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## 1.0 Purpose

This standard communicates Adient's minimum set of requirements to the suppliers. It is the expectation of Adient that all suppliers - Direct and Indirect, Supply Chain and Tooling, Machinery & Equipment - comply with all of the requirements and expectations documented in the Global Supplier Standards Manual.

## 2.0 Scope

This procedure applies globally

## 3.0 Revisions

The Global Supplier Standards Manual will be provided to the supplier via the Adient Supplier Portal.

Updates are marked in red and the Global Supplier Standards Manual will be revised on a regular basis.

## 4.0 Process

The Global Supplier Standards Manual has 4 sections:

- Global Supplier Standards Manual – General: addressing the general expectations of Adient.
- Global Supplier Standards manual – Quality: addressing the quality requirements for suppliers.
- Global Supplier Standards Manual – SCM: addressing the supply chain requirements for suppliers.
- Global Supplier Standards Manual – Tooling: addressing the tooling requirements for suppliers.

4.1 General Expectations: Adient expects from suppliers to demonstrate their commitment to quality and the environment. Key to this commitment is the implementation of appropriate quality and environmental management standards.

Additional requirements may be found in the Supplier Standard Manual Chapter 4 Quality "2.0 Quality Expectations General".

### 4.2 Global Terms and Conditions


4.2.1 Access to Global Terms and Conditions: Terms and Conditions may be reviewed by accessing: <http://www.adient.com/suppliers/legal>.

4.2.2 Adient Systems: The supplier is required to ensure to have all required access to the Adient system which can be found under <http://www.adient.com/suppliers/online-resources>.

### 4.3 Social and Environmental Responsibility

4.3.1 Responsibilities: The commodity manager for each business that procures materials and services is ultimately responsible for implementing appropriate processes and systems to ensure their suppliers comply with the Adient Ethics Policy or equivalent policy. Procurement personnel will oversee suppliers to ensure compliance. Personnel from other functional areas (e.g., Quality, Environmental and Safety) will support Procurement as requested to assess supplier compliance.

Adient' Standards recognizes the health and safety of our employees, as well as that of our suppliers throughout the world is of utmost importance. Our work processes and standards are designed to minimize risk. We all must routinely review and improve workplace conditions

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to ensure a safe and healthful workplace and must report unsafe working conditions anywhere in the world to supervisors and management.

We respect the needs and concerns of the communities in which we live and work. This is exemplified in the company's long tradition of caring about the quality of the environment. Our products, services, and manufacturing methods reflect this concern and our belief that what is good for the environment is good for Adient. In the same respect we are committed to provide a workplace that is free of harassment or any other behavior that diminishes a person's integrity and self-esteem. Neither physical nor mental harassment, nor abuse will be tolerated.


Additional information related to Adient's commitment to sustainability maybe found at: <http://www.adient.com/suppliers/corporate-responsibility>.

4.3.2 General Expectations: Adient expects its suppliers to conduct their operations in a socially and environmentally responsible manner. The goal is to work collaboratively with suppliers to encourage the following:

- Compliance with applicable laws and regulations.
- Integration of environmental, occupational health and safety, and human rights and labor policies into the decision-making process based on a sound management system.
- Clear, accurate and appropriate reporting to Adient upon request.
- Check with your Adient Purchasing business unit representative for any customer specific forms that may be required.

