



# Global Supplier Standards Manual - Main

## Global Supplier Standard

For External Distribution

AE-PSOS-ST-11-E

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Revision	Release Date	Description of Changes
2.0	01-October-2018	<ul style="list-style-type: none"> <li>Transferred to new GSSM template</li> </ul>
3.0	01-April-2021	<ul style="list-style-type: none"> <li>Wording updated in 4.1 (General Expectations)</li> <li>Wording updated in 4.3 (Social and Environmental Responsibility) and 4.3.5 (Environmental)</li> <li>4.3.6 Supplier Diversity Section updated</li> <li>4.3.7 Ethics Section re-ordered (former 4.3.8), wording added</li> <li>4.3.8 Records and Logs Section re-ordered (former 4.3.9)</li> <li>4.3.9 References Section re-ordered (former 4.3.10)</li> <li>Global Supplier Scorecard Section removed (former 4.4)</li> <li>4.4 Engineering Requirements renamed into Adient Reporting Requirements, wording updated and re-ordered (former 4.5)</li> <li>4.4.1 Conflict Mineral Section updated and re-ordered (former 4.3.7)</li> <li>4.4.2 IMDS re-ordered (former 4.5.1)</li> <li>4.4.3 Adient Data Exchanged, Section updated and re-ordered (former 4.5.2)</li> <li>4.4.4 General Engineering Expectations re-ordered (former 4.5.3)</li> <li>4.5 Program Management Expectations re-ordered (former 4.6)</li> <li>4.6 External Laboratory requirements replaces expectations for Calibration Services, wording updated, re-ordered (former 4.7)</li> <li>4.7 Taulia added</li> <li>4.8 Invoice processing added</li> </ul>

Prepared		Approved	Released
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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 **Material** and Indirect **Material/ Services**, Supply Chain and Tooling, Machinery & Equipment - comply with all the requirements and expectations documented in the Global Supplier Standards Manual (GSSM).

### 2.0 Scope

This standard applies to all Adient 3<sup>rd</sup> party suppliers.

### 3.0 Responsibility

All external suppliers (Direct **Material** and Indirect **Material/ Services**, Supply Chain and Tooling, Machinery & Equipment Suppliers) are expected to comply with all requirements and expectations documented in the GSSM.

Suppliers are responsible for reviewing new and revised Adient Requirements including Customer Requirements and determining the impact on their Quality Systems and promoting awareness of the GSSM at their locations.

Each Direct **Material** and Indirect **Material/ Services**, Supply Chain and Tooling, Machinery & Equipment Supplier is expected to comply with all requirements and expectations documented in Adient's Global Supplier Standards.

#### 4.0 Process

The following supplier requirements and resources are outlined in this document:

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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.

The following are minimum expectations for our suppliers:

##### 4.1.1 Direct Material Suppliers

4.1.1.1 Quality Management System Registration (IATF16949; ISO 9001 for distributors of commodity materials)

4.1.1.2 Environmental Management System Registration (ISO 14001)

4.1.1.3 Materials Certification (MMOG/LE )

##### 4.1.2 Indirect Material/ Services Suppliers

4.1.2.1 Quality Management System Registration (ISO 9001)

4.1.2.2 Environmental Management System Registration (ISO 14001)

Note 1: Failure to comply with these minimum requirements will impact the supplier's ability to continue business with ADIENT.

Note 2: If a current supplier is not certified to the required level by an accredited certification body at present time, a plan must be presented and agreed with Purchasing and Supplier Development that shows the roadmap for certification. New suppliers must commit to a certification plan as a condition of sourcing.

Additional requirements may be found in the Global Supplier Standards Manual Quality Chapter.

#### 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>.

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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

Two ways we live and demonstrate this value are by investing in businesses, people, and communities for the long term, and by taking personal responsibility for health, safety, and our environment. From this it becomes clear that Social and Environmental Responsibility are foundational elements of who we are. Furthermore, since our supply base is an integral part of our business and team, and is a reflection of ADIENT and the values we uphold, it is our expectation that our suppliers conduct their operations in a socially and environmentally responsible manner that complies with all applicable laws and regulations.

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 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.



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- 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, 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.



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- Implement sustainability programs focused on conservation of natural resources, reducing of water usage and waste, improving energy efficiency and reducing greenhouse gas emissions and carbon footprint.
- 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 Supplier Diversity: Our commitment includes being a leader in promoting diversity in the supply base. Adient recognizes the benefits of purchasing goods and services from diverse-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 and savings across our supply chain and strengthening our go-to-market capabilities. When we partner with diverse-owned businesses we also promote economic growth in the automotive 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 supply chain. This approach further strengthens the networks and grows diverse-owned business.

The following expectations are required of key suppliers:

- Register for our Tier 2 reporting program
- Submit an annual plan
- Report quarterly diverse spend
- Designate a supplier diversity coordinator
- Become a regional or national corporate member to at least one of the diverse-affiliated certifying agencies
- Attend diverse supplier procurement trade shows or networking events

Because growing a diverse supply base is an Adient imperative, we conduct business training modules to assist our suppliers in their pursuit of higher productivity and profits. [Click here to learn more about our business training modules.](#)

A diverse supplier is defined as a for-profit business that is at least 51 percent owned, operated and controlled by a diverse person or group, or a small business that conforms to guidelines established by the U.S. Small Business Administration, or a historically underutilized business based on local country definitions.

