoVadis, we conducted an extensive gap analysis of each survey with a representative from each platform owner as well as a third-party consultant. These analyses identified the need to improve our systems in the areas of risk management and product impact. Accordingly, we performed both a Climate Scenario Analysis (CSA) and a Product Life Cycle Analysis (LCA). Additionally, Climate Risk has been added as a top ten concern in our Enterprise Risk Management system.

Each of our customers has its own internal sustainability goals, and we align our policies, ambitions and targets with them whenever possible. AAM collaborates with our customers and communities in several councils and partnerships related to sustainability. For example, we are an active member of the GM Supplier Sustainability Sub-Council and work with them on appropriate policy decisions. We also provide collaboration and best practices to other GM suppliers as they work to advance their environmental sustainability programs.



Improved CDP Climate score from C to an A-



Improved EcoVadis from a Bronze rating to a Silver rating



OBJECTIVE 7: CONTINUOUS IMPROVEMENT PROJECT IMPLEMENTATION

Our Continuous Improvement Process (CIP) projects provide an opportunity for Associates to play a direct role in our environmental sustainability progress. Associates are empowered to generate ideas for improvement in the following areas:

Energy Consumption	Emissions	Water Management	Waste Management
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In 2022, AAM generated and tracked more than 200 CIP projects leading to overall electrical, gas and water consumption efficiency gains in our plants.

In addition to the projects initiated and completed at the facility level, in 2022 AAM focused on continuous improvement at the corporate level. A key priority was identifying and filling critical system gaps as required by public frameworks and rating organizations.

These improvement initiatives included a CSA, LCA and Materiality Assessment, all of which were completed with the assistance of third-party consultants.

The CSA helped us understand and define both the physical and reputational risks to our company regarding the subject of climate change. In this study we identified four risks and opportunities relative to high and low carbon climate scenarios that will impact changing temperatures, heatwaves and extreme precipitation events in the areas of the world in which we operate. Possible scenarios have been reviewed with cross-functional management groups, such as Procurement, Facilities Engineering and Supply Chain Management. Given the real risk from this study, climate change was added to the AAM top ten list of our Enterprise Risk Management system and mitigation plans were created.



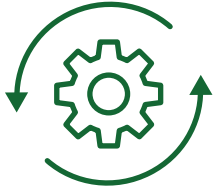
Guanajuato Manufacturing Complex

In our Guanajuato Manufacturing Complex in Mexico, two plants have implemented water recovery and waste management systems tied to production coating processes. The projects leverage osmosis technology to separate and recover wastewater from the paint solids. The project has resulted in reducing 9,050 gallons of water being sent to the waste treatment facility daily. This water is then recovered and diverted back for process use. The resulting reduction in water withdrawal is projected to save the facility nearly \$500,000 per year.



Zell Manufacturing Facility

Our Zell Manufacturing Facility in Germany leads the way in both technical and systemic methods to reduce electrical use. Zell operates a power intense manufacturing process in a very cost sensitive region driving our local leadership to be focused on innovative solutions to reduce energy consumption. One of their successes in 2022 was the implementation of heat recovery systems that lowered electrical costs. The project scope includes recovering heat generated in the manufacturing process and diverting it to other areas of the plant that were typically heated through the consumption of natural gas. The concept of recovering and diverting process generated heat is projected to save nearly \$400,000 in utility costs while reducing 388 tons of CO₂ emitted per year.

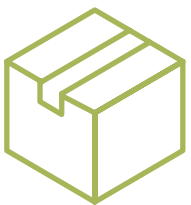


OBJECTIVE 8: SUSTAINABLE PRODUCT DEVELOPMENT

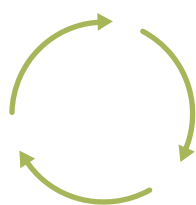
In 2022, we conducted our first LCA to better understand the impact our product materials and manufacturing processes have on the environment. The analysis included impacts across the entire value chain - from the origin of core materials, through our internal processes, all the way to the use of our products inside customer vehicles.

This LCA required the collaboration between Product and Manufacturing Engineers and the Environmental Sustainability team to gather the data necessary to determine our impact. The analysis ultimately identified the largest areas of concern and will guide the creation of mitigation plans for those issues.

For example, one of our next steps is to determine strategies in areas such as packaging, recyclable materials and eco-design.



Packaging



Recyclable
Materials



Eco-Design



ENVIRONMENTAL STEWARDSHIP

AAM facilitates a safe and clean manufacturing environment and takes responsibility in the communities in which we operate.

AAM facilities are clean, bright and safe manufacturing environments designed to allow our Associates to excel. We also extend these standards to our local communities where we strive to comply to all regulations, build stand-out facilities, and support key community environmental initiatives. The cornerstone of our compliance program is maintaining ISO 14001 standards, which are the international standards for environmental management.

Globally, 52 of our manufacturing facilities are ISO 14001 certified, while seven other facilities operate under our internally audited Environmental Management System. Additionally, our Energy Management System is certified by ISO 50001 at all qualified locations.

There were no incidents of compliance breaches in any area, and we reached our goals of zero incidents of water quality or scarcity issues. This demonstrates the maturity and effectiveness of the AAM Environmental Management System as well as the commitment of all Associates to protecting the environment.

We are also one of a few industrial companies on the Michigan ESG Council, an organization that brings awareness of the sustainability efforts of major corporations and advocates for environmentally beneficial projects in Michigan.

52 Manufacturing Facilities are ISO 14001 certified

7 Facilities operate under our internally audited Environmental Management System



One example of our Associates' focus on the environment was when #TeamAAM worked with the Greening of Detroit to plant trees in the community. Associates from several Metro Detroit facilities planted 75 trees throughout a neighborhood and park.

SOCIAL

POWERING AN INCLUSIVE FUTURE...

In 2022, AAM...

- Was named one of America's Best Large Employers by Forbes
- Hired our first Executive of Diversity, Equity and Inclusion
- Improved on all Safety Performance metrics



FOCUSING ON PEOPLE

Our people drive our success. They are our greatest resource—and our greatest responsibility.

As we progress toward a more sustainable and equitable future, we must first ensure all Associates feel safe, welcomed, appreciated, respected in the workplace and have a sense of belonging.

We're committed to attracting and retaining the sharpest, most creative minds in the industry. AAM offers a resource-rich environment that encourages, develops and empowers Associates to grow as both professionals and individuals. We continue to implement new initiatives and expand our efforts to POWER the company, community and world we wish to see.

In 2022, AAM was named one of America's Best Large Employers by Forbes. This recognition is based on how likely participants would be to recommend their employer to friends and family.





HEALTH AND SAFETY

Every day, each AAM facility strives to create a safe workplace that protects the physical and psychological health of all Associates. We work diligently to create and maintain safe working environments for everyone, including our suppliers and contractors.

CULTURE OF SAFETY

At AAM, we are committed to building a culture of safety through structured processes that are personal, positive and proactive.

We strive for zero safety incidents at all our facilities. AAM’s [commitment to safety](#) has resulted in clean, bright and safe places to work for our Associates. In facilities where our systems are mature, the majority of injuries are very minor. A large part of the success of our safety program is that our facilities identify and mitigate potential hazards before they become injuries.

Nearly

100,000

hours of safety training completed in 2022

SAFETY PERFORMANCE METRICS

Our leadership’s unwavering commitment to safety is coupled with an Associate-led proactive culture. We had zero fatalities in 2022, year-over-year improvement of nearly 5% in recordable incidents and improved on all safety performance metrics.

AAM SAFETY METRICS (NOT INCLUDING TEKFOR)

Rates	2021	2022
Total Recordable Incident Rate (TRIR)	0.90	0.81
Frequency Rate	0.32	0.21
Severity Rate	16.18	10.11

TEKFOR SAFETY METRICS

Rates (June - December 2022)	2022
Total Recordable Incident Rate	3.32
Frequency Rate	2.94
Severity Rate	35.24

AAM SAFETY METRICS (CONSOLIDATED)

Rates	2022
Total Recordable Incident Rate	0.95
Frequency Rate	0.36
Severity Rate	11.43

AAM is committed to implementing our safety systems inside Tekfor plants in order to bring them to the level of our existing facilities.

S⁴ SAFETY PROGRAM

The S⁴ Safety Program 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.

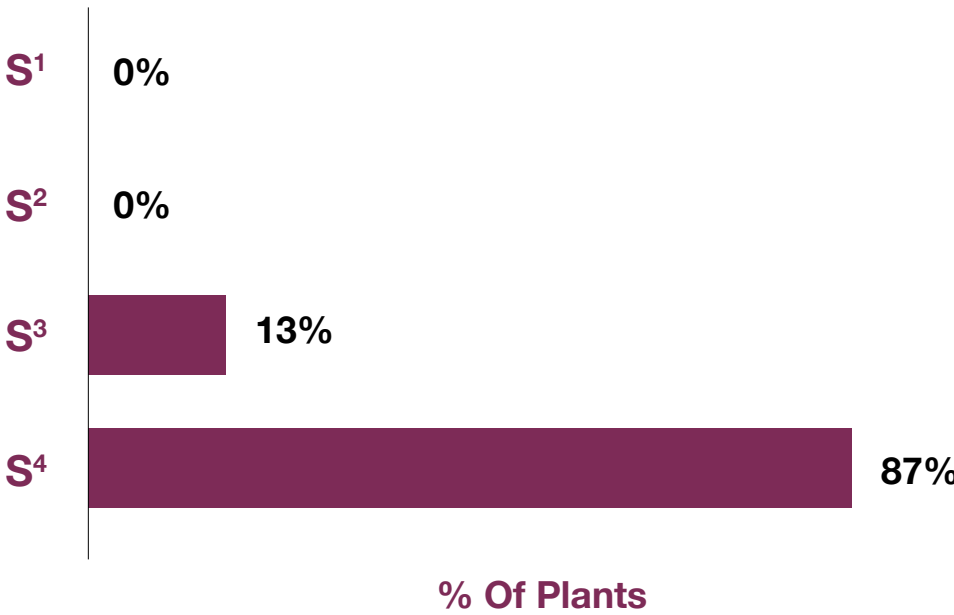
S⁴ provides a structured, data-driven approach toward continuous improvement and encourages proactive practices. To ensure that S⁴ performance targets are being met, we perform a semiannual corporate assessment that gauges each plant’s adherence to standards.

LEVEL

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

S⁴ LEVEL ATTAINMENT

Our S⁴ system will be integrated at Tekfor facilities in 2023.



AAM S⁴ LEVEL VS. TRIR

Proactive safety management is the ultimate goal of the S⁴ system. Plants that achieve an S⁴ 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 2022, facilities at a Level 3 had a TRIR of 3.1, facilities at a Level 4 had a TRIR of 0.6.

MANAGEMENT STRUCTURE

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.

Regional Environmental, Health and Safety (EHS) managers are charged with making sure all AAM safety programs are properly integrated and aligned with corporate policy. All safety concerns are escalated, and solutions are shared weekly on a global EHS call. AAM management reviews performance on a quarterly basis, and ensures corrective actions and adjustment strategies are put in place through plant-level operations reviews.



SAFETY AWARDS AND RECOGNITION

The AAM Safety Award serves as an example of the importance of safety in our facilities. Criteria for the award emphasizes performance metrics and S⁴ program improvements, strategies for awareness, urgency and participation.

In 2022, many AAM facilities achieved safety milestones. For example, Associates at our Indaiatuba Manufacturing Facility celebrated 2,400 days without accidents.

Location	# of days without a recordable incident <i>(as of 12/31/22)</i>
Indaiatuba Manufacturing Facility	2,493
Pune Manufacturing Facility	1,877
Ramos Manufacturing Complex — 2	1,381
Zbysov Manufacturing Facility	1,130
Glasgow Manufacturing Facility	1,046
Świdnica Manufacturing Facility	1,012
Halifax Manufacturing Facility	913
Changshu Manufacturing Complex — 2	760
Guanajuato Manufacturing Complex — 4	760
Chakan Manufacturing Facility	729



2022 AWARD FOR SAFETY PERFORMANCE

Our Świdnica Manufacturing Facility in Poland received AAM’s prestigious 2022 Award for Safety Performance. Świdnica achieved several significant milestones including over 1,000 days without a recordable incident. As a result, the plant’s TRIR met AAM’s ultimate zero-incident goal. Świdnica’s proactive system of identifying and eliminating hazards separates it from other top-performing plants, and its approach to rigorous audits and assessments was a main contributor in their selection.



SAFETY ENGAGEMENT

Each year, we hold conferences and Safety Week events focused on enhancing Associate involvement and awareness.

Associates in our Pyeongtaek Manufacturing Facility in South Korea received CPR training during their October safety week. In addition, Associates at this facility do 5-minute stretching exercises each day before the beginning of the shift.

DIVERSITY, EQUITY AND INCLUSION

An equitable and inclusive workplace benefits everyone. The only way we can achieve our full potential as a global organization is to ensure that all Associates are comfortable bringing their authentic selves to work and have the ability to thrive.

The advancement of diversity, equity and inclusion (DEI) is aligned with our Cultural Values and Strategic Principles, and is fully integrated into our goals and objectives each year.

We made significant progress in our DEI journey in 2022.

- AAM hired our first Executive of Diversity, Equity and Inclusion, who manages global DEI initiatives and also serves as a liaison with our external DEI partners.
- Beginning in 2022, all salaried Associates were required to have at least one key performance objective focused on DEI. These objectives emphasize ongoing education, application of DEI learnings, and engagement and involvement with diverse communities.
- We reviewed our benefit programs and policies to identify opportunities to promote inclusion. A comprehensive review of our U.S. benefits program resulted in the implementation of an expanded wellbeing program that supports our commitment to help AAM Associates lead healthy lives and stay on top of their physical, emotional, financial and social wellbeing. We also implemented an expanded parental leave policy.



In 2022, all AAM locations participated in a global Associate Engagement Survey. More than 500,000 data points were obtained. We were pleased that the average score of all responses was on the higher end, at 3.8 on a 5-point scale. All locations developed action plans based on their respective survey feedback.

The results of the survey were shared with Associates through local meetings and company-wide townhalls led by senior management. A pulse survey is planned for 2023, and another full survey is anticipated in 2024.

**AAM is committed to listening,
learning and taking action that will move
our company and our communities
forward, together.**

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.

AAM ၏ အပကြိအလွန်လေးစားမှု
ဆိုင်ရာ ထုတ်ပြန်ချက်

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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.

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。

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.

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.

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 परमूख प्रतिभागियों के साथ सकात्मक और सहयोगी संबंधों को महत्व देते हैं। #TeamAAM का परमूख सदस्य एक नृकृति, सम्मानजनक और स्वागत योग्य वातावरण सुनिश्चित करने के लिए ज़मिमेवार है जहाँ हर अवधि आवाज को सनने 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 ceeb nrog peb cov npoj yaig thiab lwj 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 bxaib tus ua txhua lub suab tshwj xeeb rau hnov thiab muaj nqi nqi.

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し、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 वधिवान

AAM सध्ये, आमही आमच्या टीममेट आणि इतर प्रमुख भागधारकांसोबत सकारात्मक आणि सहयोगी नातेसंबंधांना महत्त्व देतो. #TeamAAM चा प्रत्येक सदस्य सुरूपति, आदरणीय आणि स्वाभारूढ वातावरणाची खात्री करण्यासाठी जबाबदार आहे जिथे प्रत्येक वेळाला आवाज ऐकला जातो आणि त्याला मोल दिले जाते.

OŚWIADCZENIE O WZAJEMNYM SZACUNKU W AAM

WAAM 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.

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 கழுவிரி என்றும் பிறமக்கிய பங்குதாரர்கள் உடனான ஆதகர்புரவாணமற்றும் ஒருங்கிணைந்ததலைகளைநாங்கள் மதிக்கிறோம். ஒவ்வொருவிரி தனிப்பட்டதாத்தம் கையாடும் மற்றும் ஆதகமதிப்பங்குக்கப்பட்டு வருகையிலான ஒருபாதுகாப்பான, மரியாதைக்கருவியற்றும் வரலாறுகையாடப்பின சமூகனை உத்தர சமீபத்தகு #ஃAAM-ல் ஒவ்வொரு உற்பாபிரகரக்கம் பெற்றவரானதது.

คำประกาศว่าด้วยการเคารพซึ่งกัน
และกันของ **AAM**

ที่ AAM เราให้ความสำคัญกับความสัมพันธ์ที่แข็งแกร่งและการ
ทำงานร่วมกับกันเพื่อร่วมเติบโตและมีส่วนเกี่ยวข้องหลักอื่นๆ
สมาชิกแต่ละคนของ #TeamAAM มีหน้าที่รับผิดชอบในการ
สร้างความมั่นใจในสภาพแวดล้อมที่ปลอดภัย ให้เกียรติ และ
เป็นกันเอง โดยที่ทุกเสียงที่มีโอกาสเห็นใจได้รับการรับฟังและ
ให้คุณค่า

BOARD ENGAGEMENT AND LEADERSHIP COMMITMENT

Oversight of the AAM Board of Directors and the ongoing commitment of our leadership team reflects the importance of our DEI journey and the power of accountability to this critical initiative. The Board’s active engagement and expectations set the tone at the top.

Our Board reviewed and approved AAM’s DEI Strategic Roadmap, DEI Pillars and the 2030 metrics of our Global DEI program. It also receives a sustainability update that includes DEI initiatives at every quarterly meeting.

In 2022, AAM’s Board completed a workshop focused on DEI practices and capabilities, including identifying unconscious bias and promoting conscious inclusion.

Our leadership team regularly receives DEI training, including sessions on inclusivity, psychological safety and unconscious bias.

Our leaders are also active members of industry and customer organizations dedicated to advancing diversity and inclusion in the automotive industry. For example, AAM’s President participates in the Center for Automotive Diversity, Inclusion and Advancement’s (CADIA) CEO Coalition for Change. AAM’s Senior Vice President of Human Resources (HR) is involved in GM’s Supplier Inclusion Board.

The AAM leadership team has signed the CEO Action for Diversity and Inclusion Pledge, and in 2022, continued to implement actions aligned with this pledge:

- Implementing 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 includes diverse Associates from across the company who are passionate about advancing our inclusive culture. The Committee members act as DEI ambassadors and change agents. They help develop new company initiatives and ensure our actions are guided by the experiences and recommendations of our Associates. AAM’s President and Senior Vice President of HR serve as executive champions for the group, which meets monthly. The team reports on activity and strategy progress for each of the six subcommittees.

Enabling regional DEI Steering Committees and ARGs is critical for our global expansion and success in 2023.

