



SUPPLIER CODE OF CONDUCT



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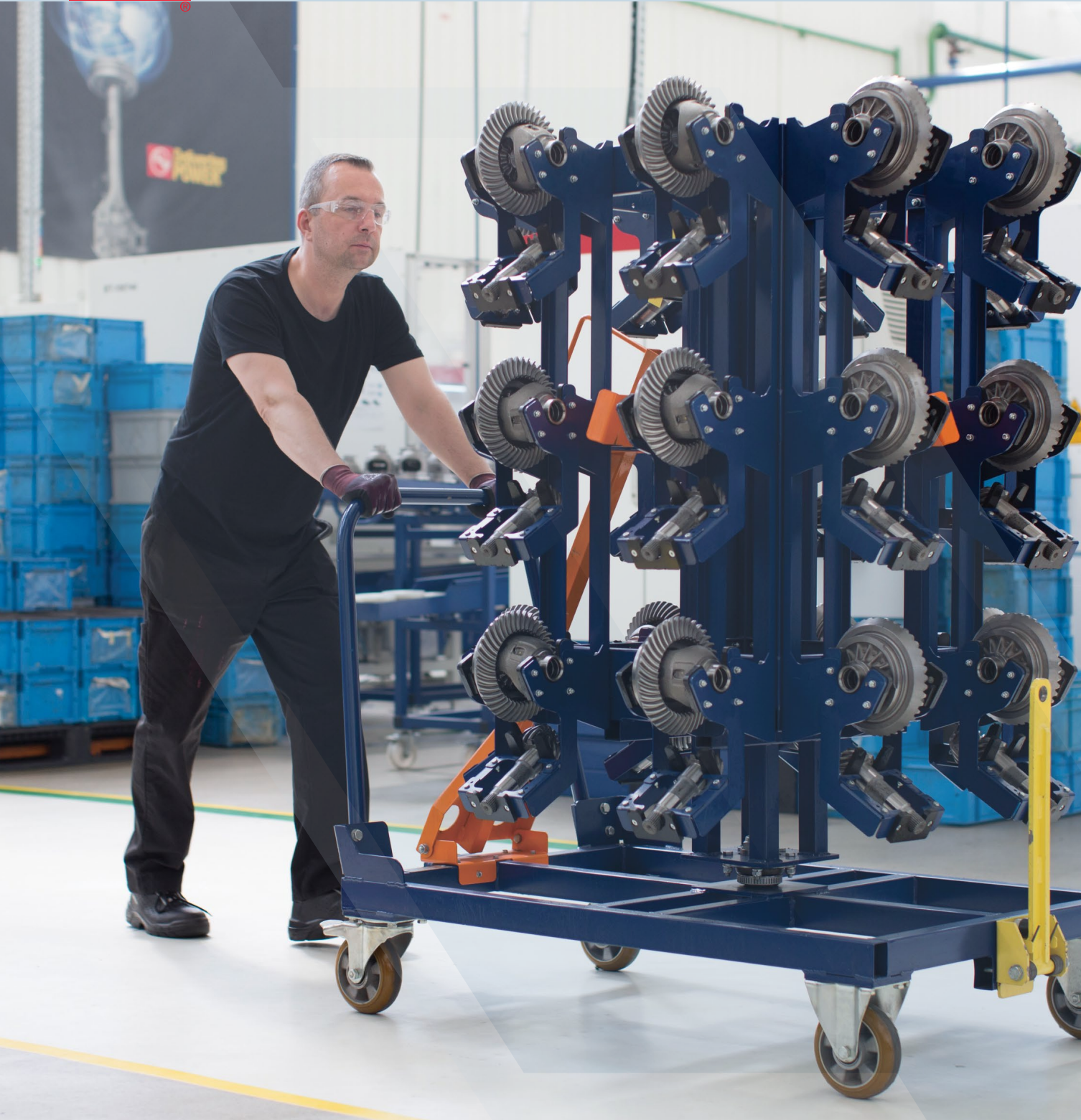
INTRODUCTION

AAM is committed to respecting the highest standards of human rights, environmental management, and ethical conduct. We view our Suppliers as partners and care about the way they do business. The AAM Supplier Code of Conduct is a result of our ambition to establish a proactive collaboration with our Supplier Partners in the promotion of lawful, professional and responsible practices that integrate respect for human rights, business ethics and the environment.