Diverse classifications include:

- Minority-Owned Business Enterprise (MBE) which includes the categories of:
  - African American
  - Hispanic American
  - Asian Pacific American
  - Asian Indian American
  - Native American
- Woman-Owned Business Enterprise (WBE)
- Veteran-Owned Business Enterprise (VBE)

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- Disadvantaged Business Enterprise (DBE)
- Small Business Administration 8(a) Program
- HubZone (HUB)

If your company is a diverse-owned business, we require an annual registration with us and hold a current diverse-business certification. [Register online here and keep your profile up to date](#)

The preferred diverse-business certifications from the following organizations:

- National Minority Supplier Development Council (NMSDC)
- Michigan Minority Supplier Development Council (MMSDC)
- Minority Supplier Development United Kingdom (MSDUK)
- Minority Supplier Development China (MSD China)
- South Africa Supplier Diversity Council (SASDC)
- Women's Business Enterprise National Council (WBENC)
- Great Lakes Women's Business Council (Great Lakes WBC)
- WE Connect International
- National Veteran Business Development Council (NVBDC)
- US Business Leadership Network (USBLN)
- National LGBT Chamber of Commerce (NGLCC)

Alternatively, local, state or government diverse business certification(s) are also accepted.

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

- 4.3.7 Ethics: Adient Ethics Policy provides guidance to help suppliers meet the environmental and social obligations. The Adient Ethics Policy may be viewed at: <http://www.adient.com/suppliers/corporate-responsibility>.

Suppliers are expected to uphold the highest ethical standards to include:

- Prohibit corruption, extortion and embezzlement, bribery, or other means of obtaining undue or improper advantage **and refrain of any activities, which could present a conflict of interest** to ensure fair business, advertising and competition.
- Properly disclose and protect business **data**, customer information, and intellectual property rights in accordance with applicable **privacy and information security laws and regulatory** requirements and prevailing industry practices.
- Protect supplier and employee whistleblower confidentiality.

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

- 4.3.9 References: Universal Declaration of Human Rights (UDHR), Social Accountability International (SAI) and the Ethical Trading Initiative (ETI), ISO 45001 and ILO Guidelines.

#### 4.4 Adient Reporting Requirements

In regard to the Adient Engineering and Service Expectations, the following summarizes the expectations and compliance with processes

##### 4.4.1 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.
- reporting requirements of our customers under 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/>).

#### 4.4.2 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 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>

#### 4.4.3 Adient Data Exchange (ADX): An internally developed, web-based tool for secure exchange of data, both internally and with our suppliers/OEMs (However it cannot support OFTP2 protocol for direct connectivity with OEM systems). Although it was originally intended for CAD/CAE data, ADX can transfer any large data files through network firewalls.

Supplier access to ADX – Suppliers can access the ADX 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 ADX select the following link: <https://adx.adient.com>.

#### 4.4.4 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.

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#### 4.5 Program Management Requirements

In regard 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 to IATF 16949.

#### 4.6 External laboratory requirements

All external/ commercial/ independent laboratory facilities used for inspection, test or calibration of Adient Inspection, Measuring and Test Equipment (IMTE) must comply with the following principles:

- The laboratory facility must be accredited to ISO/IEC 17025 or its national equivalent (e.g. CNAS-CL01 in China) by an accreditation body (Signatory) of the ILAC MRA (International Laboratory Accreditation Forum Mutual Recognition Arrangement -www.ilac.org). Equipment manufacturers must be compliant to IATF 16949 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, inspection, testing 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 sub-contract 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:

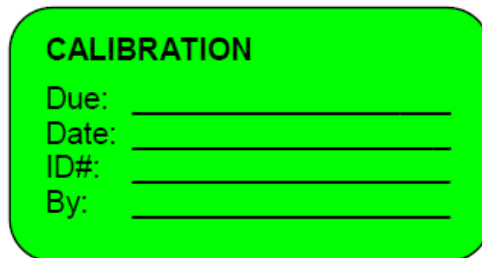
- Service Provider's Information - Name, Address, Phone Number
- The logo of the accrediting body with certificate number
- Adient IMTE ID number
- IMTE Manufacturer
- IMTE model number
- Serial number or Adient tool number
- IMTE accuracy
- Date of calibration
- Calibration procedures and standards 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 requires the following information at the minimum, example below:



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

#### 4.7 Taulia

With Taulia, our suppliers have 24/7 online access to electronic communications, invoicing, PO and payment remittance details. Suppliers are able to maintain their company information, contact details and current QMS & EMS certificates via Taulia. Enrolling is free. And your information and payment through Taulia is always secure. Please visit our [supplier portal](#) to get more information about.

#### 4.8 Invoice Processing

Adient has centralized processes related to supplier invoices from its receipt to the payment. Further details can be found on our [supplier portal](#).

### 5.0 Records/Logs

Not applicable.

### 6.0 References

Adient Supplier Portal: <https://www.adient.com/suppliers>