4.3.3 Labor Requirements: Suppliers should treat workers with dignity and:

- Prohibit the use of forced, bonded, indentured or involuntary prison labor.
- Allow workers to leave employment upon reasonable notice and not require workers to hand over government-issued identification; passports or work permits as a condition of employment.
- Employ workers who are at least 16 years old. Youth (between 16 to 18 years) should enjoy all the benefits of a nurturing workplace such as training and development programs. Workers under the age of 18 should not perform hazardous work and may be restricted from night work with consideration given to educational needs.
- Set work hours to comply with local law. Limit a workweek to 60 hours or less, including overtime, except in emergency or unusual situations.
- Comply with applicable wage laws, including those relating to minimum wages, overtime hours and legally mandated benefits. Employees receive at least the minimum wage required by law or the prevailing industry wages whichever is higher. Workers receive full details regarding deductions for taxes, benefits, etc. Wages are not deducted for disciplinary purposes and are paid in cash, check form or by direct deposit.
- Maintain workplaces free of physical or mental harassment, abuse, or any other behavior that diminishes a person's integrity and self-esteem. This includes harsh and inhumane treatment, including any sexual harassment, sexual abuse, corporal punishment, mental or physical coercion, verbal abuse of workers.
- Maintain workplaces free of unlawful discrimination and harassment in all of its forms, including that related to color, race, gender, sexual preference, age, pregnancy, caste, disability, union membership, ethnicity, and religious beliefs. This applies to hiring, salary, benefits, advancement, discipline, termination, and retirement.
- Respect voluntary freedom of association, including the right to organize and bargain collectively in a manner that is legally compliant. Workers' representatives are not subject to discrimination and have access to workplaces necessary to carry out their respective functions. Where worker representation and collective bargaining are restricted by law,

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efforts should be made to facilitate open communication and direct engagement between workers and management as alternative ways of ensuring that workers' rights, needs and views are considered and acted upon appropriately and in good faith.

4.3.4 Health and Safety: Suppliers should practice the following:


- Control worker exposure to potential safety hazards (e.g., electrical and other energy sources, fire, heat, vehicles, and fall hazards) through proper design, engineering and administrative controls, preventive maintenance and safe work procedures (including lockout/ tag-out). Where hazards cannot be adequately controlled by these means, provide workers at no cost as appropriate the proper personal protective equipment and ensure proper maintenance of the equipment. Workers are not be disciplined for raising safety concerns.
- Maintain appropriate emergency plans and response procedures, including: emergency reporting, employee notification and evacuation procedures, worker training and drills, appropriate fire detection and suppression equipment, adequate exit facilities and recovery plans.
- Manage, track and report occupational injuries and illnesses, including provisions to: a) encourage worker reporting; b) classify and record injury and illness cases; c) provide necessary medical treatment; d) investigate and implement corrective actions to eliminate their causes; and d) facilitate return of workers to work.
- Identify, evaluate and control worker exposure to chemical, biological, radiological and physical agents as well as physically demanding tasks. Provide appropriate personal protective equipment, when hazards cannot be otherwise controlled.
- Provide and properly maintain machine safeguards, interlocks and barriers.
- Provide clean toilet facilities, access to potable water and sanitary food preparation and storage facilities. Worker dormitories provided by the vendor or a labor agent are to be clean, safe, and provide emergency egress, adequate ventilation and reasonable personal space.

4.3.5 Environmental: Adverse effects on the community, environment and natural resources are to be minimized while safeguarding the health and safety of the public as well as ensure the following:

- Obtain, keep current and follow required environmental permits (e.g. discharge monitoring) and registrations.
- Implement programs to conserve water and energy and reduce waste.
- Identify and manage the materials posing a hazard if released to the environment are to ensure safe handling, movement, storage, recycling or reuse and disposal.
- Monitor, treat and control air emissions, wastewater and waste as required prior to discharge or disposal.
- Adhere to applicable laws and contract requirements regarding prohibition or restriction of specific substances, materials and waste.

4.3.6 Diversity: Suppliers should recognize, promote and practice the principles of a sustainable business woven into the fabric of how they will conduct themselves. Elements which suppliers will consider include:

- Our commitment to sustainability includes being a leader in promoting diversity in the supply base. Adient recognizes the benefits of purchasing goods and services from minority- and women-owned businesses, and when we share these values across our networks we amplify our ability to support and grow these important businesses.
- Our ongoing relationships with diverse suppliers are key to our success; enabling innovation across our supply chain and strengthening our go-to-market capabilities. When

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we partner with diverse-owned businesses we also promote economic growth in the automotive seating industry and throughout our communities. This commitment supports our customers' expectations and provides Adient with a competitive advantage that contributes to the overall growth of our business.