Our Supplier Partners are evaluated and selected on more than just economic criteria. We also look closely at our Supplier Partners' practices as they relate to environmental protection, compliance with human rights, labor and social standards, as well as anti-discrimination and anti-corruption policies. AAM is committed to the principle of responsible sourcing and is determined to partner with our Supplier Partners to further develop their and our sustainability performance. We expect our Supplier Partners to fully comply with applicable laws and to adhere to internationally recognized environmental, social and corporate governance standards (ESG standards). We also expect our Supplier Partners to know and follow this Code or maintain a code and/or policies consistent with AAM's expectations as described in this Code. AAM expects Suppliers will cascade similar expectations through their own supply chains.

We appreciate your thorough review of the standards set forth in this document.





HUMAN RIGHTS & WORKING CONDITIONS

The United Nations Guiding Principles on Business and Human Rights and its foundational principles for business enterprises, including those expressed in the International Bill of Human Rights and the International Labour Organization’s Declaration on Fundamental Principles and Rights at Work serve as a guiding framework for AAM’s values, principles, policies and practices regarding Human Rights.

AAM expects Supplier Partners to align with these internationally recognized principles and have processes in place to prevent, mitigate and take effective measures to remediate adverse human rights impacts. Supplier Partners are expected and required to adhere to and cascade AAM’s Human Rights Policy or equivalent expectations throughout their supply chain.

COMMUNITY AND STAKEHOLDER ENGAGEMENT

Supplier Partners are expected to conduct themselves in a socially responsible manner by respecting the cultures and traditions of indigenous people in each country where they operate and by acting with integrity and in good faith in order to merit the trust and support of the community. AAM also encourages Supplier Partners to work closely with local communities to implement projects and strategies that improve the community and benefit those who live there.

DIVERSITY, EQUITY AND INCLUSION

AAM encourages Supplier Partners to develop and promote inclusive cultures where diversity is valued and celebrated, and everyone can contribute to reach their full potential. Supplier Partners are expected to maintain workplaces that are free from discrimination and/or harassment based upon race, color, religion, age, sex, sexual orientation, gender identity, national origin, disability, veteran status, genetic information, pregnancy, or other factors that may be protected by local law.

FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

Supplier Partners should respect workers’ rights to join, form or not join a labor union without fear of reprisal, intimidation or harassment. Where workers are represented by a legally recognized union, Supplier Partners must be committed to bargaining in good faith with their union representatives.



HEALTH AND SAFETY IN THE WORKPLACE

Supplier Partners are encouraged to develop safety systems to protect workers and to be proactive to reduce and eliminate injuries. Supplier Partners should conduct risk assessments to identify and reduce hazardous conditions and should adopt procedures to identify and standardize safe working procedures for all jobs and tasks. Supplier Partners should focus on identifying and modifying unsafe behaviors to promote a positive safety culture.

Supplier Partners must have a safety management system in place that is focused on accident/incident prevention, as well as permanent corrective action. AAM encourages adoption of ISO 45001. Visible management support, viable safety committees, a comprehensive audit and observation process and a positive learning environment all help build a strong safety program.

WORKPLACE SECURITY

Supplier Partners should prioritize the safety and protection of their workers by taking steps to help prevent incidents of violence from occurring in the workplace. Prompt and remedial action should be taken against anyone who engages in any inappropriate and/or unlawful act or behavior.

FORCED LABOR AND HUMAN TRAFFICKING

Supplier Partners must not participate in human trafficking, nor use forced, involuntary or slave labor. Supplier Partners must not purchase materials or services from companies using forced, involuntary or slave labor.

Supplier Partners should employ due diligence processes to identify potential human rights abuses, including use of on-site audits and supplier training to identify potential government-labor schemes such as pairing assistance (satellite factories established in conjunction with internment camps), so-called poverty alleviation programs (placement into involuntary work programs) and coercive expropriation of farmland to facilitate involuntary labor transfers.