SIX DEI SUBCOMMITTEES:

- 1 Associate Resource Group (ARG) Formation and Support
- 2 Community Engagement
- 3 Education
- 4 Events and Celebrations
- 5 Regional Support
- 6 Talent Attraction and Retention



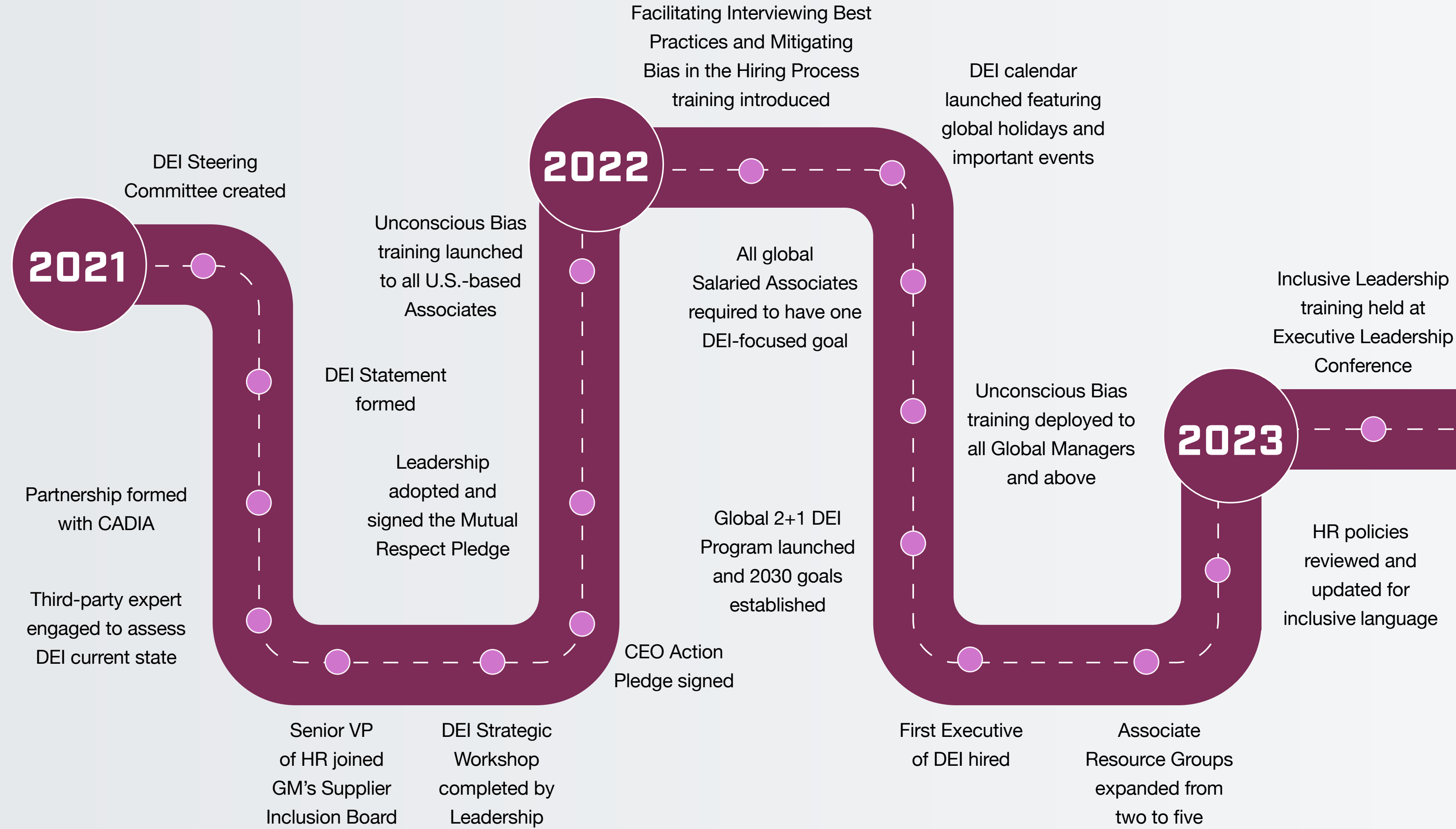
DEI STRATEGIC ROADMAP

AAM places a priority on building a safe, welcoming and inclusive culture. The five pillars of our DEI Strategic Roadmap outline our path forward. We have developed action plans for each pillar and monitor the results as we strive to continuously improve.



DEI JOURNEY

Since the creation of our DEI strategy in 2021, we have accomplished significant milestones aligned with our Roadmap to retain, develop and attract the best talent. As we progress on our journey, we will continue our commitment to positively impact our growth as an organization and as individuals.





DEI Upskilling

- One of the key elements of our DEI roadmap is education. We offer a variety of learning opportunities to help our Associates understand the key elements of DEI in a clear and consistent way. Since 2021, #TeamAAM completed more than 27,000 hours of interactive training, which included discussion and reflection.
- We engaged in a Certified Diverse Recruiter program to help our Talent Acquisition professionals build a more diverse talent pool, and broaden the thinking around sourcing and recruiting tactics used to accomplish these goals.
- Hiring managers participated in a curriculum that covered inclusivity within the hiring process. The curriculum included an eLearning course on mitigating bias and an in-person workshop applying the learnings.

Safe and Inclusive Environment

- Psychological safety is an important part of creating our inclusive culture. We incorporated psychological safety into our S⁴ program and shared information as one of the topics in our weekly safety messages.
- We launched a companywide holiday and events calendar that recognizes more than 120 important dates around the globe, including over 20 events that we celebrate globally. In addition, POWERhouse, our intranet, provides monthly stories and educational resources about these events, which helps promote awareness of different cultures.

Equitable Talent Management and Inclusive Benefits and Policies

- We aligned our talent strategies with our DEI goals by partnering with U.S. recruitment suppliers to increase the recruitment of diverse and underrepresented talent. We attended 53 recruiting events, of which 34% were DEI-focused. We tracked diversity metrics across our talent lifecycle.
- To ensure inclusive practices and language, we performed a comprehensive review of our global talent lifecycle. This review included succession planning procedures, human resource processes and our U.S. benefits. Several of our policies were updated as a result of these reviews.

External Engagement

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

Our leaders represent the company by speaking at industry and community events to share our DEI journey. One of our key focuses is to ensure we remain competitive as we work toward being a global employer of choice.

Leadership Ownership and Accountability Measures

- We continue to monitor our progress and hold ourselves accountable to our established goals and metrics. Board leadership drives continuous improvement of these results.
- As part of our [2+1 Global DEI Program](#), our Board reviewed each region's +1 topic and goals.
- Global Associate Engagement Survey themes were also presented to our Board and each location developed action plans in response to survey results.
- In 2022, 10% of Salaried Associates' variable compensation was tied to our sustainability performance, split evenly between DEI goals and the Environmental Sustainability program.



AAM'S 2+1 GLOBAL DEI PROGRAM

Our Associates around the world have unique challenges, perspectives and needs regarding diversity, equity and inclusion. Therefore, our global DEI programming is flexible and adapts to the needs of our local teams.

The Global DEI 2+1 Program is designed to enable global participation in our DEI journey. It sets measurable and attainable goals at the corporate level while providing flexibility at the country level. The program has three goals (2+1): two goals based on global topics and one additional goal based on a country topic.

Our two global DEI topics are Valuing Differences and Gender. Leadership in each country has selected one additional goal relevant to their culture. They've also developed action plans to reach their 2030 goals.

2+1 Topic Selected by Country

- **Age/Generation:** China, Germany, France, Spain, U.K.
- **Physical/Mental Ability:** Czech Republic, Mexico
- **Race & Ethnicity:** Brazil, South Korea, Poland, U.S.
- **Religion & Spirituality:** India
- **Sexual Orientation/Gender Identity:** Thailand

2 - Global DEI Topics

Valuing Differences

Gender

1 - DEI Country Topic

Age / Generation

Race and Ethnicity

Communication Style

Religion and Spirituality

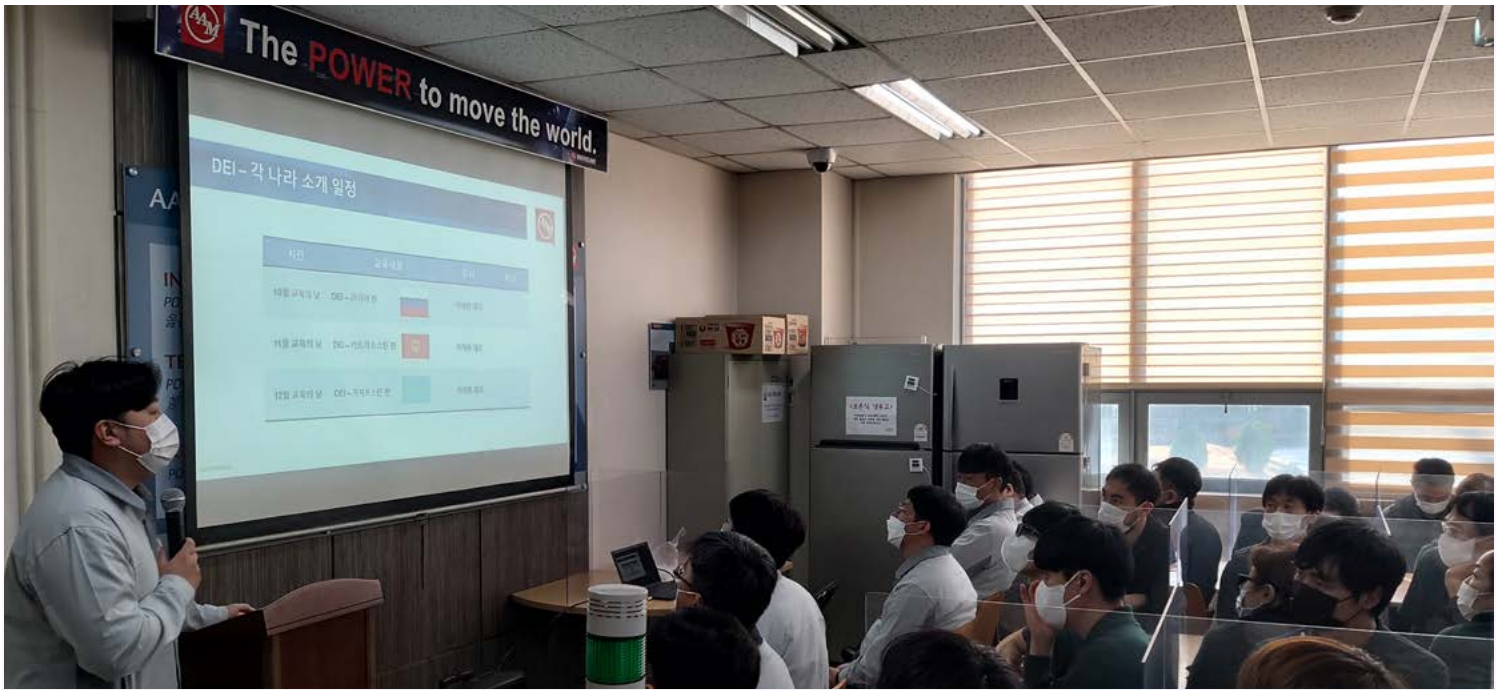
Physical / Mental Ability

Sexual Orientation / Gender Identity

DEI IN ACTION



Our **El Carmen Manufacturing Facility in Mexico** began hiring women for casting production roles. In the past, women held only administrative roles at this facility.



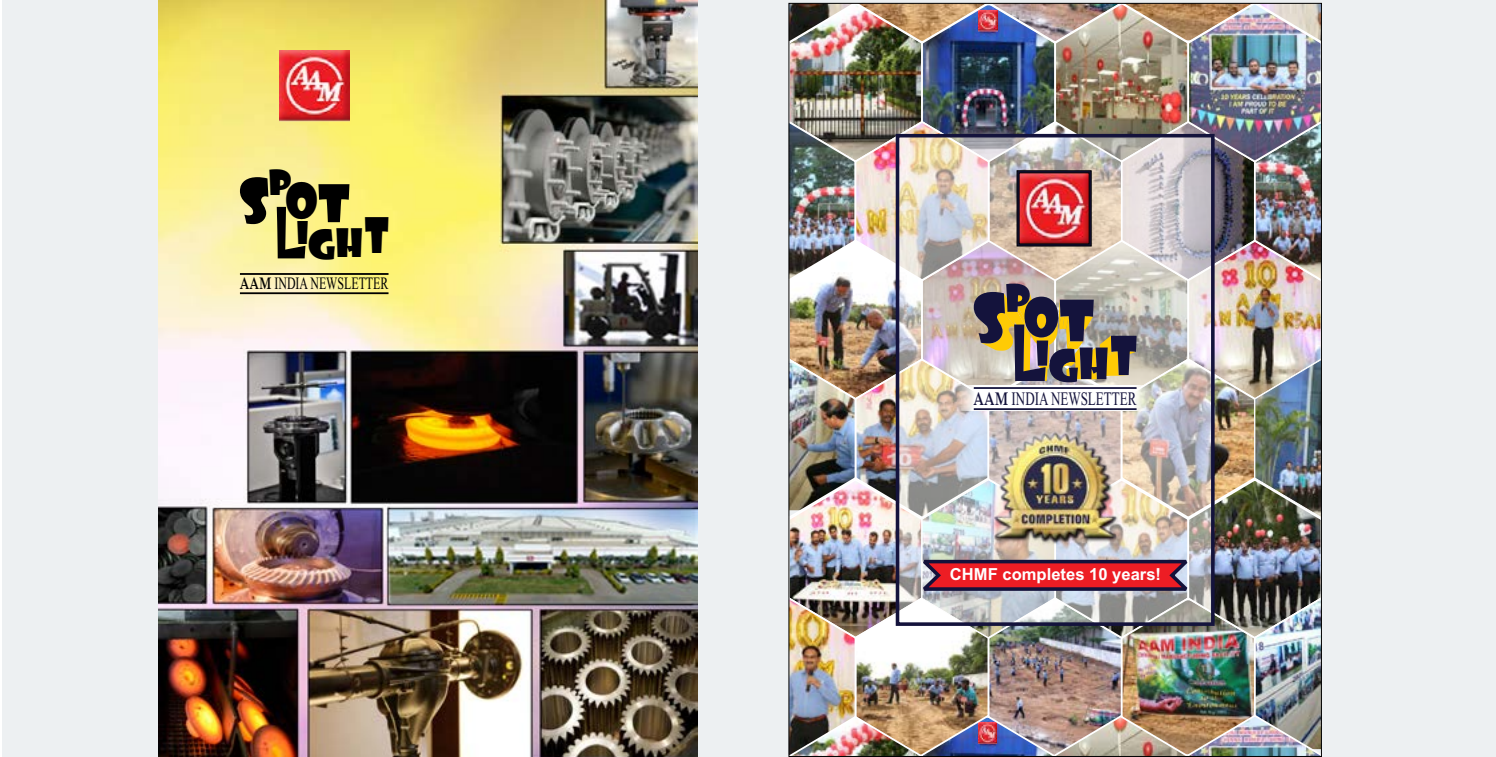
An educational program called “Knowing Associates’ Mother Country” was launched at our **Pyeongtaek Manufacturing Facility in South Korea**. Each month, Associates learned about the culture, language, customs and festivals of other places.



Our **El Carmen Manufacturing Facility in Mexico** hosted a conference with a Paralympic National Team athlete to provide awareness on inclusivity of people with other abilities.



Associates at our **Świdnica Manufacturing Facility in Poland** conducted special training on how to manage generational differences.



Associates at **AAM facilities in India** received educational newsletters to promote religious and spiritual awareness.



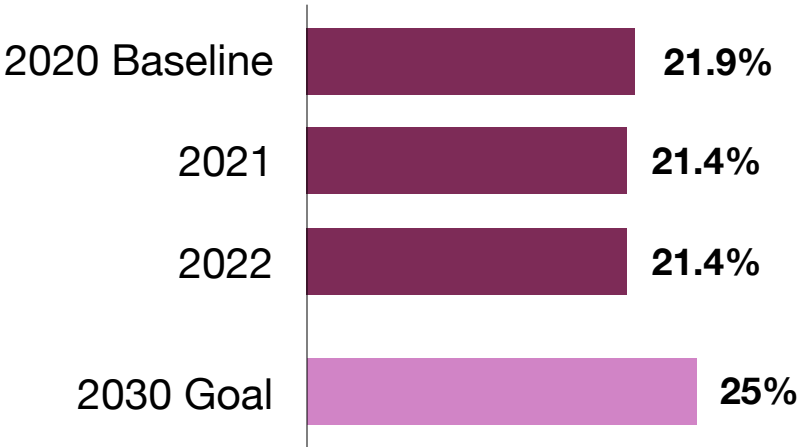
More than 450 Hourly and Salaried Associates participated in Diversity and Pride Week events at our **Guanajuato Manufacturing Complex in Mexico**.



DEI DEMOGRAPHIC GOALS

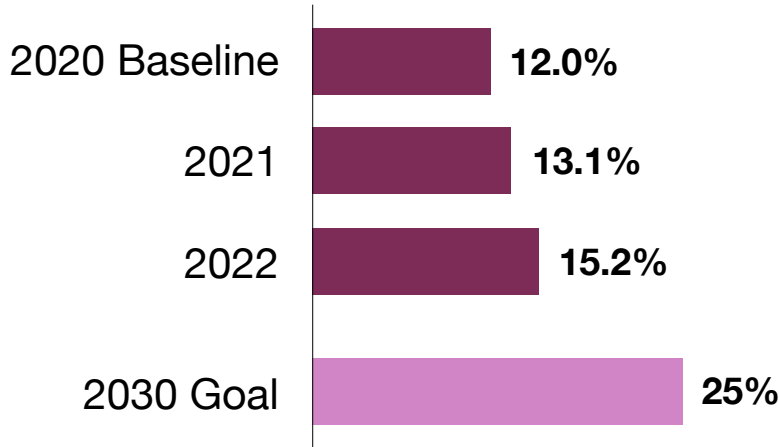
To drive accountability in our global DEI program, the AAM leadership team established three global and four U.S. 2030 DEI goals. These goals, which used 2020 as a baseline, are reviewed annually with our Board of Directors and communicated to our global workforce. As we continue to strengthen our talent attraction initiatives and work to interview diverse candidate pools for openings, AAM expects to see year-over-year improvements in our gender and underrepresented groups.

GLOBAL GOAL: INCREASE WOMEN REPRESENTATION IN OUR GLOBAL WORKFORCE TO 25% BY 2030

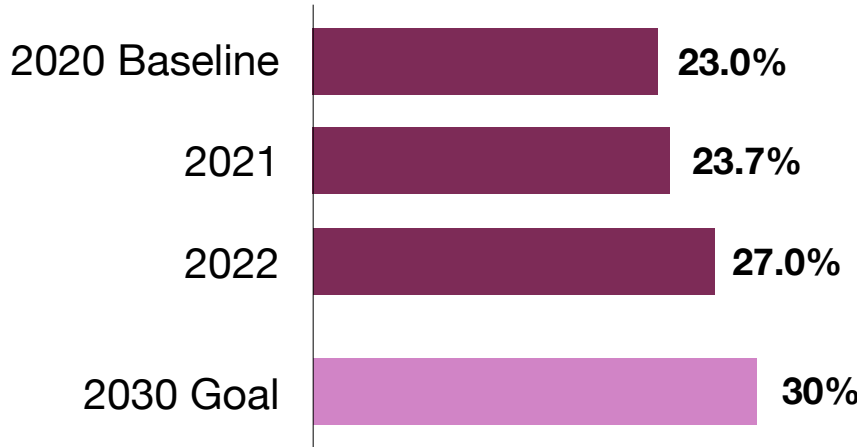


In 2022, the number of Women Associates increased by 15%, the same rate as our global workforce. The number of women executives increased by 23%, compared to our total global leadership of 7%.