- We expect our suppliers to incorporate supplier diversity best practices and objectives into their own supply chain. We believe this approach strengthens the NMSDC and WBENC networks and grows business for MBEs and WBEs. In addition we are including veteran-owned businesses in our supplier diversity initiatives to further expand our positive outreach and impact.

Additional information regarding our Supplier Diversity Business Development initiatives can be found at <http://www.adient.com/suppliers/supplier-diversity>.


Additional information regarding Supplier Sustainability can be found at <http://www.adient.com/suppliers/corporate-responsibility>.

#### 4.3.7 Conflict Minerals

- Adient is required to comply with existing and future reporting requirements regarding the use of conflict minerals in its products under
  - Section 1502 of the US Dodd-Frank Wall Street Reform and Consumer Protection Act and the U.S. Securities and Exchange Commission ("SEC") rules and regulations.
  - the EU non-financial reporting directive 2014/95/EU as laid down in the guideline published in the official journal of the EU (2017/C215/01)
- Adient must perform due diligence on and make disclosures concerning its use of conflict minerals originating in the Democratic Republic of the Congo and adjoining countries or any other high risk country as defined by the legal authorities.
- All Adient suppliers are required to respond to information requests from Adient regarding the uses and sources of conflict minerals in their products including information about minerals that are recycled or scrap.
- In order to respond to Adient's information requests, suppliers will need to make similar inquiries of their suppliers as a means to investigate the source of materials in their products, and to provide Adient the requested information based upon the results of such inquiries.
- Adient may be required, and may require its suppliers, to perform due diligence on the source and chain of custody of its conflict minerals in accordance with the "OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas." In addition, suppliers may be required to make certain representations/certifications with respect to the use of conflict minerals.
- Additional information on conflict minerals may be obtained through links on the SEC website (<http://www.sec.gov>) or the European Commission Trade website (<http://www.ec.europa.eu/trade/>)

#### 4.3.8 Ethics:

- Integrity is foundational at Adient and is the first marker of our Five Year Marker. We require our suppliers to act with integrity and to uphold the highest ethical standards which include:
  - Suppliers must not engage in corrupt or coercive practices such as improper payment (bribery or facilitation payments), kickbacks, money laundering, extortion, and fraud.
  - Supplier must engage in fair business practices.

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- Suppliers must secure our company private and confidential information in their possession, use it per our instructions and safeguard it from unapproved or unintended disclosure.
- Suppliers must protect employees who raise concerns in good faith against retaliation.
- Adient retains the right to audit suppliers to ensure compliance.
- For more information about our values and how we conduct business, please view our Ethics Policy at <http://www.adient.com/suppliers/corporate-responsibility>

4.3.9 Records and Logs: Suppliers are expected to 4.3.9 Records and Logs: Suppliers are expected to maintain audit results, records, and performance measures to share with Adient as appropriate.

4.3.10 References: Universal Declaration of Human Rights (UDHR), Social Accountability International (SAI) and the Ethical Trading Initiative (ETI), OHSAS 18001 and ILO Guidelines.

4.4 Global Supplier Scorecard: At the end of each fiscal year Adient is proud to honor and recognize outstanding and high performing suppliers. Suppliers are measured throughout the year on a number of performance metrics which are indicated below.

4.4.1 Global Supplier Scorecard Point System


4.4.1.1 Scorecard Award Points for Direct, Indirect, Supply Chain and Tooling, Machinery & Equipment

PLATINUM	100 points
GOLD	98-99 points
SILVER	94-97 points
BRONZE	90-93 points

4.4.1.2 Global Supplier Scorecard Rules for Direct Purchases

4.4.1.2.1 Quality (30 points)

1. Reject Rate [Supplier parts per million (SPPM)]
  - 0-10 SPPM 5 points
  - 11-50 SPPM 3 Points
  - 51-100 SPPM 1 point
  - 101 or greater 0 points and not award eligible
2. No Potential Product Safety Concern (PPSC)  
Remark: Number of PPSC only if Adient or customer found.
  - 0 PPSC 15 points
  - 1 PPSC 4 points
  - 2+ PPSC 0 points and not award eligible
3. No Supplier Disruption Incident (SDI )
  - 0 SDI 2 points
  - 1 SDI 1 point

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- 2+ SDI      0 points and not award eligible
- 4. No MQR event
  - 0 MQR 1, 2 or 3 events      8 points
  - 0 MQR 2 or 3 events      4 points
  - 0 MQR 3 events      2 points
  - MQR3 event      0 points and not award eligible

Additional information, regarding quality objectives, can be found under the Quality Expectations section of the Global Supplier Standards Manual.