CHILD LABOR

Child labor in any form is strictly prohibited. Supplier Partners must comply with all applicable minimum working age laws according to local regulations and shall only employ workers who meet the applicable minimum legal age requirement. In addition, AAM Supplier Partners must:

- Adhere to the minimum working age in any region where they operate while prohibiting employment of anyone below the age of 15, even if permitted under local law. Government-authorized job training or apprenticeship programs that clearly benefit participants are the only exceptions to this requirement.
- Prohibit anyone under the age of 18 from performing work that could jeopardize their health or safety, including night shifts, overtime, or hazardous work.
- Responsibly manage student workers by performing thorough due diligence on educational partners, keeping appropriate student work records and protecting student workers' rights.

WORK HOURS, WAGES AND BENEFITS

Supplier Partners must comply with applicable salaried and hourly labor laws and regulations governing employee compensation and working hours.

ETHICAL RECRUITING

Supplier Partners must not mislead or defraud potential workers about the nature of work, ask workers to pay recruitment fees and/or confiscate, destroy, conceal and/or deny access to worker passports and other government-issued identity documents. Workers should receive a written contract or employment notification at the start of their recruitment in a language well understood by them, stating in a truthful, clear manner their rights and responsibilities.





RIGHTS OF MINORITIES AND INDIGENOUS PEOPLES

Suppliers should respect the rights of local communities to decent living conditions; education, employment, social activities and the lands on which they live, with consideration for the presence of vulnerable groups.

LAND RIGHTS AND FORCED EVICTION

Suppliers should avoid forced eviction and the deprivation of land, forests and waters in the acquisition, development or other use of land, forests and waters.

REPORTING CONCERNS TO AAM

Subject to any restriction imposed by law, Supplier Partners will promptly inform AAM of any potentially improper business practices or conduct, or any concern related to issues governed by this Code, and will collaborate with AAM in any subsequent investigations. Supplier Partners should not retaliate against any person reporting such a concern. To report a concern, Supplier Partners can always speak directly to their AAM Global Procurement representative. In addition, AAM's Business Ethics Line allows employees, Supplier Partners, customers and others to report concerns of misconduct affecting AAM. Individuals can file a report by calling our toll-free Business Ethics Line and speaking to trained, non-AAM personnel who are available 24 hours a day, seven days a week, or via our web-based reporting system. AAM's systems allow for anonymous reporting where permitted.

Please use the following links to access the contact information for AAM's Business Ethics Line:

Outside Europe: <https://aam.alertline.com>

Europe: <https://aameu.alertline.com>



ENVIRONMENTAL SUSTAINABILITY

All AAM Supplier Partners must demonstrate the same level of commitment to environmental sustainability and responsibility as AAM, which includes going beyond compliance to operate in a truly sustainable manner.

AAM and, therefore, our Supplier Partners, have an obligation to reduce our environmental impact to ensure a more sustainable future for our Associates, customers and the communities in which we operate. All Supplier Partners are expected to know and abide by applicable environmental laws and regulations and to manage their environmental impacts responsibly. Required permits and licenses must be obtained and their requirements adhered to. AAM has established targets related to environmental sustainability, particularly greenhouse gas emissions, that require cooperation by and collaboration with our Supplier Partners. Please reference AAM's latest annual [Sustainability Report](#) for more detailed information on Scope 1, 2 and 3 emissions reduction targets and objectives.

AAM considers progress in meeting environmental sustainability expectations and ongoing performance as factors in sourcing decisions.

WASTE

Supplier Partners are expected to reduce their own impacts through recycling and reusing whenever feasible. Additionally, they should implement policies that emphasize organized resource management and promote the concept of the circular economy. Supplier Partners are required to offer a recycled option in their quotations when recycled materials can meet the required specifications.



Scope 1, 2 & 3 Emissions



Energy



Water



Waste



GHG EMISSIONS & ENERGY

To support AAM’s goal of achieving net zero emissions, Supplier Partners are expected to commit to setting Science Based Targets (SBT) and achieve validation by the Science Based Targets Initiative (SBTi). AAM also encourages Supplier Partners to embrace transparency and accountability by disclosing efforts to reduce environmental impact through CDP. Supplier Partners are expected to minimize the use of energy and, where available, to substitute renewable sources of energy for non-renewable sources. Supplier Partners are expected to have programs in place to support these initiatives related to GHG emissions and to work to reduce absolute energy consumption in their processes. Any required permits limiting the amount of emissions must be obtained and adhered to, and a system must be in place to monitor the emission controls. Please reference AAM’s latest annual [Sustainability Report](#) for more detailed information on Scope 1, 2 and 3 emissions reduction targets and objectives.