GLOBAL GOAL: INCREASE WOMEN REPRESENTATION IN OUR GLOBAL LEADERSHIP RANKS TO 25% BY 2030

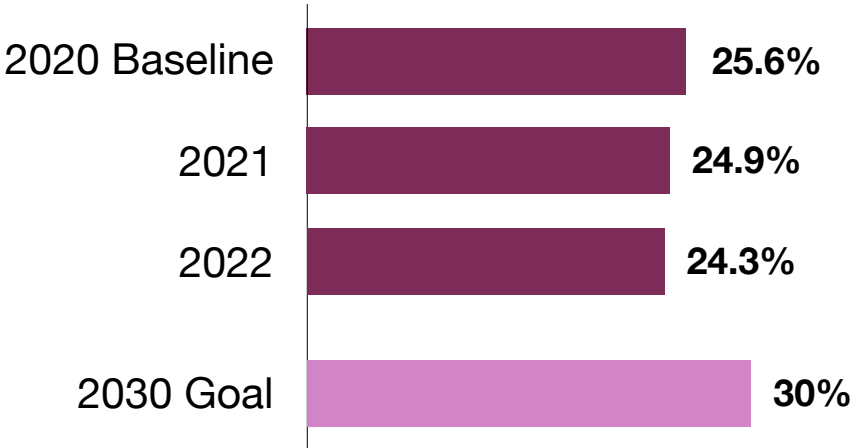


GLOBAL GOAL: INCREASE BIPOC* REPRESENTATION IN OUR GLOBAL LEADERSHIP RANKS TO 30% BY 2030



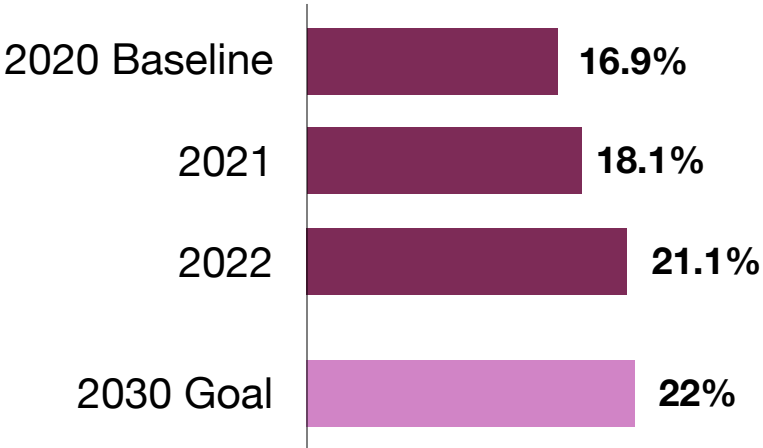
In 2022, the number of BIPOC executives increased by 21% compared to our total global leadership of 7%.

U.S. GOAL: INCREASE WOMEN REPRESENTATION IN OUR U.S. WORKFORCE TO 30% BY 2030



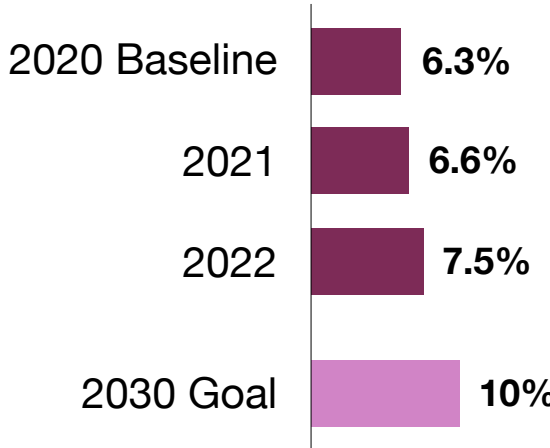
In 2022, the number of Women Associates increased by 2%, which is lower compared to our U.S. Workforce of 5%.

U.S. GOAL: INCREASE BIPOC* REPRESENTATION IN OUR U.S. WORKFORCE TO 22% BY 2030



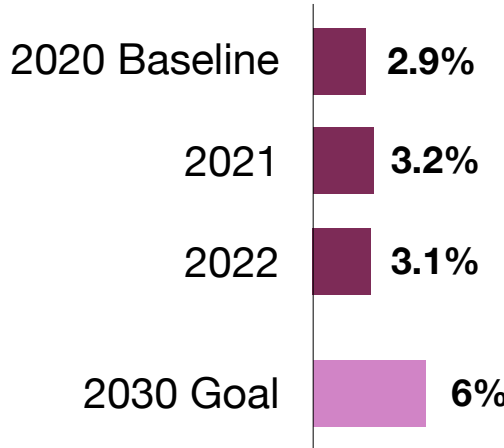
In 2022, the number of BIPOC Associates increased by 22% compared to our U.S. Workforce of 5%.

U.S. GOAL: INCREASE BLACK ASSOCIATE REPRESENTATION IN OUR U.S. WORKFORCE TO 10% BY 2030



In 2022, the number of Black Associates and Black Salaried Associates increased by 19% and 5% respectively, compared to our U.S. Workforce of 5%, and U.S. Salaried Workforce of 8%.

U.S. GOAL: INCREASE BLACK SALARIED ASSOCIATE REPRESENTATION IN OUR U.S. WORKFORCE TO 6% BY 2030



*BIPOC = Black, Indigenous and People of Color

ASSOCIATE RESOURCE GROUPS

Associate Resource Groups (ARGs) are voluntary, Associate-led networks based on shared experiences, characteristics or backgrounds. They 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.

ARG leaders and Executive Sponsors meet regularly to review strategy and progress of activities and initiatives.

In 2022, we grew from two to five ARGs, which are aligned with our business strategy. The ARGs also adopted the 4Cs Model, a commonly used approach developed by Dr. Robert Rodriguez for employee resource organizations, which has a focus on the following impact areas:

Career: Support (or 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; identify ARG collaboration opportunities where possible

AAM'S ARGs



POWHER



U.S. Veterans



Young Professionals



Black Associate Network



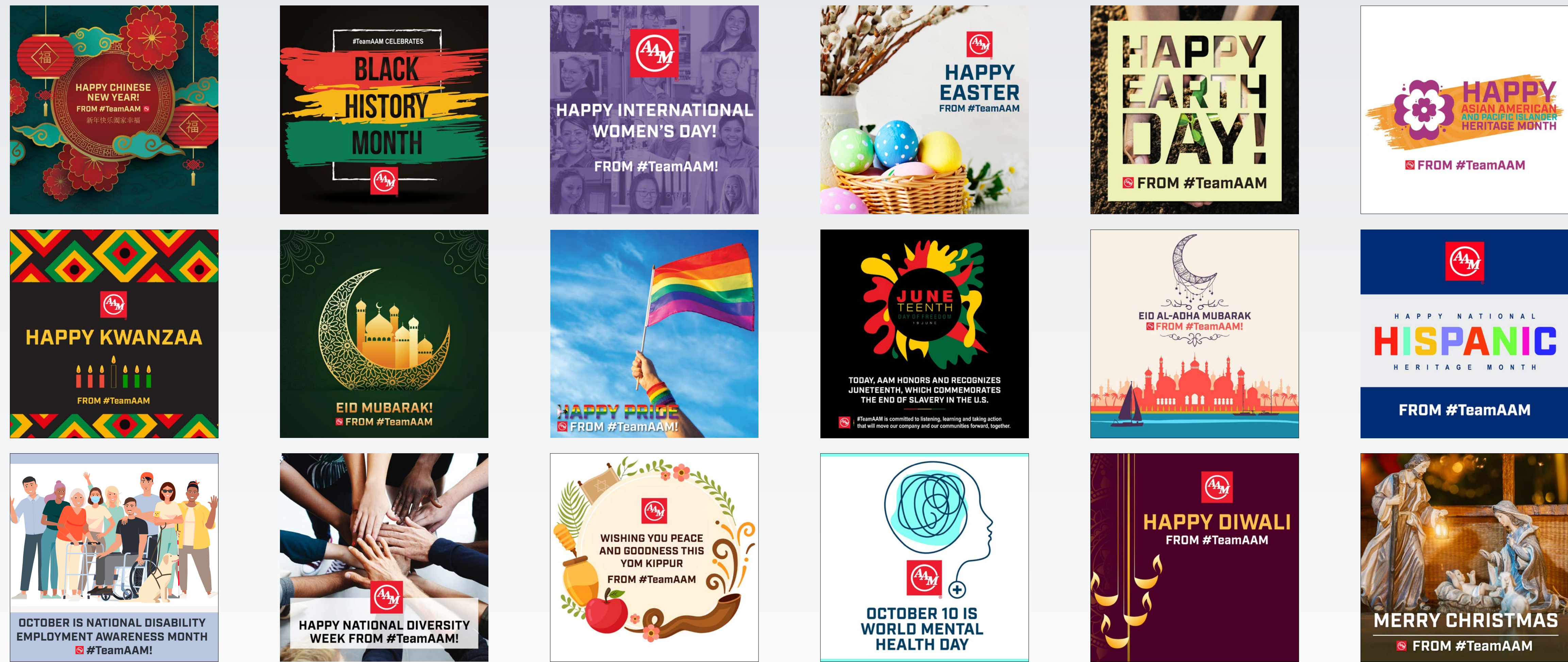
LATIN

- Hosted the fifth annual AAM International Women's Day event featuring industry and community guest speakers
- Held lunch-and-learn events on personal development and wellness, along with organized discussions on topics such as allyship and intentional inclusion
- Organized several career-focused events on public speaking and financial wellness
- Facilitated AAM's Memorial Day and Veterans Day education, and recognized the character and accomplishments of our AAM veterans throughout the year
- Participated in a nationwide virtual Recruit Military event
- Hosted a workshop focused on psychological safety
- Coordinated the Latino Influence in Business event, including a presentation by speaker and author Pedro Espinoza

AAM demonstrated our commitment to advancing DEI by sponsoring and participating in the Michigan Hispanic Chamber of Commerce's (MHCC) Hispanic Employee Resource Group/Business Resource Group 2022 Summit. Leaders from AAM ARGs attended the event, where they were able to network, share best practices and ideas, and learn about how to align strategy to company goals and objectives.

DIVERSITY DRIVES CREATIVITY

We believe a diverse workforce is a creative workforce. We launched a global holidays and events calendar to recognize and celebrate our diverse global communities and promote awareness to our Associates about other cultures’ traditions. In addition, we launched events, initiatives and communications to make our Associates feel seen and accepted.



RESPECT FOR HUMAN RIGHTS

Our [policies and programs related to human rights](#) are guided by internationally recognized human rights principles. These principles are informed by the United Nations Guiding Principles on Business and Human Rights and its foundational principles for business enterprises. They include those expressed in the International Bill of Human Rights and the International Labour Organization’s Declaration on Fundamental Principles and Rights at Work.

We recognize that we are part of the communities in which we operate. Our Associates are expected to conduct themselves in a socially responsible manner by respecting the cultures and traditions of indigenous people in each country where we operate. They are expected to act with integrity and in good faith in order to merit the trust and support of the community.

We prohibit 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. We also prohibit the employment of children. We look to partner with companies and organizations that share our values and position on human rights. We value the diversity and inclusion of the people with whom we work. AAM is committed to providing a work environment that is free from all forms of unlawful or unwanted harassment or discrimination. We do not tolerate disrespectful or inappropriate behavior, unfair treatment or retaliation of any kind. Harassment is prohibited in the workplace and in any other work-related activity.



LABOR RELATIONS

We respect our Associates’ right to join, form or not to join a labor union without fear of reprisal, intimidation or harrassment. Where Associates are represented by a legally recognized union, we are committed to establishing a constructive dialogue with their freely chosen representatives.

LABOR RELATIONS BY THE NUMBERS

69% Hourly Associates with union affiliation

42 Unionized AAM facilities

Interact with 11 Works Councils in Europe

and

21 Labor Unions globally

AAM360

AAM360 serves as the framework for our Associates' experience at AAM and the foundation for our talent strategy.

The four components of AAM360 – Benefits & More, POWER Up, LEVEL Up and #TeamAAM – provide Associates with the resources, tools and programs they need to grow both personally and professionally.



BENEFITS AND MORE

Our compensation and benefit plans are designed to attract, empower, develop and retain highly qualified and diverse Associates. We are committed to designing programs that support our business needs, align with our stakeholders' interests and pay competitively.

While our plans vary depending on geographic location, we offer a variety of benefits that provide Associates with options to manage all aspects of their wellbeing, including competitive programs related to health and welfare, and retirement.

We conduct annual compensation and benefits reviews against our competitor peer group to ensure market alignment. Adjustments are made where needed to address gaps.

When we expand our operations and bring new Associates into the AAM family, we practice a harmonized approach to compensation structure and programs. Associates joining AAM receive competitive compensation packages that align with those of our legacy Associates.

In 2022, AAM's Benefits team performed a comprehensive review of current U.S. benefits from an inclusivity perspective. As a result of this review, AAM increased tuition reimbursement and added paid parental leave for U.S. Salaried Associates.

Beginning in January 2023, AAM is providing a Lifestyle Account that U.S. Salaried and Non-Union Hourly Associates can use to purchase personalized benefits that meet their unique needs, such as gym memberships, financial and estate planning and home office equipment upgrades.





Our POWER Up program was created to help Associates live healthy lives and manage their physical and psychological wellbeing. This comprehensive, interactive and personalized program provides information on how to maintain a healthy lifestyle and achieve personal wellbeing goals.

We expanded our support for psychological safety and wellbeing in 2022 through a variety of global programs and initiatives.

The Four Pillars of Wellbeing

As part of POWER Up, we focus on the four pillars of wellbeing: physical, emotional, financial and social.



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.

Illustrative Programs that support physical wellbeing:

- Annual Physicals
- Preventative Screenings/Immunizations
- Diabetes Prevention and Management



Emotional Wellbeing:

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

Illustrative Programs that support emotional wellbeing:

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



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.

Illustrative Programs that support financial wellbeing:

- Retirement Readiness
- Debt Management
- Financial Education and Planning



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.

Illustrative Programs that support social wellbeing:

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



At AAM, we strive to empower our Associates in every aspect of their careers. We are dedicated to creating a culture that attracts, retains, develops and rewards a highly skilled and diverse workforce. LEVEL Up is a comprehensive range of programs that are designed to help all Associates reach their full potential.

In 2022, we held over 530,000 hours of [training](#) for our Associates, which included topics in the following areas:

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

LEVEL Up Development Programs

DEI

- CADIA Learning Programs
- Globesmart Profile
- Lunch with Leaders
- Skip-Level Program
- Unconscious Bias

Hourly Development

- Apprentice training
- Hourly Certification
- Hourly Progression
- Team Leader
- Technician Certification

Early Career

- College Co-op Program
- Early Career Functional Program
- Early Career Rotational Program
- Rotational Co-op Program
- Summer Intern Program

Leadership

- Executive Development
- High-Potential Development
- Plant Manager Development
- Salaried Development
- Women Development

Mentorship

- Buddy Program
- Global Mentor Program

LEVEL UP PROGRAM EXAMPLES

DEI:

Skip-Level with Hourly Associates: Hourly Associates at various global locations participated in skip-level meetings with local AAM leadership to share ideas and experiences. Action plans are generated and published in visible areas where Associates can see the progress of the items discussed. More than 850 Associates took part in these meetings in 2022.

Globesmart Profile: We partnered with 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. All Salaried Associates were required to complete the Globesmart Profile assessment. Our locations in Asia expanded the Globesmart program by incorporating strategic meetings and workshops where Salaried Associates participated in a series of cross-culture sharing activities.

CADIA Accelerator Program and CADIA Connects: Through our partnership with CADIA, our Associates participate in a variety of programs such as a Roundtable Series, which provides for the open exchange of information and best practices for diversity and inclusion.

Lunch with Leaders: This program partners small, cross-functional groups of Associates 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.

Unconscious Bias Training: Our European Headquarters and Engineering Center in Germany and our Guanajuato Manufacturing Complex in Mexico hosted several Unconscious Bias training sessions. The training was available to Salaried Associates in Asia, Brazil, Europe, India and Mexico.



Hourly Development:

We continue to actively support the development of our hourly workforce through programs that help enhance their technical skills, prepare them to take different challenges and grow in their careers with us. The programs include Team Leader Development, Technician Certification, Operator Certification and Hourly Progression. This initiative provides learning and growth opportunities for our Associates around the world.

380,000+
training hours completed by our
Hourly Associates



The Richard E. Dauch Development and Education Institute

The Richard E. Dauch Development and Education Institute is the centerpiece of AAM's learning and development programs for our Associates in Mexico. It was inaugurated in 2018 as a joint initiative between AAM and the State of Guanajuato, Mexico.

The **AAM University Program** supports the development and growth of Hourly Associates. In 2022, AAM celebrated the first class of graduates from its Industrial Maintenance Program. Hourly Associates can receive an Associate degree through this unique program, which is delivered in partnership with the State of Guanajuato Institute of Training and the Technological University of Leon, Mexico.

An additional Industrial Maintenance class began in 2022, along with new programs in Welding and Metallurgy.

Another component of the Dauch Institute is the **AAM Innovation Center in Mexico** which opened in 2022. As Industry 4.0 continues to shape the future of manufacturing, AAM needs innovative thinking about how new technologies can enhance operations. The Innovation Center is focused on enhancing the way AAM develops our Associates and identifying ways to improve productivity while implementing manufacturing solutions.

The Innovation Center includes virtual reality equipment for training and enhancement of production lines; 3D printing technology to improve productivity and enhance product development; and Designated Project Areas for identifying manufacturing technologies. The Center contributes to AAM's global objectives by developing people, improving processes and productivity, and introducing new technologies and innovative programs. The Innovation Center helps our current and future Associates connect with technology.



Early Career:

College Co-op, Summer Intern and other Student Programs

We partner with high schools, colleges, universities and organizations around the world to develop the next generation of AAM Associates and technical experts. We engage students in programs that provide exposure to our company and allow students to expand their technical skills. These programs target key experiences and interactions with AAM leadership and subject-matter experts to propel talent forward in their careers.



Our **Oslavany Manufacturing Facility in Czech Republic** partnered with local high schools to help students become Maintenance and CNC Operation professionals. Students visited the facility to perform compulsory practical training under the guidance and supervision of one of our training experts.



Our **Rayong Manufacturing Facility in Thailand** established partnerships with the Ban Khai Technical College and the Ubon Ratchathani University to provide internships to students.



Our **Araucaria Manufacturing Facility in Brazil** celebrated the completion of a 14-month Apprentice Program, which included a focus on diversity and inclusion. The program, hosted through the Brazil National Industrial Learning Service, included 13 students involved in areas such as logistics, engineering, purchasing, facilities and tooling.



Our **Three Rivers Manufacturing Facility in the U.S.** partnered with the St. Joseph County Career and Technical Education Center to inspire high school students enrolled in technical courses to become future manufacturing leaders. This also builds bridges for future employment.



The Plant Manager at our **Chennai Manufacturing Facility in India** was a guest lecturer at the SRM Institute of Science and Technology, presenting information on the challenges of manufacturing industries.