4.4.1.2.2 Commercial (30 points)

1. Achieving targeted net savings
  - Net savings realized      20 points
  - Net savings not realized      0 points

A yearly cost reduction target / goal will be established by Commodity Manager in each region.

2. Commercial Performance / MBBP compliance      10 points

Measured in overall compliance and support of Adient cost reduction initiatives / MBBP initiative, availability of project capacity, fulfillment of legal requirements, overall responsiveness, global footprint etc.

3. Risk Management Compliance Award

Supplier must complete the Risk Management financial assessment through 3PI in order to be eligible for an award. Deviations from this process, such as using alternative financial assessment services available in a region, must be approved by your Adient Purchasing Contact.

4.4.1.2.3 Supply Chain Management (SCM) (20 points)

1. Compliance Factors / Replenishment Automation (Americas & EU)
  - ASN send      8 points
  - ASN not send      0 points


Measured as compliance to sending ASNs with every shipment.

SCM performance (Asia only):

- Regulatory conformance (International Shipping documentation, trade compliance)
- Proactive communication for potential issues
- Responses (8D/4D) to issues
- Do not provide information/Provide inaccurate information leading to wrong decision making process

2. Discrepant Material Report: Delivery Score



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2. Payment Terms
  - Standard PT or better                      2 points
  - Non Standard PT                                0 points
  
3. ERS
  - ERS is implemented / not applicable      1 point
  - ERS is not implemented                      0 points
  
4. Innovation

• Ideas are regularly provided & confirmed of interest by Adient for development	2 bonus points
• If true innovation, idea is preliminary assessed and development contract is signed	4 bonus points
• If evolution of current market, idea is ready to be implemented	
• If true innovation, idea is ready to be used on targeted projects.                      2 + 4 bonus points	2 + 4 bonus points
• If evolution of current market, idea implemented	

5. Certification

Supplier must be IATF16949 and ISO9001 certified to be award eligible.

Business Development Program, we are actively seeking opportunities to increase our purchases from minority suppliers and we encourage you as a key supplier to do the same (North American initiative only).

4.4.1.2.5 Social and Environmental Sustainability (10 points)

1. Certification
  - ISO14001 certified      2 points
  - Not certified            0 points


2. Social and Environmental Performance (8 points)

Measured in compliance to the supplier completing the Supplier Sustainability Rating – which is located on the ADIENT Supplier Portal.

4.5 Engineering Requirements: In regards to the Adient Engineering and Service Expectations, the following summarizes the expectations and compliance with processes

4.5.1 International Materials Data System (IMDS) – Material Management

Government and industry regulations, including environment, safety, corporate governance and product performance are being enforced around the world. The IMDS (International Material Data System) is an internet-based database that has been established by the OEMs (original equipment manufacturers) for free-of-charge use by all suppliers of the automotive industry. IMDS tracks chemical ingredients of parts and assemblies across the entire

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automotive OEM supply chain. The solution helps OEMs comply with the increasing number of national and EU regulations related to material handling and disposal.

IMDS submissions must include all materials present in the finished product. All basic substances must be reported. Process chemicals, by products of reaction and contaminants listed in the GADSL as D or D/P must be reported as soon as the concentration in the end product exceeds the defined threshold

For more information on IMDS: <http://www.adient.com/suppliers/corporate-responsibility>

4.5.2 Adient Data Exchange (ADIENDTX): An internally developed, web-based tool for secure exchange of data, both internally and with our suppliers. (ADIENDTX is not used to exchange data with OEM customers.) Although it was originally intended for CAD/CAE data, ADIENDTX can transfer any large data files through network firewalls.