WATER

Supplier Partners are expected to safeguard water from all sources and to minimize the use of water. Recycling and re-use of water are positive actions that should be taken by Supplier Partners.

AAM strongly encourages Supplier Partners to conduct environmental risk assessments related to climate change and water security, and to provide the results of these studies to AAM so that we may evaluate our value chain relative to these issues.

RESPONSIBLE CHEMICAL MANAGEMENT

Supplier Partners should identify, minimize or eliminate the use of restricted substances in manufacturing processes and finished products to ensure regulatory compliance. Supplier Partners should also be aware of any use of restricted substances in processes and finished products, and actively investigate suitable substitutes to maintain product and environmental stewardship.



ANIMAL WELFARE

Suppliers should respect the five animal freedoms formalized by the World Organization for Animal Health (OIE) concerning animal welfare. No animal should be raised and killed for the single purpose of being used in an automotive product.

AAM does not conduct or commission the use of animals in tests for research purposes or in the development of our products, either directly or indirectly. Supplier Partners will not supply any raw materials, components, parts or assemblies to AAM that involved testing on animals in its research or development.

BIODIVERSITY, LAND USE AND DEFORESTATION

Suppliers should protect ecosystems, especially key biodiversity areas, impacted by their operations, and avoid illegal deforestation in accordance with international biodiversity regulations, including the IUCN Resolutions and Recommendations on Biodiversity. All suppliers are expected to know and abide by applicable environmental laws and regulations and to manage their environmental impacts and aspects responsibly. Required permits and licenses must be obtained and their requirements adhered to. Suppliers should routinely monitor and control their impact on soil quality to prevent soil erosion, nutrient degradation, subsidence, and contamination.

MANAGEMENT SYSTEM CERTIFICATION

Currently, AAM does not require its Supplier Partners to seek or obtain ISO14001 or ISO50001 certification but strongly encourages them to implement an Environmental Management System. Additionally, voluntary public disclosure to platforms such as CDP is seen as a positive by AAM for company accountability. AAM supports specific international initiatives like REACH and the Global Harmonized System and requires its Supplier Partners to understand and comply with these and other international requirements. It is the responsibility of the Supplier to evaluate the effectiveness of all environmental projects and to adjust goals as best practices are established and changed.





RESPONSIBLE SOURCING & DUE DILIGENCE

Supplier Partners should responsibly source raw materials and minerals used in their products by developing a management system that promotes supply chain traceability and transparency, and by implementing due diligence measures in accordance with OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.

In-scope Supplier Partners are required to adhere to AAM's Conflict Minerals Policy and annual Conflict Minerals Reporting Requirements. This includes, but is not limited to, AAM Supplier Partners surveying their own tiered supply base, responding to AAM's annual conflict minerals surveys, providing a complete and accurate smelter listing, and disclosing the location of mines for all tin, tantalum, tungsten and gold (3TG) necessary to the functionality or production of components or assemblies supplied to AAM.





PRODUCT INTEGRITY

AAM is committed to providing safe and high-quality products and services, and our Supplier Partners are integral to meeting this commitment. Supplier Partners shall provide high-quality, safe and effective goods and services that are in full compliance with applicable customer specifications, industry standards and regulatory requirements. AAM expects that appropriate risk assessment and mitigation techniques are applied to production processes and where Supplier Partners are wholly or partially design responsible, to the design processes and outputs as well. Involvement of embedded software or end-to-end applications also requires Supplier

Partner collaboration and support for the achievement of any applicable safety goals, requirements and/or laws. AAM will actively monitor the safety and quality of products and services provided by Supplier Partners, including during development activity as applicable. Moreover, AAM expects its Supplier Partners to accept responsibility for defects attributable to their products and services. AAM also expects Supplier Partners to always be forthcoming when it comes to product quality and safety and to never manipulate or conceal pertinent data that may result in a quality or safety related issue. It is the obligation of every AAM Supplier to inform AAM immediately if a question concerning safety arises related to products or services provided.