Leadership:

Salaried Development

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 20% year-over-year, and we will continue to train and grow our Associates in this critical problem-solving methodology. AAM had 121 certified apprentices, 23 journeymen and two masters at the end of 2022. AAM received a Dorian Award for Bottom Line Improvement through applying the Shainin method of problem solving during 2022.



- Associates from our Guanajuato Manufacturing Complex and Guanajuato Forge were awarded the “Guanajuato State Award for Labor Merit,” recognizing the Associate as the main driving force behind an organization’s development. The aspects evaluated were the participation of the worker, originality and impact in the organization. Our Associates submitted projects in the areas of Safety, Quality, Productivity, Continuous Improvement, Product Innovation and Associate Development.

Women Development

- Thirty-nine Associates have completed our Women Development program since it launched in 2021. Participants have an accumulated investment of over 800 hours in leadership panels, coaching sessions, workshops and other initiatives focused on the professional and technical development of our female Associates.



- Our El Carmen Manufacturing Facility in Mexico partnered with the CECyTE Technical High School to launch a female mentoring program to promote gender equality. Students partnered with AAM female Associates who volunteered to host six one-on-one mentoring sessions helping the students build self-awareness and develop career plans. Topics included: self-awareness, empowerment and gender equity in the labor market.

Plant Manager Development

- Our Plant Manager Development Program includes an assessment process, feedback, networking and action learning projects. In 2022, 35 Plant Managers completed the training.

Executive Development

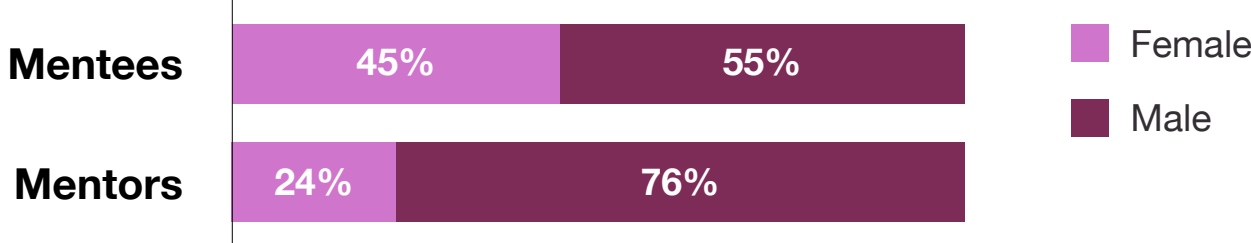
Our Executive Development Program assesses key senior-level Associates on the skills and behaviors needed to be a successful executive at AAM, and provides coaching and development opportunities. Fifty participants have completed the program since its launch in 2021.

Mentorship:

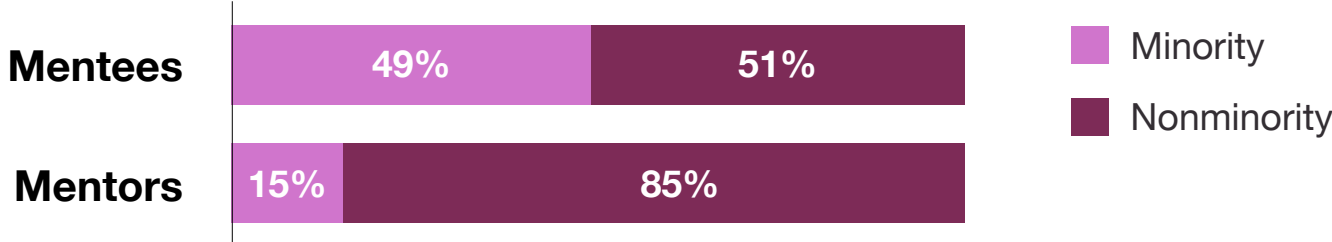
Global Mentor Program

The AAM Global Mentor Program continued to thrive in 2022, with 175 pairings across the globe.

GLOBAL GENDER PARTICIPATION



U.S. RACE AND ETHNICITY PARTICIPATION



We are focused on increasing the diversity of mentors to encourage the participation of mentees from underrepresented groups.

Buddy Program

We worked to standardize this practice in 2022, where 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.

#TeamAAM

We have a responsibility to the communities where we live and work. Our relationship with our communities is an integral part of AAM's identity. #TeamAAM strives to 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. Associates contribute financially to these organizations. AAM Salaried Associates are provided 16 working hours to support their local communities. Including Associate giving, AAM committed over \$1 million in charitable contributions in 2022.

Key Global Charitable Partners



Associates provided relief to Ukraine refugees by collecting more than 700 pounds of supplies and contributing \$75,000 to the International Red Cross and Polska Akcja Humanitarna. AAM matched their monetary donation, and our longtime shipping partner CHAT of Michigan transported the goods to Poland. Associates from our Świdnica Manufacturing Facility then delivered supplies within their community.



Our El Carmen Manufacturing Facility in Mexico supported more than 400 students' return to school by providing labor and materials. The effort funded functioning bathrooms and a water storage system for the CECyTE high school campus in El Carmen.



Glasgow Manufacturing Facility Associates and their families participated in the Glasgow Kiltwalk, walking more than 22.7 miles, showing support and raising funds for Alzheimer Scotland.



Lyon Manufacturing Facility in France participated in the annual Courir POUR ELLES Run for Women to benefit women who have been affected by cancer. Associates walked nearly 4 miles in the Parc de Parilly in Lyon and wore pink to celebrate unity in the fight against cancer.



Valencia Manufacturing Facility partnered with Koopera, a charitable organization in Spain. They created a designated space within the facility where Associates can bring clothing or other goods to be donated to support the organization.

PRODUCT

POWERING A CLEANER FUTURE...

In 2022, AAM...

- Received three Automotive News PACE program awards
- Launched 17 major global product programs
- Received eight quality performance awards



DELIVERING POWER

We deliver POWER to our customers through unparalleled expertise in driveline and metal forming technologies. Our experience serves as the foundation for a new generation of products designed for a greener, more sustainable world.

AAM operates over 80 facilities in 18 countries and has invested more than \$2 billion in research and development initiatives since our founding in 1994. Associates at our 14 global engineering development centers are empowered to think differently as they invent the technologies of tomorrow.

We continue to make investments in our future while maintaining our focus on quality, operational excellence and technology leadership. In June 2022, we completed the acquisition of Tekfor Group, which leverages and increases our electrification portfolio.

In 2022, AAM launched 17 major programs with customers around the world, including Ford Motor Company, General Motors, Mercedes-AMG and NIO Inc. We also secured multiple full-size truck axle programs with global OEM customers and were awarded numerous electric vehicle component contracts where our proven electric gear and component technology will support both front and rear drive units.

>\$2.3B

Invested in research and development initiatives since 1994

~70%

R&D spend in 2022 on sustainability-focused projects

14

Global engineering development centers

CAPABILITIES

AAM is a premier global Tier 1 automotive supplier with broad capabilities across product lines, segments and major markets.

From electric drive and electric beam axle (e-Beam) technologies to electric motor components and subassemblies, we offer a portfolio of scalable solutions that increase efficiency, improve vehicle performance, and reduce noise, vibration and harshness.

DRIVELINE

The AAM Driveline business unit is a global leader in traditional, hybrid and electric driveline solutions. Our product portfolio features rear-wheel drive, all-wheel drive, and four-wheel drive systems for internal combustion, hybrid electric and full electric vehicles.

METAL FORMING

AAM's Metal Forming business unit represents the largest automotive forging enterprise in the world. We provide engine, transmission, driveline and safety-critical components for electric vehicles, light vehicles, commercial vehicles, and off-highway vehicles, as well as products for a number of industrial markets.

SHIFT TO ELECTRIFICATION

AAM continues to support the changing needs of the automotive industry by advancing our electrification platform technology.

We have been working toward this future for more than a decade and are accelerating the development of game-changing electric-drive platforms and weight savings technologies. Our strong portfolio of electric drive units (EDU), e-Beam axles, gearboxes, sub-assemblies and components can support a variety of zero-emission propulsion technologies.

We continue to add Electric Vehicle (EV)-focused Associates to our team and offer a variety of training development opportunities in critical areas such as the ASPICE software process framework, controls engineering, functional safety and requirements management.

Additionally, we are adapting our Driveline and Metal Forming business units to better serve our customers, partners and stakeholders, and are identifying growth opportunities for both business units within the EV space.

We have made great progress in this area by securing our first e-Beam axle award with EKA Mobility for an electric commercial vehicle and a second commercial e-Beam axle award with Jupiter Electric Mobility in Asia. In addition, we were awarded multiple contracts with major global OEMs for electric components and drive units.

EV TECHNOLOGIES

AAM Associates around the world are designing and engineering advanced electric propulsion technology centered around highly integrated systems.

We have 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. Our solutions can be procured as systems, subsystems or components, providing our customers with options across vehicle segments.



ELECTRIC DRIVE UNITS



E-BEAM AXLES



DIFFERENTIAL ASSEMBLIES



GEARS



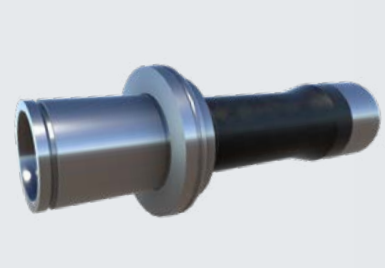
MOTORS



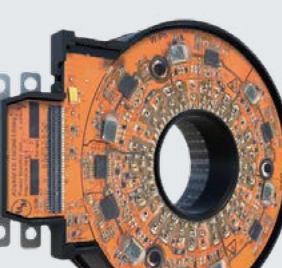
GEARBOXES



ROTOR SHAFTS



INVERTERS



THREE PACE AWARDS

Our electric drive technology is turning wheels and turning heads. In 2022, AAM won three Automotive News PACE awards, which recognize automotive suppliers for superior innovation, technological advancement and collaboration.

We have now received five PACE program awards related to our electrification technology in the last three years. We also received PACE awards in 2020 for the front and rear EDUs featured on the Jaguar I-PACE, an all-electric AWD luxury SUV.

PACE Award and PACE Innovation Partnership Award: P3 2-speed Electric Drive Technology

In 2022, AAM received two Automotive News PACE program awards for the P3 (hybrid electric) 2-speed Electric Drive Technology featured on the Mercedes-AMG GT 63 S E PERFORMANCE. We received a PACE Award for this innovative EDU and a PACE Innovation Partnership award in recognition of our high levels of collaboration with Mercedes-AMG.

To meet the needs of AMG's first plug-in hybrid electric model, we developed a drop-in EDU that provided exceptional power and worked with the existing powertrain, systems and architectures of the vehicle.

Our P3 EDU incorporates an electric traction motor in a conventional drive axle to provide hybrid function. It also integrates an electronic limited-slip differential and 2-speed gearbox into a single, compact package. The technology provides both mechanical and electric torque flow to the rear wheels resulting in a peak of 148 kW through a two-speed gearbox while still allowing up to 463 kW to pass through the EDU. As a result, the vehicle has significantly faster acceleration and reduced emissions compared to the base combustion engine.



The Mercedes-AMG GT 63 S E PERFORMANCE program is the first volume-production application of a P3 electric drive axle, making it a significant achievement for AAM. The integration of an electronic limited-slip differential and 2-speed gearbox is also an industry first.

In addition to the PACE Award, our high levels of collaboration with Mercedes-AMG on the P3 2-speed EDU were recognized with a PACE Innovation Partnership Award, which honors collaborative work between OEMs and suppliers in getting supplier innovations successfully to market.

Throughout the program, we worked closely with Mercedes-AMG to ensure that the EDU provided the right amount of power and torque while still maintaining comfort and quiet operation for their discerning and performance-oriented customers.

PACEpilot Innovation to Watch: P4 Integrated 3-In-1 Wheel-End Electric Drive Unit

AAM also received an Automotive News PACEpilot Innovation to Watch Award for the P4 (pure electric) Integrated 3-In-1 Wheel-End EDU. This award recognizes post-pilot, pre-commercial innovations in the automotive and future mobility space.

This high-speed wheel-end EDU includes a motor, gearbox and inverter in one single compact and lightweight package. The EDU consists of a high-speed and compact 100kW induction motor that rotates up to 24,000 rpm. The very compact inverter is mounted to the side of the motor housing. One unit drives each wheel allowing 2-wheel or 4-wheel drive depending on the needs of the vehicle.

The technology is 30% smaller than competitive solutions, and can be used in wheel end, e-Beam and other applications for cars, light trucks, last mile delivery and heavy-duty truck platforms.



ELECTRIC DRIVE UNITS

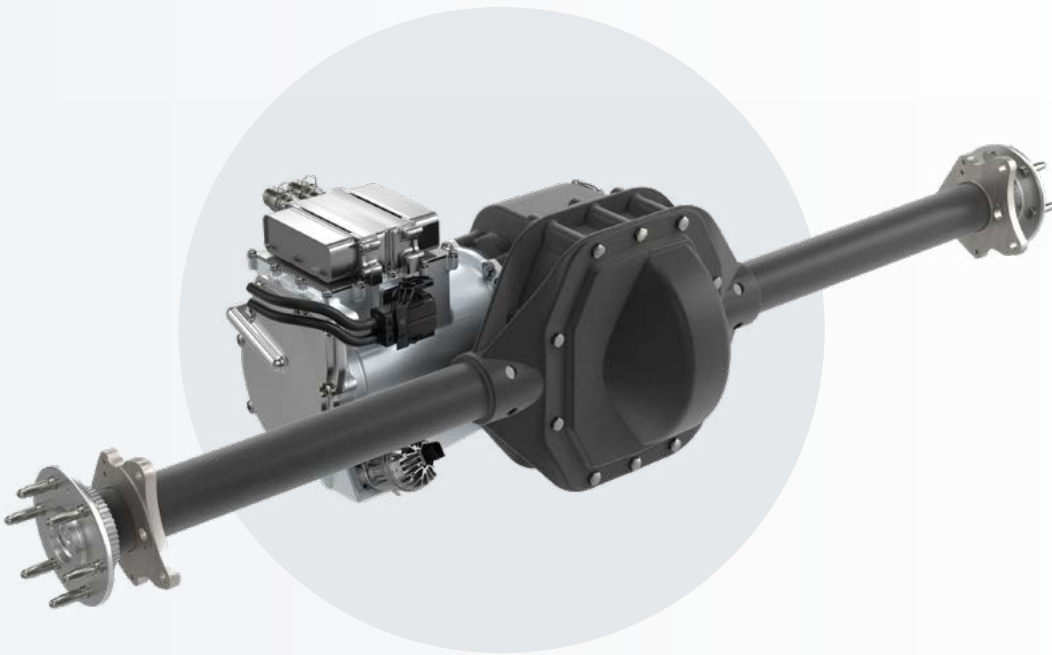
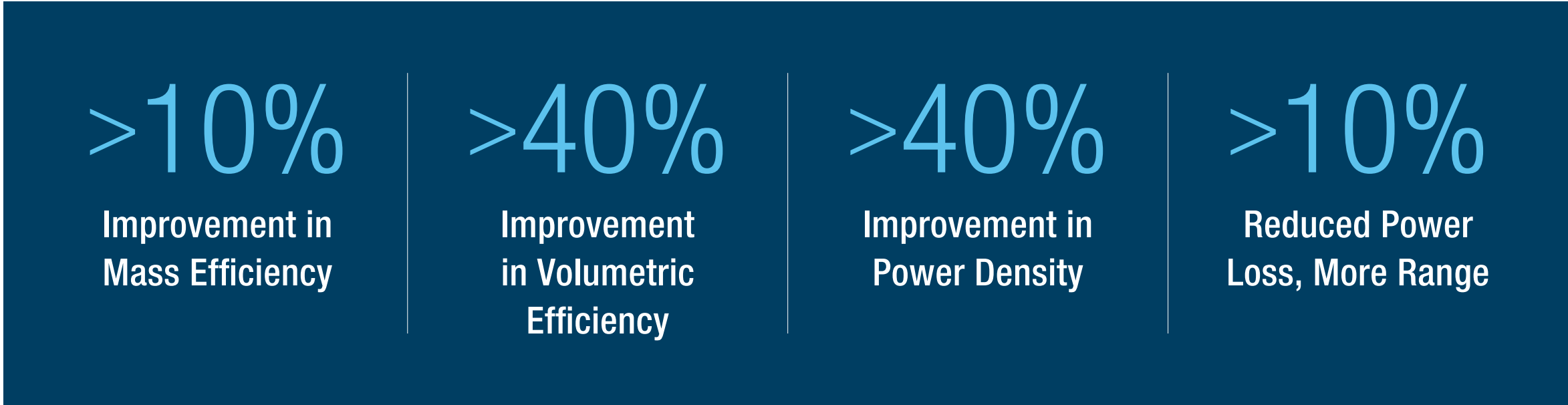
AAM continues to raise the bar for electric drive technology, designing products with a significantly higher power range and best-in-class improvements in mass and volumetric efficiency.

The building block for our EDU is a 250 kW electric machine (e-Machine) with high rotational speeds, and an integrated gearbox and inverter. All configurations operate at speeds up to 24,000 rpm to maximize power delivery.

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

We have developed a fully electric demonstration pickup truck that features our next generation EDU. The demonstration vehicle includes a single motor in the front and dual-motor EDU with locking differential in the rear.

AAM Next Generation Electric Drive Units Deliver Compelling Performance vs Industry Benchmarks



ELECTRIC BEAM AXLES

The AAM e-Beam axles for light and medium duty trucks use our next-generation e-Drive systems that feature 24,000 rpm e-Machines, high-reduction gearboxes and a highly integrated inverter. The e-Beam axle can also be equipped with TracRite® open, electronic-locking or limited-slip differentials.

We developed 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.

In 2022, we continued to develop our next generation electric drive technology. Based on our high-speed motor, dual-layshaft gearbox and fully integrated, oil-cooled inverter, this technology was developed into our first customer application as a corner drive module for REE Automotive, Ltd. We have extended the concept to a larger 180 mm stator diameter and 800-volt inverter to support higher system power and fast-charge vehicle technology. Additionally, we have developed the core technology to include necessary additional functions such as park and disconnect mechanisms.

To highlight our e-Beam axle technology, we have developed two additional demonstration vehicles: an electric light duty pickup truck with an EDU in the front and e-Beam axle in the rear, and a fully electric heavy duty pickup truck with both a front and rear e-Beam axle.

