



➤ **2021 Sustainability Report**  
on Environmental, Social and Governance (ESG)

**Improving the experience  
of a world in motion.**





Creating  
a sustainable future  
together

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# A Message from Our CEO //

At Adient, we believe committing to positive environmental, social and governance-related business practices strengthens our company, protects shareholder value, responds to the demand from our customers, has a positive impact on our communities, and fosters employee engagement at all levels. It is also simply the right thing to do.

In FY21, despite the backdrop of challenging macro headwinds (primarily supply chain disruptions and inflationary pressures), Adient continued to execute actions that position the company for sustained success. Our accomplishments included implementing both near- and longer-term actions, including increasing our commitment to Adient's ESG (environmental, social and governance) efforts.




Adient has firmly integrated sustainability into the core of the company in order to evolve and become the foremost sustainable supplier. To further our commitment, we recently added **Tammi Dukes** to our leadership team as Vice President of Global Sustainability. We also recognize our that the supply chain is a key part of our sustainability strategy, and we expect our suppliers will work to conduct their businesses sustainably.

As part of our enterprisewide approach to managing risk and our strategies for long-term value creation, our Board of Directors and managers monitor long-term risks and opportunities that may be impacted by environmental, social and governance issues and establish ongoing goals and strategies to address such risks and opportunities. To support Adient's strategy, a materiality assessment has been performed to identify and prioritize environmental, social and governance issues that are the most critical for our organization. These include:

- > Climate Action
- > Sustainable Materials and Circular Economy
- > Human Rights
- > Health and Safety at Work
- > Diversity, Equity and Inclusion
- > Corporate Governance

Adient will continue to meet, collaborate with, and participate with organizations around the globe concerning our responsibility and commitment to sustainability. These include, among others:

- > The **United Nations (UN) Global Compact**, where Adient has reaffirmed its corporate responsibility to place human rights, labor, the environment and anti-corruption considerations at the top of Adient's business mindset;
- > The **Science-Based Target Initiative (SBTi)**, where Adient has committed to setting ambitious emissions-reduction targets to help limit global warming to 1.5 degrees Celsius; and
- > The **Carbon Disclosure Project (CDP)**, where Adient reports the company's environmental performance to customers and shareholders.

I'm proud to outline Adient's key policies, actions and achievements in the areas of environmental responsibility, people and communities, governance and compliance, and more from this past challenging year. Together, we are committed to creating a sustainable future for our employees, customers and communities while improving the experience of a world in motion. 

Sincerely,

A handwritten signature in black ink, appearing to read 'Doug Del Grosso'.

**Doug Del Grosso**  
President and Chief Executive Officer



## About This Report

The content of this report covers our most recent fiscal year (Oct. 1, 2020 to Sept. 30, 2021) and includes data from prior years where available and relevant. The data represented in this report encompasses our manufacturing facilities, offices and technical centers, including our consolidated joint venture operations and, for the first time this year, data from our operations in China. As we update and refine our data, we may restate information from prior years within the report. Unless otherwise noted, the data represented in this report was captured Nov. 1, 2021. This report was made available Jan. 25, 2022; Scope 3 values referenced on pages 18 and 19 were revised in May 2022 for fiscal year 2021.

All statements in this document, other than statements of historical fact, are statements that are, or could be, deemed “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. In this document, statements regarding Adient’s future costs or savings, plans, objectives, outlook, targets, guidance or goals are forward-looking statements. Words such as “may,” “will,” “expect,” “intend,” “estimate,” “anticipate,” “believe,” “should,” “forecast,” “project” or “plan” or terms of similar meaning are also generally intended to identify forward-looking statements. Adient cautions that these statements are subject to numerous important risks, uncertainties, assumptions and other factors, some of which are beyond Adient’s control, that could cause Adient’s actual results to

differ materially from those expressed or implied by such forward-looking statements, including, among others, risks related to: the continued financial and operational impacts of and uncertainties relating to the COVID-19 pandemic on Adient and its customers, suppliers, joint venture partners and other parties, the impact of the cost and restrictions on the availability of raw materials, energy, commodities and product components, and the effects of global climate change and related emphasis on ESG matters by various stakeholders. A detailed discussion of risks related to Adient’s business is included in the section entitled “Risk Factors” in Adient’s Annual Report on Form 10-K for the fiscal year ended Sept. 30, 2021, filed with the SEC on Nov. 23, 2021, and subsequent quarterly reports on Form 10-Q filed with the SEC, available at [www.sec.gov](http://www.sec.gov). Potential investors and others should consider these factors in evaluating the forward-looking statements and should not place undue reliance on such statements. Unless otherwise specified, and, except as required by law, Adient assumes no obligation, and disclaims any obligation, to update any such statements contained within this report to reflect future events or circumstances that may impact such forward-looking statements.

