

February 1, 2022

Dear Valued Supplier Partner,

At AAM, our mission is to deliver POWER while building a safer, greener and more sustainable future for our associates, customers, communities and the environment. To achieve this mission, we are working with our customers, industry peers and supply base to further accelerate our efforts to protect the planet for future generations.

In April 2022, AAM will announce our new targets for greenhouse gas emissions, energy, water and waste. We also have submitted our greenhouse gas emission goals for accreditation to the Science Based Targets Initiative (SBTi) and look forward to implementing actions that will reduce our overall carbon footprint.

Supplier partners and our extended value stream make up 87% of our total carbon emissions. If we are to meet our short-term and long-term targets, we need full cooperation and collaboration of AAM's supplier partners and their sub-suppliers.

To meet this challenge, AAM has initiated a supplier partner engagement program:

**Level I** - 100% of our supplier partners will receive this notice and will be asked to commit to their own environmental stewardship goals and share those initiatives with AAM upon request.

**Level II** - Select supplier partners will be asked to respond to our NQC Sustainability Assessment Questionnaire (SAQ 4.0), launched in Q4 of 2021.

<u>Level III</u> - Our top supplier partners (in terms of total carbon emissions) will be required to set and document science-based targets by the year 2027 as well as to respond to our Carbon Assessment Questionnaire, powered by NQC.

<u>Level IV</u> – Certain supplier partners will be identified as key strategic collaborators and will be engaged in alignment discussions and information-sharing events. These supplier partners will also be asked to meet the requirements of Level II and Level III suppliers. Supplier partners at this level will be individually notified of their status following this notice.

We strongly hope that every one of our suppliers feels motivated to align with our environmental sustainability goals. AAM will consider progress in meeting environmental sustainability expectations and ongoing performance as factors in future sourcing decisions. In addition, beginning in 2023, we will recognize individual supplier partners with outstanding commitments to the environment at our annual Supplier Day event.

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## **Questionnaire Schedule:**

- SAQ (4.0) Launched Q4 of 2021 (via NQC) → RESPONSE DUE By: February 28<sup>th</sup>, 2022
- Carbon Assessment Launched February 1<sup>st</sup> (via NQC) → RESPONSE DUE By: May 2<sup>nd</sup>, 2022

We are confident that with the support of all our supply chain partners, we can collectively help to reduce overall industry emissions and meet our shared environmental sustainability goals.

If you have any questions, please contact us at <u>suppliersustainability@aam.com</u>.

Thank you for your ongoing cooperation and we look forward to our continued business relationship.

Kind Regards,

Bob Mansell Executive Director, EHS Fred Solomon VP, Global Procurement and Supplier Quality

## Additional Support:

For additional support in answering your SAQ (4.0), please visit NQC Supplier Assurance Help at <u>https://supplierassurance.com/help</u>, or raise a ticket at <u>https://supplierassurance.com/help/contact</u>.

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