SUSTAINABLE PRODUCT PRACTICES

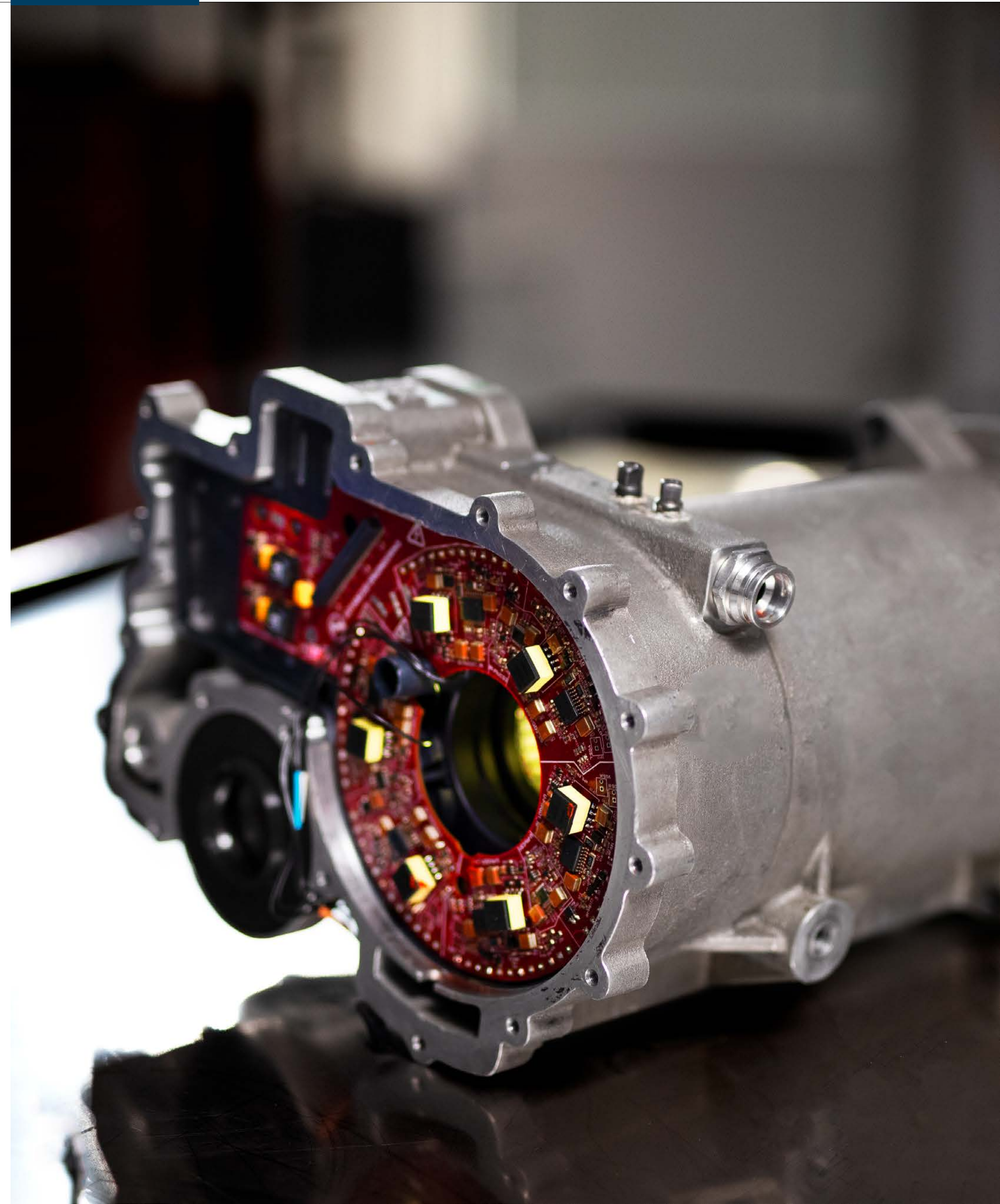
As our customers and the industry move toward lighter and more sustainable vehicles, AAM is committed to advancing these objectives in all our EV and internal combustion engine products, processes and systems technologies.

Our portfolio includes axles, aluminum structures and AWD applications that provide significant power while improving efficiency and fuel economy.

Within our Metal Forming business unit, we have developed advanced forging and machining processes to manufacture lightweight and power-dense engine, transmission, driveline and safety-critical components.

We are also working to minimize the environmental impact of our manufacturing and production processes by working to extend the lifecycle of our products. In 2022, we conducted a Product Life Cycle Analysis to provide insight into the environmental impact of our value chain.

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 the International Material Data System (IMDS) to disclose the materials within our products. Any changes to product materials are reflected with updates to our IMDS entries.





Q⁴ QUALITY SYSTEM

AAM was founded on an unwavering commitment to quality and operational excellence. We utilize streamlining, standardization and synergies to exceed our customers' expectations.

Our AAM Operating System (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 Quality System integrates AAM's values, goals and objectives to drive continuous improvement and create a sustainable and actionable quality and warranty program. Q⁴ addresses both OEM first-time quality and warranty reduction for vehicle end users.

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

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

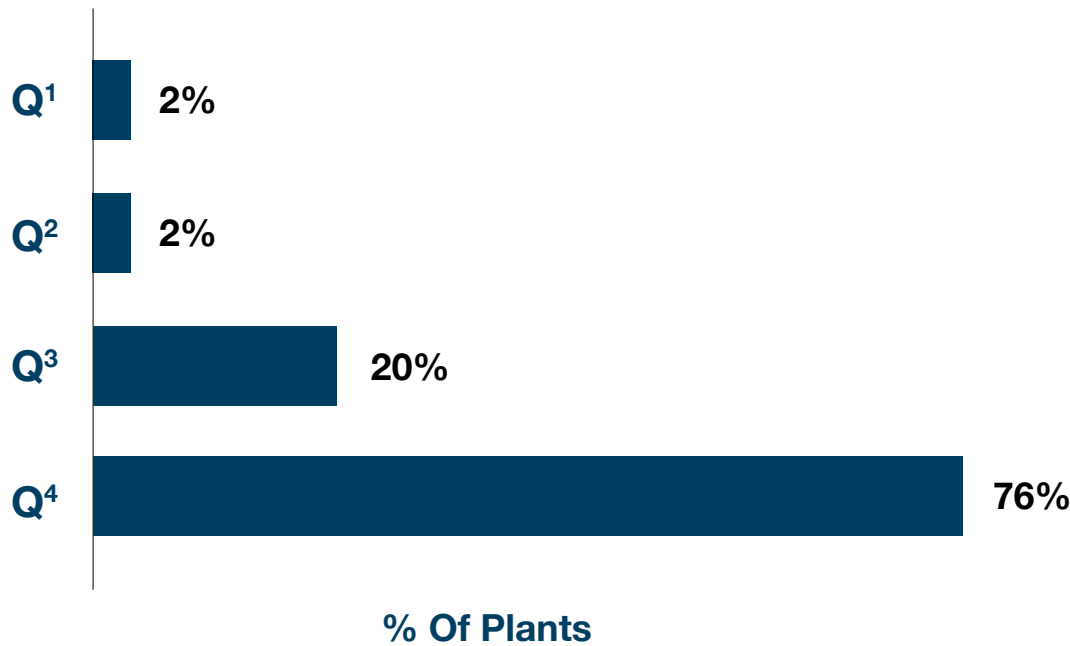
- Clear customer focus through excellent service and fast response
- Zero defect mindset in pursuit of perfect quality products
- Global Read Across process to share and apply to all manufacturing locations
- Continuous Associate development to strengthen technical and quality system capabilities
- Problem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

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.

Q⁴ LEVEL ATTAINMENT

Our Q⁴ system will be integrated at Tekfor facilities in 2023



Since the development of our Q⁴ Quality System in 2015, **AAM'S IPTV has improved by ~82%**, based on AAM'S IPTV 1.99 rate at 2022 year-end MIS.

QUALITY AWARDS

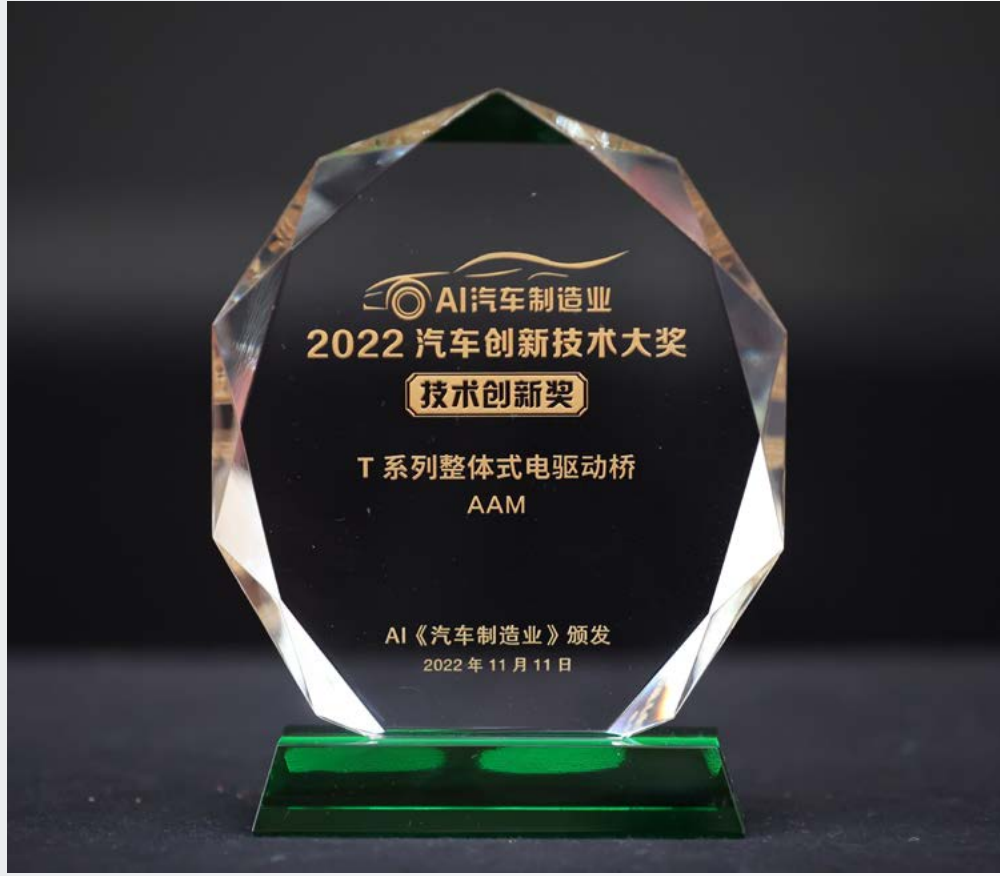
QUALITY AWARDS RECEIVED IN 2022

Company	Award	Location
GM	GM Supplier Quality Excellence Award	Guanajuato Manufacturing Complex — 3
GM	GM Supplier Quality Excellence Award	Guanajuato Manufacturing Complex — 5
GM	GM Supplier Quality Excellence Award	Pyeongtaek Manufacturing Facility
GM	GM Supplier Quality Excellence Award	Ridgway Manufacturing Facility
Daimler	Masters of Quality Award from Daimler Truck	El Carmen Manufacturing Facility
Daimler	Zero Defect Quality award from Daimler India Commercial Vehicles	Chennai Manufacturing Facility
Paccar	Quality Achievement (Below 10 PPM)	Glasgow Manufacturing Facility
Hino	Quality Achievement	Oxford Manufacturing Facility

OTHER AWARDS

In 2022, AAM's 2-in-1 light duty e-Beam axle designed specifically for the Asia Market received two awards in China:

- Advanced Powertrain Award:** Presented by the Auto Business Review magazine, this award aims to discover and encourage preeminent companies and emerging players in the automotive supply chain. AAM received this honor during the China Auto Parts Industry Awards.
- Vogel Award:** Presented by auto industry experts in China in recognition of AAM's 2-in-1 light duty e-Beam axle that has helped advance vehicle electrification by developing a smaller, lighter and more efficient electric axle for commercial vehicles.



SUPPLY CHAIN

POWERING A COLLABORATIVE FUTURE...

In 2022, AAM...

- Established a Supplier Sustainability Council
- Updated the Supplier Requirements Manual
- Increased our spend with diverse suppliers



COLLABORATING WITH PARTNERS

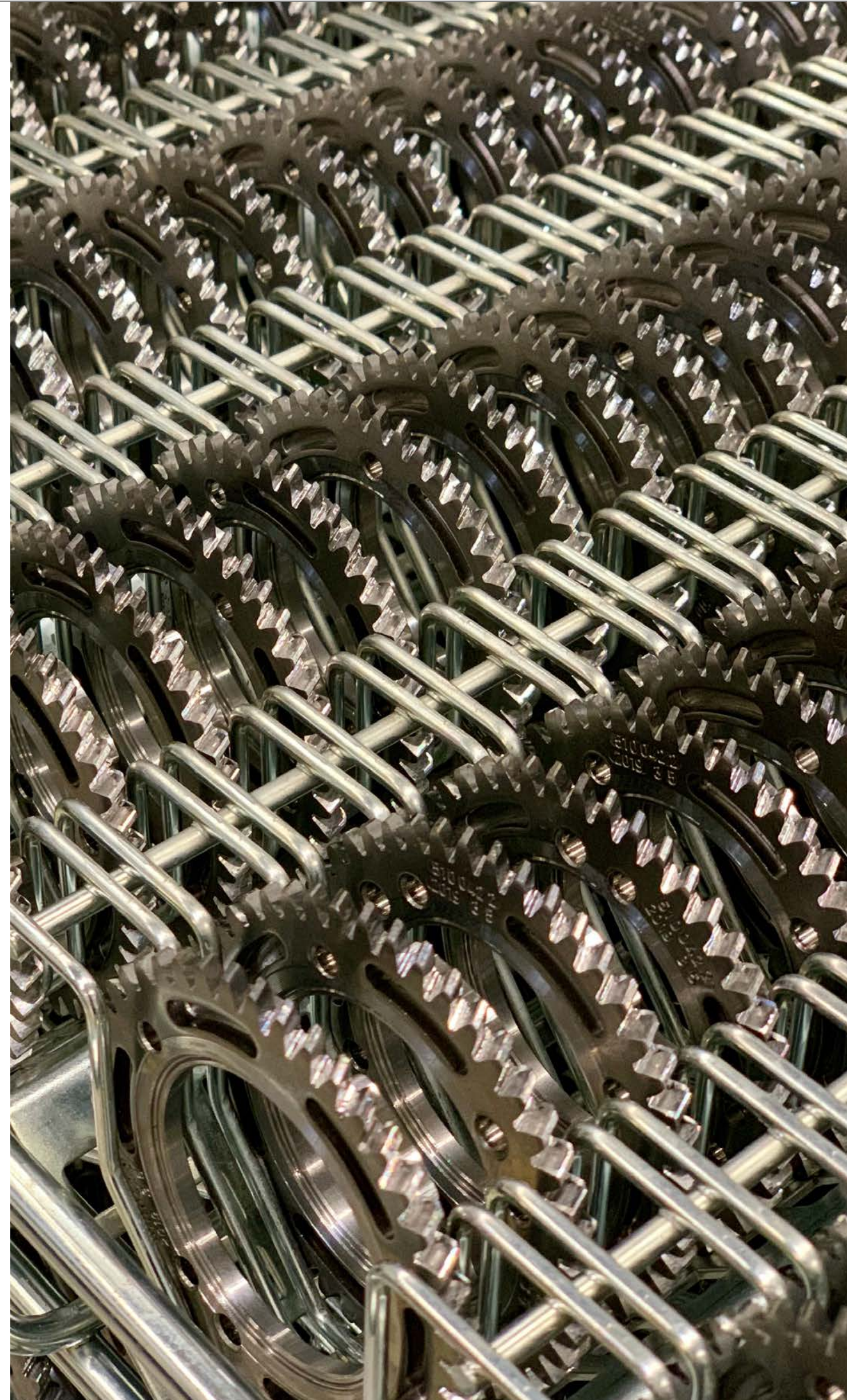
We strive to develop and maintain relationships with companies that share our vision, values and commitment to sustainability and diversity. AAM collaborates with Supplier Partners around the globe to deliver POWER to our customers, minimize our impact on the planet and reflect the communities in which we operate.

In 2022, we launched the first phase of our sustainable procurement strategy, updated and enhanced the Supplier Requirements Manual and created a Supplier Sustainability Council.

Reinforcing greater transparency through our tiered suppliers helps create a resilient supply chain. As we continue to advance our supply chain and procurement strategy, we are determining appropriate monitoring processes. We are also adding elements such as implementing a Supplier Code of Conduct and integrating sustainability criteria into our sourcing decision process.

DOING BUSINESS WITH AAM

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.



COMPLIANCE

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 performance measurement systems to validate the achievement of our mutual goals.

Our procurement sourcing processes, 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. In early 2023, we developed our first Supplier Code of Conduct to reinforce AAM's standards of ethical and responsible business practices through the supply chain. This information will be shared later in 2023.

Prospective Supplier Registration

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. During the onboarding phase, prospective suppliers are required to read, acknowledge and adhere to our Terms and Conditions, Supplier Requirements Manual, Code of Business Conduct and Anti-Corruption Policy.

iSupplier Portal

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



Supplier Requirements Manual

The AAM [Supplier Requirements Manual](#) includes 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.

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. The purchase orders also remind Supplier Partners that they must abide by the Supplier Requirements Manual, thereby ensuring that all aspects of transactions address ethical and responsible sourcing.

Anti-Corruption Policy and Code of Business Conduct

All suppliers are required to read [AAM's Code of Business Conduct](#) and [Anti-Corruption Policy](#) and acknowledge that they will conduct business in compliance with the expectations outlined in these documents.

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

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.

Conflict Minerals Policy

Our website features a subsection dedicated to the management of Conflict Minerals. This section includes annual supplier requirements and:

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

In addition, a similar subsection was added to our internal website to educate Associates on Conflict Minerals due diligence.



COLLABORATION

The AAM Supplier Council and the newly formed Supplier Sustainability Council play key roles 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.

As a division of the AAM Supplier Council, the Supplier Sustainability Council 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, meeting quarterly to review AAM sustainability policies and practices. The Council provides feedback, guidance and recommendations around sustainability initiatives and fosters alignment between AAM and our global network of suppliers.



CONTINUOUS IMPROVEMENT

In 2022, we worked to improve and enhance the resources we provide to our Supplier Partners.

The Supplier Requirements Manual received several significant updates, including:

Enhancing language to clarify AAM's sustainability vision and supplier alignment expectations

Expanding upon Supplier Diversity Program classifications and requirements

Updating the Privacy and Data Protection (Cybersecurity) section to adapt to the changing threat and regulatory landscape

Updating sections regarding Electronic Data Interchange, Labeling and Lot Traceability, Packaging Specifications and Requirements, and Customs and Global Trade Compliance

Additionally, [Supplier Sustainability information](#) was added to both the AAM website and POWERhouse, our intranet. Prior generation supplier onboarding processes and systems have been consolidated to ensure compliance with processes and procedures.

SUPPLY CHAIN SUSTAINABILITY

AAM is working with our customers, industry peers and supply base to further accelerate our efforts to protect the planet for future generations.

To meet our short- and long-term targets and help reduce overall industry emissions, we need the cooperation of our full supply chain. All suppliers, including their sub suppliers, are expected to know and abide by applicable environmental laws and regulations, and manage their environmental impacts responsibly.

Transporeon Carbon Visibility Platform

AAM was accepted into the beta program of the Transporeon Carbon Visibility dashboard in July of 2022. We are part of a limited group of companies using a new technology platform that measures emissions according to the Global Logistics Emissions Council framework. The Carbon Visibility dashboard provides the means to calculate AAM's emissions to identify efficiency opportunities across our managed transportation network and supports AAM internal reporting of Scope 3 emissions.