Supplier access to ADIENDTX – Suppliers can access the ADIENDTX site by going to the link below and following the instructions. If you have any issues or concerns, please contact your buyer.


To request an account and launch ADIENDTX select the following link: <https://adx.adient.com>.

4.5.3 General Engineering Expectations: Engineering support for product feasibility, product design and tooling design / approval may be required for a particular program. Suppliers will be expected to support design reviews and other collaborative efforts to support low cost solutions for tools and products.

- 4.6 Program Management Requirements: In regards to the Adient Program Management Expectations, the following summarizes the expectations and compliance with processes:
- Suppliers must comply with all program specific requirements as outlined in the specific program Supplier Statement of Work (SSOW)
  - Launch support is required by the supplier to engage in Simultaneous Development Teams (SDT) activities at ADIENT such as:
    - Supplier Kick-off Meetings
    - Design Reviews
    - SDT Meetings
    - Advance Quality Planning (AQP) activity
    - Build Events (technical centers and production plants)
    - Etc.
  - Launch support is required by the supplier to engage in Simultaneous Development Teams (SDT) activities at the supplier facilities such as:
    - Supplier Build Events
    - Supplier Readiness Reviews
    - Supplier Process Sign-Off Reviews

In addition suppliers are required to implement a design and development planning process according ISO/TS 16949/ IATF 16949.

- 4.7 Expectations for Calibration Services: In regards to the Adient Indirect Suppliers that provide calibration services and or equipment, the following summarizes the expectations and compliance with processes.

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Calibration of Adient Inspection, Measuring, and Test Equipment (IMTE) must comply with the following principles:

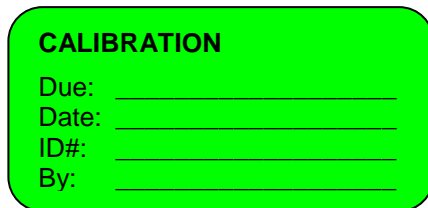
- A calibration facility must be accredited to ISO 17025 requirements for the calibration services performed. Equipment manufacturers must be compliant to IATF 16949:2016 section 7.1.5.3.2 requirements. For IMTE used in A2LA accredited facilities, the calibration facility must be accredited by a mutually-recognized accrediting body (i.e. A2LA, NVLAP, IAS, or ACLASS).
- Calibration must be performed to the complete manufacturer's procedures and tolerances unless instructed differently on the purchase order.
- The facility must notify Adient if being asked to calibrate an IMTE that they are not accredited to perform.
  - A facility cannot subcontract or broker calibration without Adient permission.
  - Tolerance Uncertainty Ratios (TUR) shall meet or exceed 4:1, or be noted on the report.

The following information is required on all calibration certificates or CMM reports:

- Service Provider's Information - Name, Address, Phone Number.
- The logo of the accrediting body with certificate number.
- Adient IMTE ID number.
- IMTE Manufacturer.
- IMTE model number
- Serial number or Adient tool number.
- IMTE accuracy.
- Date of calibration.
- Calibration procedures and standards used.
- Environmental conditions (if applicable to the results).
- Traceability to national standards. Where no national standards exists the basis for the calibration shall be stated.
- Statement of compliance to specified tolerances of the IMTE when received and returned.
- Calibration results before and after any adjustment or repair.
- Signature or initials of the person who conducted the calibration.
- Signature or initials of the person who approved the calibration.

The calibration source is required to apply a calibration label\* to the IMTE being calibrated unless directed by the Adient facility that a label is not required. These labels can be obtained by contacting a calibration coordinator at one of the Adient facilities.

The label looks like this and requires the following information:



Explanation of required information:

- Due: Month / Day / Year Calibration due date
- ID#: ADIENT IMTE ID # Must have ADIENT IMTE ID # (not the tool number)
- Date: Month / Day / Year Date IMTE was certified
- By: Calibration Source Company performing the calibration