For further clarification on any topic within this report, please contact Mark Oswald, VP Investor Relations, Treasury and Communications, at [mark.a.oswald@adient.com](mailto:mark.a.oswald@adient.com).







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# Our Company


Headquartered in Plymouth, Michigan, U.S., **Adient**, a publicly-traded company (NYSE: ADNT), is a global leader in the automotive seating supply industry with leading market positions in the Americas, Europe and APAC and longstanding relationships with the largest global automotive original equipment manufacturers (OEMs). We have proprietary technologies that extend into virtually every area of automotive seating solutions, including complete seating systems, frames, mechanisms, foam, head restraints, armrests, and trim covers. We have the capability to design, develop, engineer, manufacture and deliver complete seat systems and components in every major automotive producing region in the world.

Our full range of seating systems and components can be found in passenger cars, commercial vehicles and light trucks, including vans, pick-up trucks and sport and crossover utility vehicles. As a truly global company, we operate in **208** wholly and majority-owned manufacturing or assembly facilities in **33 countries**, employ approximately **75,000 employees** worldwide, and produce 20 million seat systems per year. Additionally, we have partial-owned affiliates in China, Asia, Europe and North America.

A professional headshot of Tammi Dukes, a woman with long brown hair, wearing a grey blazer over a light blue collared shirt and a pearl necklace. She is smiling at the camera.

*“At Adient, sustainability is not just what we say — it’s what we do. We are elated to be accelerating our sustainability efforts through our programs and initiatives that foster good corporate citizenship. We are leveling up to meet and exceed the expectations of our investors, our communities and our people.”*

**Tammi Dukes**  
VP of Global Sustainability

In addition to Adient’s wholly and majority-owned manufacturing facilities, Adient’s strategic network of joint ventures enables the company to produce and deliver automotive seating to all major vehicle manufacturers worldwide. By collaborating with our strategic partners across the globe, including China, where the company has approximately nine joint ventures (with 33 manufacturing locations in 21 cities, which are supported by additional technical centers), we are able to efficiently develop the industry-leading seating solutions our customers need. Through this global footprint, we leverage our capabilities to drive growth in the automotive seating industry. 






## Our Guiding Principles //

We know people are the foundation of any successful business. We are committed to maintaining a culture that values and respects our employees, customers and surrounding communities. We strongly believe in empowering our workforce, and our guiding principles identify areas that will drive Adient forward while focusing on what is most important:



- > We deliver win-win solutions to our **customers**;
- > We approach our work with a **quality** mindset, driving operational excellence;
- > We respect and empower our **people**, always acting with integrity;
- > We support the **communities** in which we work, including being environmentally conscious globally; and
- > We proactively manage costs, profitability and cash generation through our **financial discipline**.

These drivers guide and inform our business strategy and our culture and provide the basis on which we evaluate employee performance. 



# Our Sustainability Vision and Mission


In 2021, Adient employees individually developed, submitted, and voted on a company sustainability slogan. The winning slogan — “Creating a sustainable future together” — came from 21-year-old Adient apprentice **Hans Andersen**.