Transportation

With just over 80% of our global transportation spend occurring in North America, our sustainable transportation initiatives are piloted in this region.

Through partnerships with organizations such as SmartWay and Transporte Limpio, we are able to use more efficient freight carriers, transport modes, equipment and operational strategies to reduce AAM's Scope 3 emissions.

Sustainability Partnership Programs



AAM remained an active partner in the U.S. Environmental Protection Agency's SmartWay program, which is designed to help the freight transportation sector improve supply chain efficiency and advance sustainability initiatives. We again met annual certification requirements for the program and have made it a priority to include more SmartWay partners in our supplier base.

In 2022, 97% of AAM's U.S. and Canadian transportation spend was routed on SmartWay carriers. We collaborated with SmartWay to present the benefits of the SmartWay Program and other sustainable transportation strategies to our Supplier Sustainability Council members. In addition, we encouraged our Suppliers to join the SmartWay Program to further support reduction of AAM's Scope 3 emissions.

We joined Mexico's Ministry of Environment and Natural Resources Transporte Limpio Clean Transportation Program in 2022. This program encourages transportation companies in Mexico to lower fuel consumption and GHG emissions. AAM received an Excellent Environmental Rating with a score of 1.21 out of a possible 1.25 with 86% of Mexico transportation spend on Transporte Limpio carriers.



Continuous Improvement Projects Leading to Emissions Reduction

Throughout 2022, we implemented Continuous Improvement Process (CIP) projects at our plants in collaboration with our transportation partners. These projects resulted in the reduction of 3.5M miles and 5.9k tons of emissions.

Projects included load utilization, shipment consolidation, frequency and mode changes. CIP projects are reviewed on recurring cadence to support implementation, remove roadblocks and calculate the financial and environmental impacts.

Sustainable Procurement Strategy

We have determined that 86% of our GHG emissions originate from our suppliers. As a result, in 2022 we launched the first phase of our sustainable procurement strategy where we asked our suppliers to commit to their own environmental goals and share their initiatives with us.

Recycling and Waste Reduction

Our recycling efforts are extended throughout our supply base.

Based on a survey from our direct material suppliers, we estimate that approximately

76%

of our controllable direct material spend is for content derived from recycled material, while only

24%

comes from raw/virgin material.

Self-Assessment Questionnaires

To help us better understand environmental, social and corporate governance in our supply chain, we sent self-assessment questionnaires (SAQ) to our suppliers throughout 2021 and 2022.

All AAM Supplier Sustainability Council members have completed an SAQ, and they account for 70% of our total GHG emissions from direct material suppliers.

We continue to monitor and respond to the changing landscape of sustainability. To help drive sustainability performance improvements throughout our supply chain, we are investigating new measurement platforms.

Partner Training

We encourage suppliers who may not have their own sustainability programs to leverage our partnership with the Automotive Industry Action Group (AIAG), a cooperative auto industry forum that focuses on improving business processes and practices involving trading partners and peers throughout the supply chain.

In 2022, we created a [Supplier Sustainability subsection](#) on the AAM website. This subsection includes a free e-learning and knowledge assessment as well as several AIAG reference documents, including:

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



SUPPLY CHAIN 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.

In 2022, we increased our year-over-year spend with diverse suppliers by

16%

We met all our customers' supplier diversity expectations, achieving a green rating. To support increased business opportunities for diverse suppliers, we made progress in four strategic areas of focus: Program Development, Marketing and Communications, Industry Engagement and Performance.

We seek to build sustainable relationships with Supplier Partners from underrepresented and underutilized groups, including but not limited to:

- **Minority Owned Businesses**
- **Woman Owned Businesses**
- **Veteran Owned Businesses**
- **Service Disabled Veteran Owned Businesses**
- **LGBTQ+ Owned Businesses**
- **Small Businesses (as designated by the SBA)**
- **Historically Underutilized Business Regions**
- **Disabled Owned Businesses**



Program Development

In 2022, we continued 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 are set to graduate from the program in 2023. Additionally, we joined the MMSDC Academy to drive growth initiatives focused on training and best practices.

We served as a corporate mentor through the Toyota Driving Impact Business Module. The program educates diverse business owners on how to enhance their relationships with industry leaders through education, training and networking opportunities.

In addition, AAM is 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.

Marketing and Communications

To increase the visibility and awareness of our Supplier Diversity Network and its initiatives, we developed several key marketing and communications assets including a Mission Statement and secured a letter of support from AAM's Chairman and CEO.

We also established a Supplier Diversity section on both the AAM website and our internal site and added a supplier registration portal for diverse suppliers.

INDUSTRY ENGAGEMENT

AAM participates in a variety of industry and community organizations.



AAM's Senior Manager of Supplier Relations, Compliance and Diversity was elected to the Michigan Hispanic Chamber of Commerce (MHCC) Board of Directors in 2022. In addition, we sponsored the Supplier Diversity Matchmaker Event where procurement team members met with business owners and highlighted our new Supplier Diversity Program.

Key members of our supply chain team participated in a panel event at the MMSDC's 41st Annual Michigan Minority Procurement Conference.

We also participated in the NMSDC Automotive Industry Group and Stellantis Matchmaker events, the Great Lakes Women's Business Council Conference, the Toyota Opportunity Exchange and the MMSDC ACE Awards.

PERFORMANCE

We continue to exceed 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 towards an impactful supplier diversity program.

Certificate of Achievement for meeting Toyota's supplier diversity targets

Great Lakes Women's Business Council's Excellence in Supplier Diversity Award in the Emerging category

Nissan Motor Corporation Supplier Diversity Overachiever Award

MHCC Chamber Advocate of the Year Award (for AAM's Senior Manager of Supplier Relations, Compliance and Diversity)

GOVERNANCE

POWERING A MORE RESPONSIBLE FUTURE...

In 2022, AAM...

- Advanced Board effectiveness and Director skills in promoting DEI and conscious inclusion
- Promoted a cybersmart culture through security awareness and training
- Expanded Sustainability Program governance

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 President as an agenda item. Board committees oversee topics related to their areas of responsibility and provide regular updates to the full Board.

AAM has made Board diversity a priority through the refreshment of Directors and by adopting a policy of mandatory inclusion of diverse candidates in the Board selection process. The diversity of our Board will continue to be a topic of importance in the future.

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 related to cybersecurity, and receives quarterly reports on key aspects of our ethics and compliance program.
- **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 ■
Chairman of the Board and
Chief Executive Officer



Elizabeth A. Chappell ■ ■
Former President and Chief Executive Officer,
Detroit Economic Club



William L. Kozyra ■ ■ ■
Chairman and Chief Executive Officer,
Alco Plastics, Inc.



Peter D. Lyons ■ ■
Counsel, Freshfields Bruckhaus Deringer
US LLP



James A. McCaslin ■ ■ ■ ■ ■
Retired President and Chief Operating Officer,
Harley-Davidson Motor Company



William P. Miller II ■ ■
Senior Managing Director: Capital Markets,
Investments and Governance Financial
Markets International, Inc.



Herbert K. Parker ■ ■
Retired Executive Vice President of
Operational Excellence and Chief Financial
Officer, Harman International



Sandra E. Pierce ■ ■
Senior Executive Vice President,
Huntington Bank



John F. Smith ■ ■ ■
Principal, Eagle Advisors
Retired Group Vice President, General Motors



Samuel Valenti III ■ ■ ■
Chairman and Chief Executive Officer,
Valenti Capital LLC

■ Audit Committee ■ Nominating/Corporate Governance Committee ■ Compensation Committee ■ Executive Committee ■ Technology Committee

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.

In 2022, AAM’s Board held a special meeting to focus on building the Board’s diverse, equity and inclusion (DEI) capabilities and unconscious bias awareness, and on understanding the importance of promoting conscious inclusion as a Board.



BOARD ENGAGEMENT AND RESPONSIVENESS

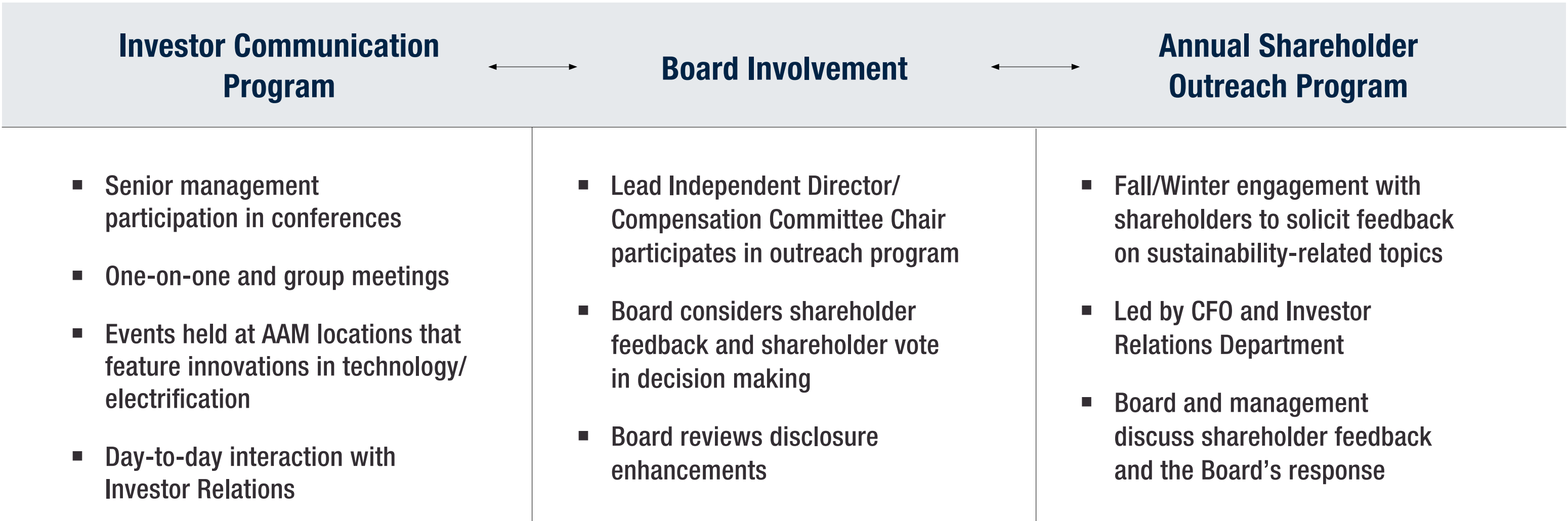
AAM is committed to engaging in constructive and meaningful communications with our shareholders. Our Board of Directors and management team greatly value the opinions and feedback of our shareholders. This is why we have proactive and ongoing engagement with our shareholders throughout the year focused on corporate governance, executive compensation and sustainability. This outreach is in addition to the ongoing communication between our shareholders and our CEO, CFO and Investor Relations team on AAM’s financial performance and strategic objectives.

ANNUAL SHAREHOLDER OUTREACH

As part of our annual shareholder outreach program, we contacted more than 25 of our largest shareholders representing 72% of outstanding shares. Our CFO and Investor Relations Director led the meetings and discussed sustainability-related topics including those below.

- Board involvement in sustainability program
- DEI initiatives
- Link between sustainability performance and incentive compensation
- Board refreshment and diversity
- Classified Board

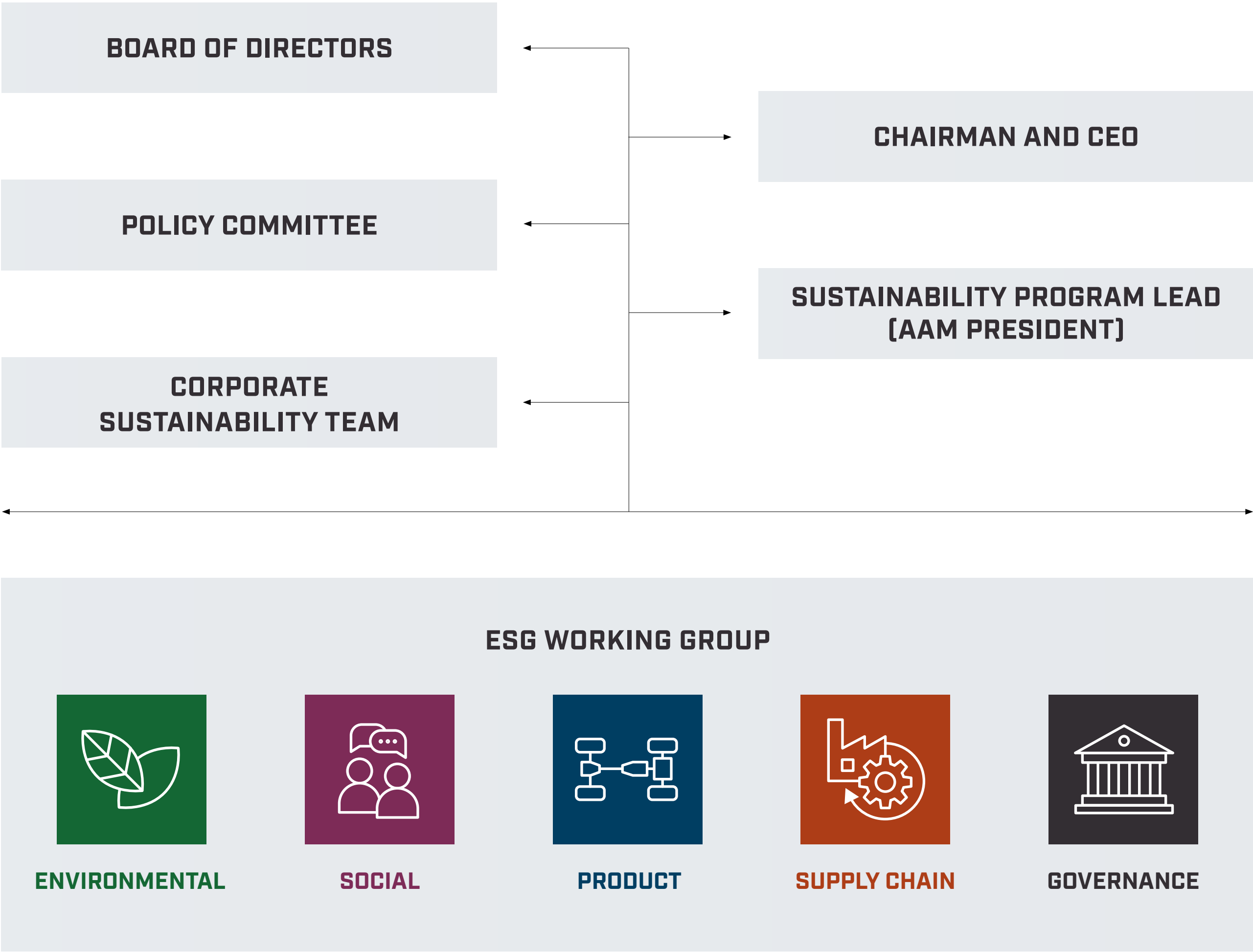
Our CFO reports shareholder feedback to the Board for consideration in its deliberations and decision making.



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, EVP and Chief Financial Officer, Sr. VP-Human Resources, VP and General Counsel, and the Top Business Unit Leaders.
- **Sustainability Program Lead (AAM President)** – Responsible for guiding and directing corporate sustainability initiatives.
- **Corporate Sustainability Team** - Reports to AAM's President 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** – Led by AAM's President and includes leaders from Human Resources; Environmental, Health and Safety; Supply Chain; Procurement; Product/Innovation; Investor Relations; Marketing and Communications; Corporate Finance; and Legal. Monthly meetings cover a variety of strategy and planning topics, including sustainability goals, DEI initiatives and rating agency results. This group also includes function leaders who are subject matter experts responsible for the execution of channel-level goals, objectives and deliverables.



CYBERSECURITY AND DATA PROTECTION

We are committed to safeguarding confidential information and critical systems through adherence to high standards of privacy and security.

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 Officer on cybersecurity and data protection.

SECURITY AWARENESS AND TRAINING

A cybersmart culture is one where every Associate and contractor plays a vital role in keeping information safe and secure.

All AAM Associates with access to email or sensitive and proprietary information must take annual security awareness training, and we conduct phishing testing and training on an ongoing basis to increase awareness among Associates and contractors. Results of these trainings are reported quarterly to the Audit Committee of the AAM Board.



AAM Enterprise Security 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 a robust 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 is founded on strong governance and comprehensive frameworks such as NIST, CIS, TISAX and ISO27001.

Our ISMS is built upon 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
- Least access privileges
- Multi-factor authentication
- Comprehensive incident response plan
- High availability, disaster recovery and business continuity
- Third-party assessments
- Vulnerability assessments and penetration testing



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
- 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 helps Associates understand the expectations and policies related to our Code of Business Conduct and other compliance areas.

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 2022, 100% of Salaried Associates completed this requirement, which included the following courses:

- Code of Business Conduct
- FCPA and Global Anti-Corruption
- Managing Conflicts of Interest
- Protecting Proprietary Information

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.

All newly hired Salaried Associates are required to complete six ethics and compliance courses within 30 days of joining the company. In 2022, AAM required new hires to complete the following courses:

- Code of Business Conduct
- FCPA and Global Anti-Corruption
- Managing Conflicts of Interest
- Mutual Respect
- Protecting Proprietary Information
- Sustainability

Additionally, newly hired Salaried Associates are 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 2022, the ECC added mandatory training on data protection and cybersecurity to enhance Associate awareness of these compliance topics.

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.