BUSINESS ETHICS

BRIBERY AND CORRUPTION

AAM is committed to complying with anti-corruption laws that prohibit bribes, kickbacks or other corrupt actions to obtain or retain business or obtain an improper advantage. Many countries in which AAM operates have specific laws against bribery. The United States Foreign Corrupt Practices Act, UK Bribery Act, Brazilian Clean Companies Act and Indian Prevention of Corruption Act are prominent examples of such laws. All Supplier Partners are expected to comply with applicable anti-corruption laws while conducting business with or on behalf of AAM. In particular, Supplier Partners are prohibited from directly or indirectly receiving or offering any form of bribe, kickback or other corrupt payment, to or from AAM Associates, public officials or other private or public actors, with the intention to obtain or retain business or any other improper advantage.

GIFTS AND ENTERTAINMENT

AAM recognizes that hospitality in the form of small gifts or modest business entertainment is common in the business setting. It is important, however, that these gifts and entertainment events do not affect an employee’s business judgment or give the appearance that judgment may be affected. When doing business with or conducting business on behalf of AAM, Supplier Partners must use moderation and discretion in offering or accepting reasonable hospitality.

Supplier Partners may not give or accept any gift or entertainment if it is intended, or could be perceived as intended, to influence business or governmental decisions or actions.

BUSINESS RECORDS

Supplier Partners shall accurately record and disclose information regarding their business activities, structure, financial situation and performance in accordance with applicable laws and regulations as well as industry business standards.

CONFLICTS OF INTEREST

Supplier Partners are expected to avoid all conflicts of interest that adversely influence business relationships and are expected to exercise a system of internal controls to manage potential conflicts of interest. If a question arises regarding a potential conflict of interest, the issue should immediately be brought to your AAM Global Procurement representative to provide guidance.





FAIR BUSINESS PRACTICES

AAM is committed to honest and ethical business practices and expects the same commitment from our Supplier Partners.

Supplier Partners must act in accordance with national and international competition laws, and may not participate in price fixing, market or customer allocation, market sharing or bid rigging.

Supplier Partners shall respect intellectual property rights and safeguard confidential information. Supplier Partners must protect all AAM information, electronic data, and intellectual property or AAM technologies with appropriate safeguards. Any transfer of confidential information must be executed in a way that secures and protects the intellectual property rights of AAM and complies with all relevant export control laws. Supplier Partners may receive AAM's confidential information only as authorized by contractual agreement and must comply with their obligations not to disclose the confidential information, not to use the information except as permitted by contract, and to protect the information from misuse or unauthorized disclosure. From time to time, a Supplier may need to review an AAM customer document. Should this situation arise, the Supplier must hold all information to the same level of confidentiality as AAM confidential information.

Supplier Partners are expected to clearly articulate and define their product and service offerings and to honor the terms of AAM awarded contracts.

EXPORT CONTROLS & ECONOMIC SANCTIONS

Supplier Partners are expected to comply with all applicable export control laws, as well as laws that prohibit or restrict business relationships with sanctioned countries, entities, persons or industry sectors.

Supplier Partners should conduct appropriate due diligence to comply with sanctions, export controls and anti-boycott requirements. Supplier Partners are also expected to maintain accurate and complete records related to customs activities.



CONFLICTING REQUIREMENTS

In the event that any requirement in this Code conflicts with the requirements of the AAM Global Supplier Requirements Manual or any other requirements of AAM Suppliers Partners (e.g., under any agreement in place between you and AAM), the requirements of your contract with AAM will prevail.



LEGAL AND COMPLIANCE SUPPORT

If you have any questions about the requirements of this Supplier Code of Conduct, you should reach out to your primary Procurement contact at AAM. You may also direct your questions to AAM's Legal Department: Legal.Department@aam.com.

- [AAM Human Rights Policy](#)
- [AAM Business Ethics Line Contact Information](#)
- [AAM Conflict Minerals Policy](#)
- [Sustainability at AAM](#)
- [AAM Supplier Sustainability](#)
- [UN Guiding Principles on Business and Human Rights](#)
- [International Bill of Human Rights](#)
- [ILO Declaration on Fundamental Principles and Rights at Work](#)
- [ILO Minimum Age Convention No. 138](#)
- [ILO Worst Forms of Child Labour Convention No. 182](#)
- [World Organization for Animal Health \(OIE\)](#)
- [IUCN Resolutions and Recommendations on Biodiversity](#)