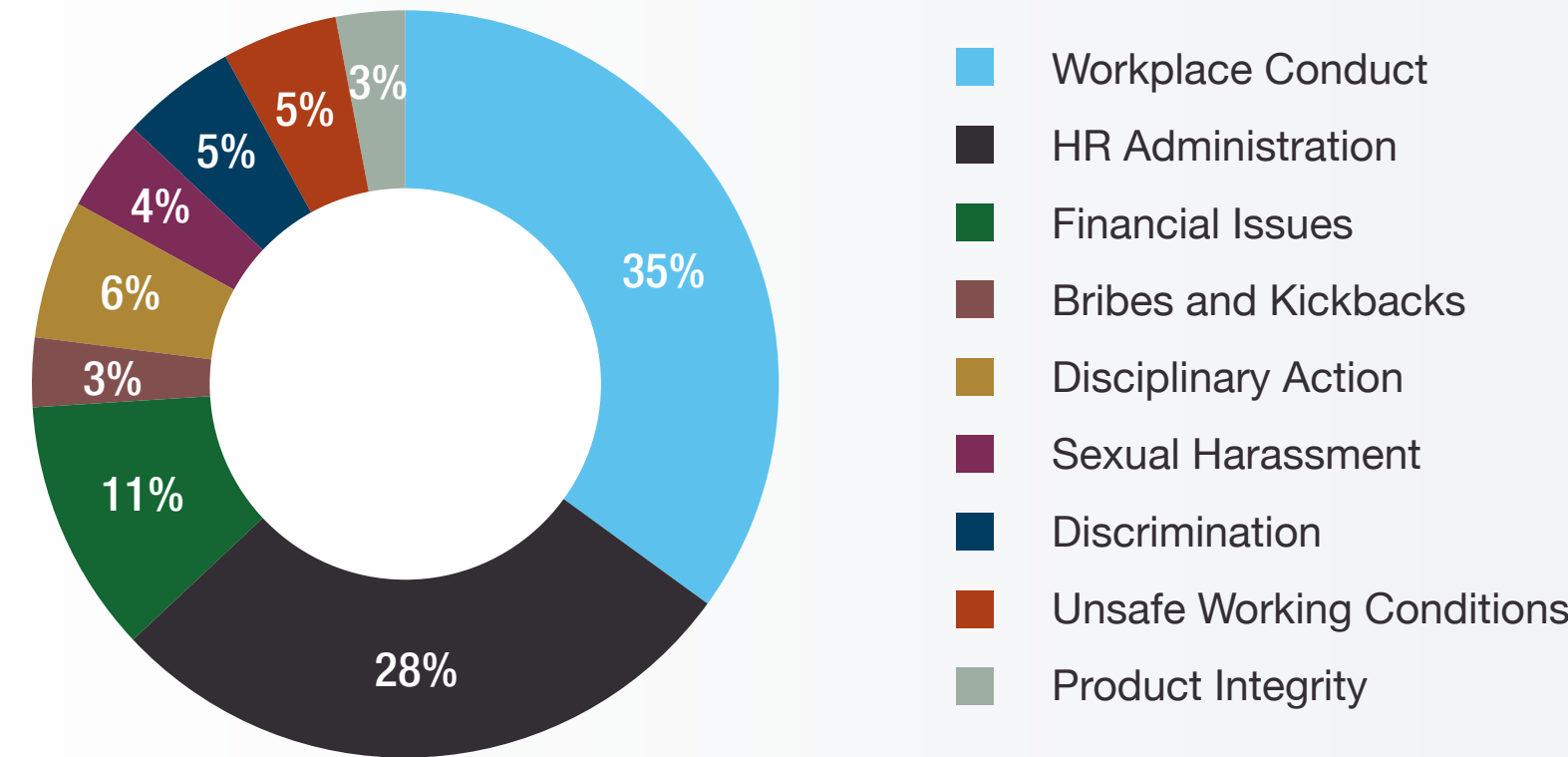
The Code is reviewed annually by both the Nominating/Corporate Governance Committee of the AAM Board of Directors and the full Board.

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.

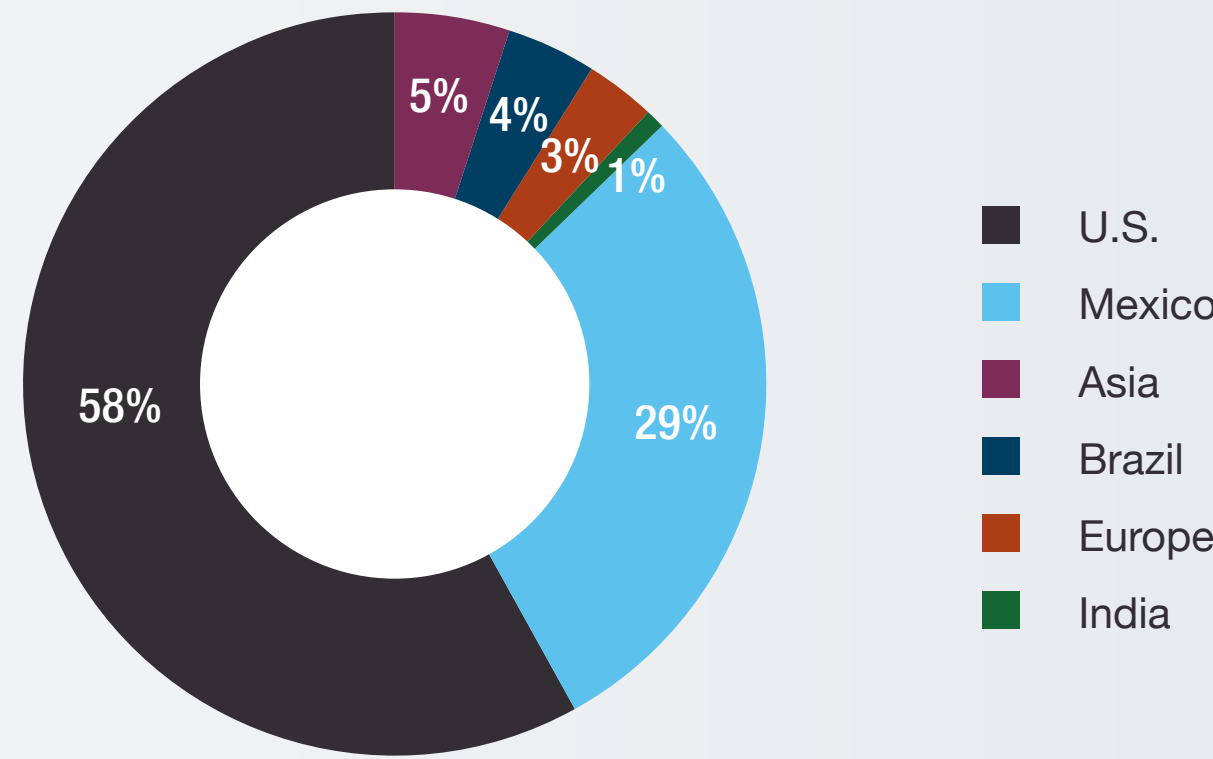
Code of Conduct training modules include:

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

Ethics Line Report - 2022 Calls by Allegation



Ethics Line Report - 2022 Calls by Region



Reports received during 2022 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, Senior Manager of 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 operators fluent in regional languages
- Option to remain anonymous
- 100% of reports are reviewed and investigated
- Substantiated workplace claims 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 2022, AAM received 254 calls to our ethics hotline. This translates to 1.2 calls per 100 Associates, within the normal range published by Navex, which provides our ethics line reporting system and related global benchmarking data
- Our 2022 substantiation rate of 45% indicates a high level of quality, actionable reports
- No reportable monetary losses for noncompetitive behavior in 2022

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, sex, 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.



UNLAWFUL HARASSMENT, SEXUAL HARASSMENT AND DISCRIMINATION

AAM has a companywide 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, sex, 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.

CONFLICT MINERALS POLICY

AAM is committed to responsible sourcing, especially as it pertains to conflict minerals and compliance with Section 1502 of the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) and the Regulation (EU) 2017/821 of the European Parliament. Furthermore, AAM supports the goal of ending violence and human rights violations globally, including in the Democratic Republic of Congo (DRC) and Covered Countries, and all conflict-affected and high-risk areas (CAHRAs).

As such, AAM has implemented a compliance and responsible minerals sourcing program designed in conformance with the internationally recognized OECD Due Diligence Guidance. On an annual basis, this program includes, but is not limited to, supplier engagement and education, supply chain risk identification, assessment, mitigation, remediation, conducting a reasonable country of origin inquiry (RCOI) and annual reporting.

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 more than 60 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.



U.S./NORTH AMERICA

- Cluster Automotriz Guanajuato
- Cluster Automotriz Nuevo León
- Automotive Industry Action Group
- Business Leaders for Michigan Organization
- CADIA CEO Coalition for Change
- Center for Automotive Diversity, Inclusion and Advancement
- Center for Automotive Research
- Center for Powder Metal Technology
- Detroit Economic Club
- Detroit Regional Chamber of Commerce
- Forging Industry Association
- Metal Powder Industries Federation
- Michigan Manufacturers Association
- Motor Equipment Manufacturers Association
- National Association of Manufacturers
- National Chamber of the Transformation Industry
- National Industry of Autoparts
- National Industry of the Maquiladora and Export Manufacturing
- North American Die Casting Association
- Original Equipment Suppliers Association
- Society of Automotive Engineers
- Women in Manufacturing
- Society of Women Engineers
- CAINTRA
- The US-Mexico Chamber of Commerce

EUROPE

- Chamber of Industry and Commerce - IHK Frankfurt
- Confederation of Industry of the Czech Republic
- European Association of Automotive Suppliers
- Hessenmetall - Verband der Metall- und Elektro-Unternehmen Hessen e.V.
- Industrieverband Massivumformung e.V.
- wvib Schwarzwald AG wvib Wirtschaftsverband Industrieller Unternehmen Baden eV
- Erfurt Chamber of Industry and Commerce
- Employers' Association Thuringia
- Employer's Liability Insurance Association
- VDA - Verband der Automobilindustrie e.V.
- Industrieverband Massivumformung e.V.
- Unternehmensverband Südwest e.V.
- Wałbrzych Special Economic Zone
- Automotive Industry Cluster of Catalonia
- Femeval: Association of Metal Manufacturers, Commerce and Services of Valencia Province
- Association of Enterprises in Almussafes Industrial Park
- The Welding Institute
- Scottish Engineering Association
- Elanova (formerly Syndicat National du Caoutchouc et des Polymères)
- Cluster Pôle Véhicule du Futur

CHINA

- American Chamber of Commerce, Shanghai
- China Industry Technology Innovation Strategic Alliance for Electric Vehicle
- Society of Automotive Engineers China
- Mobility in Harmony
- European Union Chamber of Commerce in China

THAILAND

- American Chamber of Commerce, Thailand
- American Financial Group
- Eastern Seaboard Industrial Estate HR
- Rayong Industry

KOREA

- Korean Auto Industry Cooperation Association

INDIA

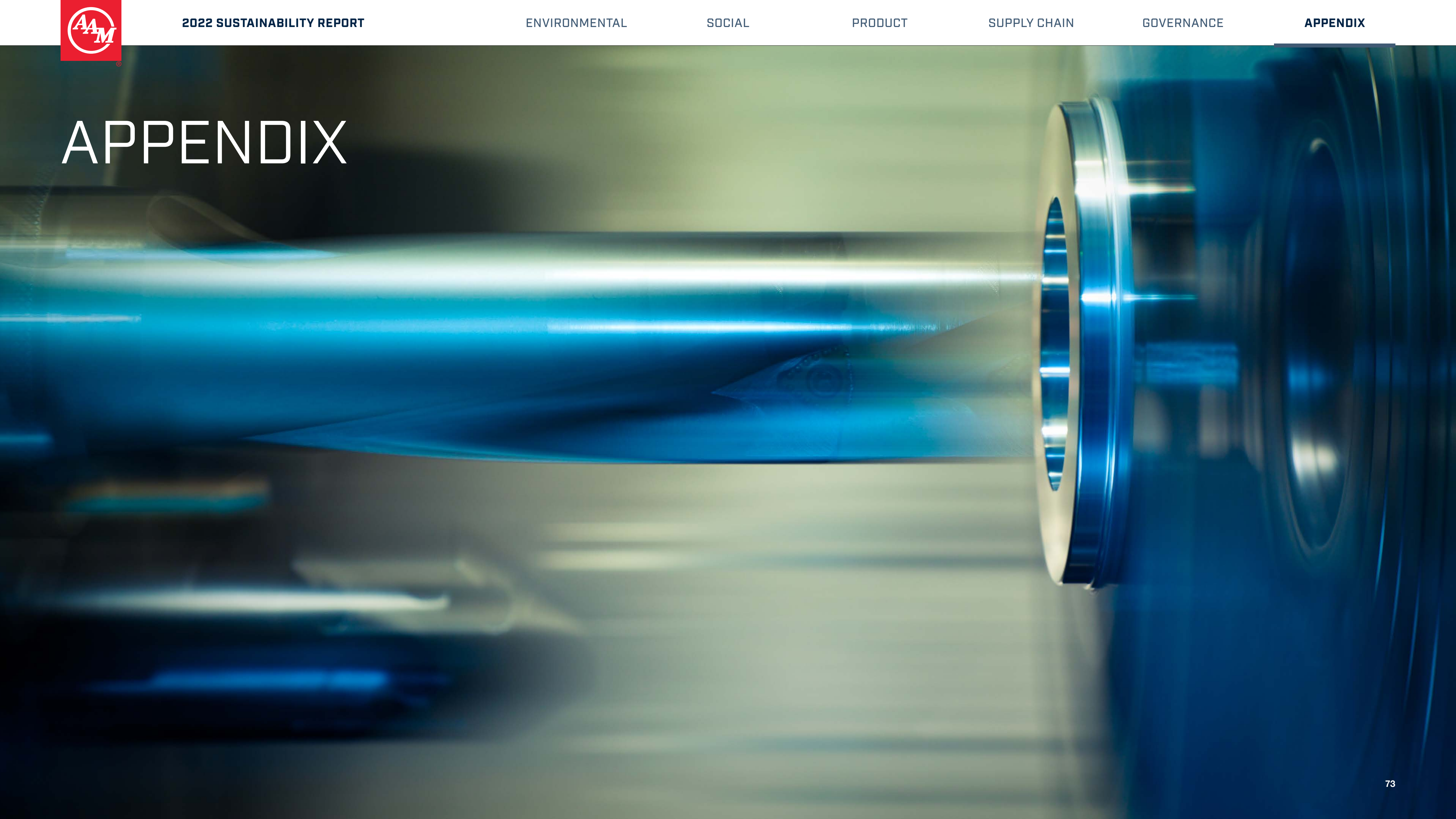
- American Chamber of Commerce in India
- Automotive Component Manufacturer Association
- Engineering Export Promotion Council
- Indo American Chamber of Commerce
- Maratha Chamber of Commerce
- Software Technology Parks of India
- The Automotive Research Association of India

SOUTH AMERICA

- American Chamber of Commerce for Brazil
- Sindicato Nacional da Industria de Componentes para Veiculos Automotores
- Center of Industries of the State of São Paulo
- Sindicato das Indústrias Metalúrgicas, Mecânicas e de Material Elétrico do Estado do Paraná



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 fourth 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 2021 and was published in April 2022.

The content of this report generally covers subject matter for the calendar year 2022 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, 2022.

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 2022 Sustainability Report, our 2022 CDP climate change response, and in our 2022 Annual Report on Form 10-K, in alignment with the TCFD recommendations.

2022 SUSTAINABILITY PRIORITY TOPICS

The content featured in this report is based on the results of our 2019 materiality assessment that identified and selected those topics most important to AAM’s stakeholders and to sustainability. As part of this process, we reviewed materials from sustainability standard-setting organizations, the Automotive Industry Action Group (AIAG) guidelines, and sustainability ratings published by proxy advisory firms and other third-party rating services. We also considered sustainability factors that we believe are relevant to our Associates, investors, customers, suppliers, communities and other stakeholders. In addition, we solicited feedback from our shareholders on sustainability topics and incorporated their input.

Our cross-functional team of subject matter experts developed a list of over 100 sustainability topics. When developing our priority topics, we used the GRI standards in the economic, environmental, social and product categories as a reference. We also considered the industry-specific standards of the SASB and the United Nations Sustainable Development Goals (UN SDGs). We further refined the topics in each of our selected categories of Environmental, Social, Product, Supply Chain and Governance, and rated these topics based on alignment with our business operations and strategy.



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.

2023 AND BEYOND...

With the support of a third-party sustainability advisor, AAM completed a Sustainability Materiality Assessment in the fourth quarter of 2022. 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. Below are the material and priority topics we will focus on in 2023 and beyond.



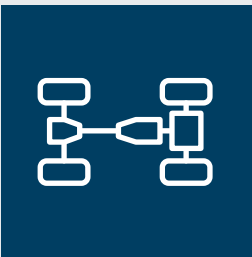
Environmental

- **Energy and Emissions***
- Water and Wastewater Management
- Waste and Hazardous Materials Management
- Sustainable Product Development
- Climate-Risk Management



Social

- **Associate Health, Safety and Wellbeing***
- **Talent Attraction and Retention***
- **Diversity, Equity and Inclusion***
- Human Rights
- Community Engagement



Product

- **Innovative Technology and Electrification***
- Product Safety and Quality



Supply Chain

- **Supply Chain Engagement and Resiliency***



Governance

- **Ethics and Compliance***
- Corporate Governance and Sustainability Oversight

* Priority Topics



ENVIRONMENTAL SUPPLEMENTAL INFORMATION

RENEWABLE AND CARBON-FREE ENERGY PURCHASING BY LOCATION

U.S.

Location	% Renewable	Location	% Renewable
AAM World Headquarters	100%	Oxford Forge	100%
Advanced Technology Development Center	100%	Oxford Manufacturing Facility	100%
Auburn Hills Manufacturing Complex	0%	Ridgway Manufacturing Facility	100%
Bluffton Manufacturing Facility	0%	Rochester Hills Technical Center	100%
Bolingbrook Manufacturing Facility	100%	Rochester Manufacturing Facility	100%
Chicago Manufacturing Facility	100%	Royal Oak Manufacturing Facility	0%
Columbus Manufacturing Facility	100%	Southfield Business Office	0%
Detroit Business Office	100%	St. Marys Manufacturing Facility	100%
Emporium Manufacturing Facility	65%	Subiaco Manufacturing Facility	0%
Fort Wayne Manufacturing Facility	0%	Three Rivers Manufacturing Facility	23%
Fraser Manufacturing Facility	100%	Troy Manufacturing Facility	100%
Information Technology Center	0%	Twinsburg Manufacturing Facility	100%
Minerva Manufacturing Facility	100%	Warren Manufacturing Facility	0%
North Vernon Manufacturing Facility	0%	Wooster Manufacturing Facility	0%

ASIA

Location	% Renewable	Location	% Renewable
Asia Headquarters and Engineering Center	0%	Pune Manufacturing Facility	0%
Chakan Manufacturing Facility	0%	Pyeongtaek Manufacturing Facility	0%
Changshu Manufacturing Complex — 1	0%	Rayong Manufacturing Facility	0%
Changshu Manufacturing Complex — 2	0%	Shanghai Business Office	0%
Chennai Manufacturing Facility	0%	Suzhou Manufacturing Facility	0%
Pune Business Office and Engineering Center	0%	Tokyo Business Office	0%
Pune Engineering and Development Center	0%		

EUROPE

Location	% Renewable	Location	% Renewable
AAM Winter Test Center	0%	Luxembourg Business Office - Steinfort	0%
Barcelona Manufacturing Facility	0%	Lyon Manufacturing Facility	0%
Brasov Manufacturing Facility	100%	Oslavany Manufacturing Facility	0%
Decines Manufacturing Facility	0%	Rotenburg Manufacturing Facility	0%
Eisenach Manufacturing Facility	0%	Schmölln Manufacturing Facility	0%
Europe Headquarters and Engineering Center	0%	Świdnica Manufacturing Facility	100%
Glasgow Manufacturing Facility	0%	Valencia Manufacturing Facility	0%
Halifax Manufacturing Facility	100%	Zbysov Manufacturing Facility	0%
Hausach Manufacturing Facility	0%	Zell Manufacturing Facility	100%
Ivančice Manufacturing Facility	0%		

AMERICAS (EXCLUDING U.S.)

Location	% Renewable	Location	% Renewable
Araucária Manufacturing Facility	100%	Guanajuato Manufacturing Complex — 6	0%
Betim Manufacturing Facility	0%	Indaiatuba Manufacturing Facility	100%
El Carmen Manufacturing Facility	0%	Irapuato Manufacturing Facility	0%
Guanajuato Forge	0%	Jundiaí Manufacturing Complex — 1	0%
Guanajuato Manufacturing Complex — 1	0%	Jundiaí Manufacturing Complex — 2	0%
Guanajuato Manufacturing Complex — 2	0%	Las Colinas Manufacturing Facility	0%
Guanajuato Manufacturing Complex — 3	0%	Ramos Manufacturing Complex — 1	0%
Guanajuato Manufacturing Complex — 4	0%	Ramos Manufacturing Complex — 2	0%
Guanajuato Manufacturing Complex — 5	0%	Silao Manufacturing Facility	0%



SOCIAL SUPPLEMENTAL INFORMATION

FULL TIME U.S. EMPLOYEE DEMOGRAPHICS

EMPLOYEES BY GENDER

Gender	Number	Percentage
Male	4,196	75.7%
Female	1,347	24.3%
Unidentified	0	0.0%

PROFESSIONALS* BY GENDER

Gender	Total	Percentage
Female	238	27.8%
Male	618	72.2%

*Based on EEO-1 Job Classification

EXECUTIVE/SENIOR LEVEL OFFICIALS
AND MANAGERS* BY GENDER

Gender	Total	Percentage
Female	27	16.2%
Male	140	83.8%

*Based on EEO-1 Job Classification

EMPLOYEES BY RACE, ETHNICITY AND GENDER

Category	Total	Female	Male
American Indian or Alaska Native	12	4	8
Asian	340	77	263
Black/African American	418	94	324
Hispanic/Latino	340	105	235
Native Hawaiian or Pacific Islander	5	1	4
Two or More Races	55	14	41
Unidentified	133	32	101
White	4,240	1,020	3,220

PROFESSIONALS* BY RACE AND ETHNICITY

Category	Number	Percentage
American Indian or Alaska Native	2	0.2%
Asian	142	16.6%
Black/African American	25	2.9%
Hispanic/Latino	46	5.4%
Native Hawaiian or Pacific Islander	0	0.0%
Two or More Races	5	0.6%
Unidentified	22	2.6%
White	614	71.7%

*Based on EEO-1 Job Classification

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

Category	Number	Percentage
American Indian or Alaska Native	0	0.0%
Asian	13	7.8%
Black/African American	2	1.2%
Hispanic/Latino	10	6.0%
Native Hawaiian or Pacific Islander	2	1.2%
Two or More Races	1	0.6%
Unidentified	3	1.8%
White	136	81.4%

*Based on EEO-1 Job Classification



SOCIAL SUPPLEMENTAL INFORMATION

FULL TIME GLOBAL EMPLOYEE DEMOGRAPHICS AND TRAINING DATA

EMPLOYEES BY GENDER

Gender	Number	Percentage
Male	14,593	78.6%
Female	3,973	21.4%
Unidentified	9	0%

EMPLOYEES BY REGION

Region	Number	Percentage
Asia	1,777	9.6%
Europe	3,678	19.8%
North America	12,152	65.4%
South America	968	5.2%

EMPLOYEES BY GENDER AND AGE GROUP

Age Group	Female		Male	
29 and under	1,130	6.1%	3,349	18.0%
30 to 49	1,962	10.6%	7,685	41.4%
50 and over	881	4.7%	3,559	19.2%

EMPLOYEES BY GENDER AND REGION

Region	Female		Male	
Asia	221	1.2%	1,556	8.4%
Europe	683	3.7%	2,990	16.1%
North America	2,913	15.7%	9,235	49.7%
South America	156	0.8%	812	4.4%

AVERAGE TRAINING HOURS PER EMPLOYEE






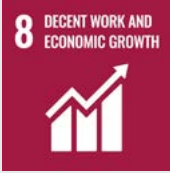



Employee Category	Hours
Hourly	381,000
Salaried	153,000
Total Training Hours	534,000
Average Training Hours per Employee	28.8

TOTAL TRAINING HOURS BY TOPIC

Topic	Hours
Safety	99,500
Environmental	22,900
Quality	164,800
Technical Skills	138,000
Ethics and Compliance	13,600
DEI, Leadership, Language and other Professional Devvelopment	95,200

As AAM focuses on making a positive global impact, we consider nine United Nations Sustainable Development Goals (SDGs) to be most connected with our 2022 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 expanded through a variety of global programs and initiatives Parental Leave Policy expanded All Safety Performance metrics improved
	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 AAM Associates mentored high-school age students to promote a gender equity culture, build self awareness and develop career plans
	AFFORDABLE AND CLEAN ENERGY: Ensure access to affordable, reliable, sustainable and modern energy for all	<ul style="list-style-type: none"> Goal to utilize 100% Renewable Energy Sourcing in the U.S. by 2025 46% of energy purchased for U.S. facilities was renewable or carbon-free Renewable energy purchasing plan reduced net emissions by 19.2% year-over-year
	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 78% of waste, by weight, diverted from landfill in 2022, exceeding target of 77% 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 CDP Climate Change survey achieved A- rating Climate Scenario Analysis conducted 67% of our suppliers (by emissions) required to have targets validated by SBTi by 2027
	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"> AAM University Program supports the development and growth of Hourly Associates Partner with organizations globally to provide college co-op, summer intern and other student programs Ensuring human rights are respected along the value chain through our Human Rights Policy and Supplier Code of Conduct
	INDUSTRY, INNOVATION AND INFRASTRUCTURE: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	<ul style="list-style-type: none"> Approximately 70% of R&D spend in 2022 on sustainability-focused projects Product Life Cycle Analysis conducted Three Automotive News PACE program awards in 2022
	REDUCED INEQUALITIES: Reduce inequality within and among countries	<ul style="list-style-type: none"> Goal to increase the representation of BIPOC Executives in our global leadership ranks to 30% by 2030 Global DEI 2+1 program expanded Associate Resource Groups expanded from two to five
	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"> Sustainability Governance and organization expanded Sustainability Materiality Assessment conducted in 2022 Code of Business Conduct updated Supplier Code of Conduct developed for 2023 launch



GRI STANDARDS INDEX

GRI Standard	Disclosure	Reference/Response	Page
GRI 2: GENERAL DISCLOSURES 2022			
	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. 2022 Form 10-K : Business	- -
	2-2 Entities included in the organization’s sustainability reporting	2022 Form 10-K : Exhibit 21	-
	2-3 Reporting period, frequency and contact point	2022 Annual (published April 2023) 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	2022 Form 10-K : Business	-
	2-7 Employees	Social Supplemental Information	78



GRI STANDARDS INDEX

GRI Standard	Disclosure	Reference/Response	Page							
GRI 2: GENERAL DISCLOSURES 2022 - (CONTINUED)										
	2-8 Workers who are not employees	<div>FYE 2022: 495 contract workers</div> <table><tr><td rowspan="3">2-8 Contract Workers</td><td>Category</td><td>Number</td></tr><tr><td>Hourly</td><td>415</td></tr><tr><td>Salaried</td><td>80</td></tr></table>	2-8 Contract Workers	Category	Number	Hourly	415	Salaried	80	-
	2-8 Contract Workers	Category		Number						
		Hourly		415						
		Salaried	80							
	2-9 Governance structure and composition	Governance	64-66							
	2-10 Nomination and selection of the highest governance body	2023 Proxy Statement : Corporate Governance	-							
	2-11 Chair of the highest governance body	Chairman and CEO Letter	5							
2-12 Role of the highest governance body in overseeing the management of impacts	Governance	64-66								
2-13 Delegation of responsibility for managing impacts	Governance	64-66								



GRI STANDARDS INDEX

GRI Standard	Disclosure	Reference/Response	Page
GRI 2: GENERAL DISCLOSURES 2022 - (CONTINUED)			
	2-14 Role of the highest governance body in sustainability reporting	Governance	64-66
	2-15 Conflicts of interest	Ethics and Compliance Training Conflict of Interest Policy	69 -
	2-16 Communication of critical concerns	Ethics and Compliance Program Code of Business Conduct	68-70 -
	2-17 Collective knowledge of the highest governance body	2023 Proxy Statement : Corporate Governance	-
	2-18 Evaluation of the performance of the highest governance body	2023 Proxy Statement : Corporate Governance	-
	2-19 Remuneration policies	2023 Proxy Statement : Compensation Discussion & Analysis Benefits and More	- 38
	2-20 Process to determine remuneration	2023 Proxy Statement : Compensation Discussion & Analysis	-
	2-21 Annual total compensation ratio	2023 Proxy Statement : CEO Pay Ratio	-
	2-22 Statement on sustainable development strategy	Chairman and CEO Letter	5
	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	72
	2-29 Approach to stakeholder engagement	Sustainability Priority Topics Board Engagement and Responsiveness About this Report 2023 Proxy Statement : Corporate Governance	6 65 74 -
	2-30 Collective bargaining agreements	2022 Form 10-K : Business Labor Relations	- 36



GRI STANDARDS INDEX			
GRI Standard	Disclosure	Reference/Response	Page
GRI 3: MATERIAL TOPICS 2022			
	3-1 Process to determine material topics	Sustainability Priority Topics About this Report	6 74
	3-2 List of material topics	Sustainability Priority Topics	6
	3-3 Management of material topics	Governance	64-66
GRI 200 ECONOMIC			
205 - ANTI-CORRUPTION			
	205-1 Operations assessed for risks related to corruption	Ethics and Compliance Reporting and Monitoring	70
	205-2 Communication and training about anti-corruption policies and procedures	Ethics and Compliance Reporting and Monitoring	69-70
	205-3 Confirmed incidents of corruption and actions taken	2022 Form 10-K : Legal Proceedings	-
206 - ANTI-COMPETITIVE BEHAVIOR			
	206-1 Legal actions for anti-competitive behavior, anti-trust and monopoly practices	2022 Form 10-K : Legal Proceedings	-



GRI STANDARDS INDEX			
GRI Standard	Disclosure	Reference/Response	Page
GRI 300: ENVIRONMENTAL			
301 - MATERIALS			
	301-2 Recycled input materials used	Supply Chain Sustainability	60
302 - ENERGY			
	302-1 Energy consumption within the organization	Objective 1: Implement Metrics and Improve Performance	11-13
	302-2 Energy consumption outside of the organization	Objective 5: Working With Our Suppliers	16
	302-3 Energy intensity	Objective 1: Implement Metrics and Improve Performance	11
	302-4 Reduction of energy consumption	Objective 1: Implement Metrics and Improve Performance	11
303 - WATER AND EFFLUENTS			
	303-1 Interactions with water as a shared resource	Objective 1: Implement Metrics and Improve Performance CDP Water Security Response	11-12
	303-2 Management of water discharge-related impacts	CDP Water Security Response	-
	303-3 Water withdrawal	Objective 1: Implement Metrics and Improve Performance	12
	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	Objective 1: Implement Metrics and Improve Performance	11
	305-2 Energy indirect (Scope 2) GHG emissions	Objective 1: Implement Metrics and Improve Performance	11
	305-3 Other indirect (Scope 3) GHG emissions	Objective 5: Working With Our Suppliers	16
	305-4 GHG emissions intensity	Objective 1: Implement Metrics and Improve Performance Objective 2: Carbon-Free and Renewable Energy Purchases	11 13
	305-5 Reduction of GHG emissions	Objective 1: Implement Metrics and Improve Performance Objective 2: Carbon-Free and Renewable Energy Purchases	11 13
306 - WASTE			
	306-1 Waste generation and significant waste-related impacts	AAM Environmental Policy	-
	306-2 Management of significant waste-related impacts	AAM Environmental Policy	-
	306-3 Waste generated	Objective 1: Implement Metrics and Improve Performance	12
	306-4 Waste diverted from disposal	Objective 1: Implement Metrics and Improve Performance	12
	306-5 Waste directed to disposal	47,273 tons sent to landfill	-
308 - SUPPLIER ENVIRONMENTAL ASSESSMENT			
	308-1 New suppliers that were screened using environmental criteria	Objective 5: Working With Our Suppliers Supply Chain Sustainability	16 56-60
	308-2 Negative environmental impacts in the supply chain and actions taken	Objective 5: Working With Our Suppliers Supply Chain Sustainability	16 56-60



GRI STANDARDS INDEX

GRI Standard	Disclosure	Reference/Response	Page																																																										
GRI 400: SOCIAL																																																													
401 - EMPLOYMENT																																																													
	401-1 New employee hires and employee turnover	<table><tr><td rowspan="20">401-1 New employee hires and employee turnover</td><td>Hires</td><td>Number</td><td>Percentage</td></tr><tr><td>Total Hires</td><td>5,425</td><td>29.2%</td></tr><tr><td>Male</td><td>4,151</td><td>22.3%</td></tr><tr><td>Female</td><td>1,262</td><td>6.8%</td></tr><tr><td>Undefined</td><td>12</td><td>0.1%</td></tr><tr><td></td><td></td><td></td></tr><tr><td>29 and under</td><td>2,753</td><td>14.8%</td></tr><tr><td>30 to 49</td><td>2,172</td><td>11.7%</td></tr><tr><td>50 and over</td><td>500</td><td>2.7%</td></tr><tr><td></td><td></td><td></td></tr><tr><td>Turnover</td><td>Number</td><td>Percentage</td></tr><tr><td>Total Turnover</td><td>4,663</td><td>25.1%</td></tr><tr><td>Male</td><td>3,534</td><td>19.0%</td></tr><tr><td>Female</td><td>1,120</td><td>6.0%</td></tr><tr><td>Undefined</td><td>9</td><td>0.0%</td></tr><tr><td></td><td></td><td></td></tr><tr><td>29 and under</td><td>2,185</td><td>11.8%</td></tr><tr><td>30 - 49</td><td>1,840</td><td>9.9%</td></tr><tr><td>50 and over</td><td>638</td><td>3.4%</td></tr></table>	401-1 New employee hires and employee turnover	Hires	Number	Percentage	Total Hires	5,425	29.2%	Male	4,151	22.3%	Female	1,262	6.8%	Undefined	12	0.1%				29 and under	2,753	14.8%	30 to 49	2,172	11.7%	50 and over	500	2.7%				Turnover	Number	Percentage	Total Turnover	4,663	25.1%	Male	3,534	19.0%	Female	1,120	6.0%	Undefined	9	0.0%				29 and under	2,185	11.8%	30 - 49	1,840	9.9%	50 and over	638	3.4%	-
	401-1 New employee hires and employee turnover	Hires		Number	Percentage																																																								
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30 - 49		1,840		9.9%																																																									
50 and over		638		3.4%																																																									
		401-3 Parental leave	We provide parental leave as required by federal and local rules and regulations.	-																																																									



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	23-24
	403-2 Hazard identification, risk assessment, and incident investigation	Health and Safety	23-24
	403-3 Occupational health services	Benefits and More	38
	403-4 Worker participation, consultation, and communication on occupational health and safety	Health and Safety	23-25
	403-5 Worker training on occupational health and safety	Health and Safety Social Supplemental Information	23-24 78
	403-6 Promotion of worker health	Benefits and More POWER Up	38 39
	403-8 Workers covered by an occupational health and safety management system	Management Structure	24
	403-9 Work-related injuries	Health and Safety	23-24



GRI STANDARDS INDEX			
GRI Standard	Disclosure	Reference/Response	Page
GRI 400: SOCIAL - (CONTINUED)			
404 - TRAINING AND EDUCATION			
	404-1 Average hours of training per year per employee	Social Supplemental Information	78
	404-2 Programs for upgrading employee skills and transition assistance programs	LEVEL Up	40-44
	404-3 Percentage of employees receiving regular performance and career development reviews	100% of eligible salaried employees receive regular performance and career development reviews.	-
405 - DIVERSITY AND EQUAL OPPORTUNITY			
	405-1 Diversity of governance bodies and employees	2023 Proxy Statement : Corporate Governance Social Supplemental Information	- 77-78
	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	36 -
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	36 -
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.	-



GRI STANDARDS INDEX			
GRI Standard	Disclosure	Reference/Response	Page
GRI 400: SOCIAL - (CONTINUED)			
413 - LOCAL COMMUNITIES			
	413-1 Operations with local community engagement, impact assessments and development programs	#TeamAAM	45
414 - SUPPLIER SOCIAL ASSESSMENT			
	414-1 New suppliers that were screened using social criteria	Supply Chain	55-57
	414-2 Negative social impacts in the supply chain and actions taken	Supply Chain	55-57



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	5,653,727 Gigajoules (GJ) (Excluding Tekfor acquisition) 5,950,679 GJ (Including Tekfor acquisition) 100% of electric power drawn from the grid Objective 2: Carbon-Free and Renewable Energy Purchases	13
TR-AP-150a.1	Waste Management	Total amount of waste from manufacturing Percentage hazardous Percentage recycled	216,000 tons (211,265 tons reported + 4,735 tons hazardous waste) 2.2% 77.6%	-
TR-AP-250a.1	Product Safety	Number of recalls issued, total units recalled	AAM had no product recalls during 2022.	-
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 2022 Form 10-K : Business; Risk Factors	71 -
TR-AP-440b.1	Materials Efficiency	Percentage of products sold that are recyclable	Sustainable Product Practices Substantially all products we sell are principally comprised of steel, iron, copper or aluminum, which are recyclable materials.	51
TR-AP-440b.2		Percentage of input materials from recycled or remanufactured content	Sustainable Procurement Strategy	60
TR-AP-520a.1	Competitive Behavior	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	2022 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	Board Level Oversight Sustainability Governance	64-65 66
b) Describe management's role in assessing and managing climate-related risks and opportunities	Objective 6: External Reporting and Customer Collaboration Objective 7: Continuous Improvement Project Implementation	17 18
STRATEGY		
a) Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term	Climate Scenario Analysis was conducted in 2022. Results and strategy have been integrated into the AAM Enterprise Risk Management system with risks and opportunities defined.	-
b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy and financial planning	2022 Form 10-K : Risk Factors	-
c) Describe the resilience of the organization's strategy under different climate-related scenarios, including a 2°C or lower scenario	Climate Scenario Analysis was conducted in 2022. Risks, opportunities and mitigation actions under both high and low carbon scenarios have been defined.	-



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

Disclosure	Reference/Response	Page
RISK MANAGEMENT		
a) Describe the organization’s processes for identifying and assessing climate-related risks	AAM leverages the Enterprise Risk Managemeent system to assess and develop action toward climate concerns. Input into the risk management system is based on the results of a Climate Scenario Analysis conducted in 2022. Climate Risk is listed as one of the top ten risk concerns of AAM.	-
b) Describe the organization’s process for managing climate-related risks	Analysis: Formal Climate Scenario Analysis Process: Enterprise Risk Management system Internal Implementation and Mitigation: 2022 Environmental Sustainability Objectives: Objective 2: Carbon Free and Renewable Energy Purchases Objective 3: E ⁴ Environmental Sustainability System Objective 5: Working with Our Suppliers Objective 6: Continuous Improvement Project Implementation Objective 7: External Reporting Objective 8: Product Development	13 14 16 17 18 19
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	- 66
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	Objective 1: Metrics and Performance Corporate level metrics are tied to material elements of the Environmental Sustainability program to include Energy, Emissions, Water and Waste	11-13
b) Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 GHG emissions and the related risks	Objective 1: Metrics and Performance	11-13
c) Describe the targets used to manage climate-related risks and opportunities and performance against targets	Objective 1: Metrics and Performance	11-13



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