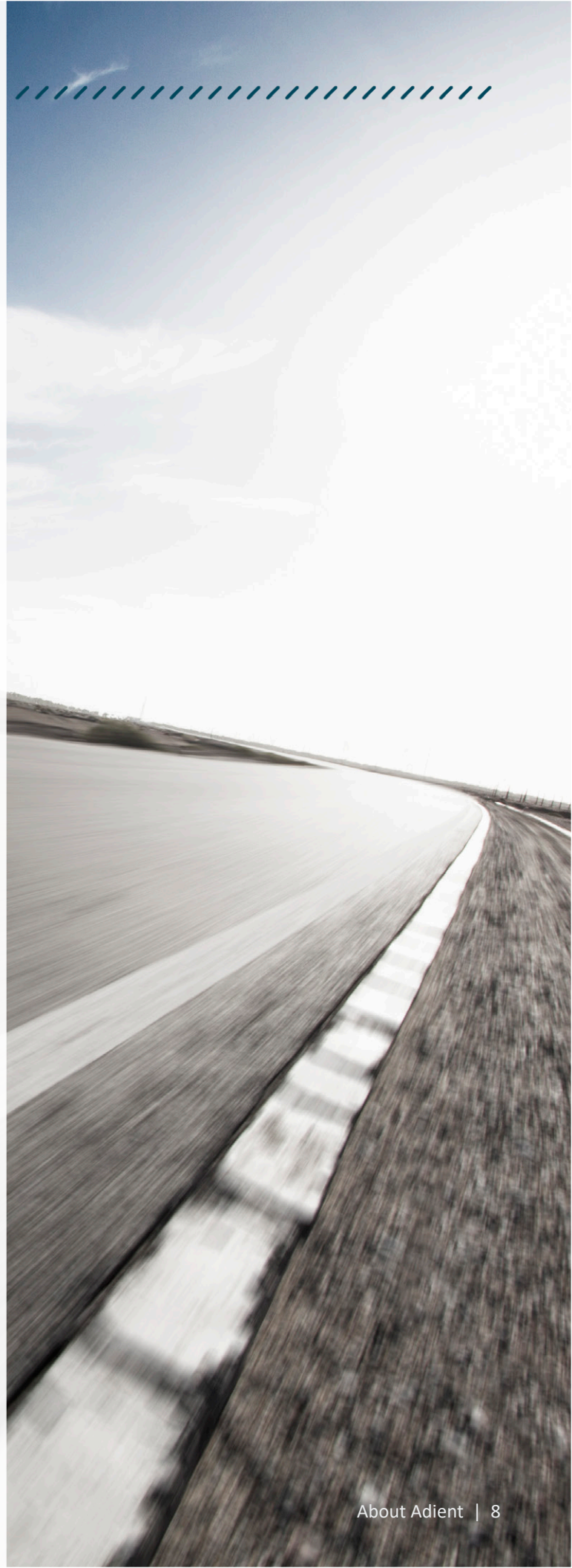
“It is not just about specific people supporting sustainability — everybody can make a difference,” Andersen said. “That is why the emphasis on ‘together’ was so important in my slogan. Becoming sustainable is humanity’s biggest challenge, but together we can make it.”

Our sustainability vision — **“Together, we are committed to creating a sustainable future for our employees, customers, and communities”** — concisely conveys our pledge to be a good steward of everyone for whom we are responsible.

Our sustainability mission statement focuses on three areas — our products, processes and people:

- > **Products:** Our ambition is to be the leading supplier of sustainable seating products that meet the expectations of our customers while improving our environmental and social impact.
- > **Processes:** We will drive continuous improvement in sustainability in our operating processes with a deliberate and focused partnership with our suppliers and customers.
- > **People:** We value a collaborative and inclusive culture where our people and partners feel empowered to be the change they want to see.

Adient is committed to a long-term sustainability journey. Our goal is not only to drive environmental change by lessening the impact our business has on the planet, but to focus on social and economic change to create a better world for all. While we recognize there is a long road ahead on our sustainability journey, we are proud of our progress and accomplishments so far. 





# Our Strategic Priorities

In 2021, Adient conducted a materiality assessment to identify and prioritize the environmental, social and governance issues that matter most to our business and our stakeholders. This assessment helps us develop our ESG strategy. Based on the results of our materiality assessment, we are focusing our ESG efforts on Climate Action; Sustainable Materials and Circular Economy; Human Rights; Diversity, Equity and Inclusion (DE&I); Health and Safety at Work; and Corporate Governance.



**Climate Action.** Climate change needs urgent and extensive action by governments, businesses, and citizens. Our priorities should be improving energy efficiency in our operations and the impact of our finished products. Our greatest opportunities for reducing our carbon footprint are within our supply chain network, and we will work with our suppliers and partners to achieve our greenhouse gas reduction targets. We are searching for ways to improve our energy conservation, use of green energy and natural resources, and our waste management processes. Our use of resources and production of waste increase with increasing production – so we need to make our production more efficient to reduce the impact of each product which is produced.



**Sustainable Materials and Circular Economy.** We are identifying materials and manufacturing methods that minimize our environmental impact through a more circular approach to product design, development and production. Adient aims to implement the “3 R’s” principle: Reduce, Reuse and Recycle.



**Human Rights.** We believe it is our responsibility to respect and uphold the human rights of our people and other individuals we are in contact with across the globe. We expect compliance with our policies for the protection of and respect for our global workforce and expect our suppliers to treat workers with dignity and follow policies like our own.




**Diversity, Equity and Inclusion.** We recognize the importance of diversity in driving strong business performance. We strive to create an open environment

where everyone is supported and able to fully contribute and benefit. We value and respect the diversity of our employees, suppliers, and customers. We build a culture of diversity and inclusion through our purchasing and human resources practices and policies, and we work to eliminate discrimination and harassment in all forms.



**Health and Safety at Work.** We are committed to protecting the safety and well-being of our colleagues, customers, suppliers and people using our premises by providing and maintaining a safe working environment that protects both physical and mental well-being.



**Corporate Governance.** We recognize the importance of robust corporate governance policies, practices and processes in the area of ESG. Adient’s Board of Directors, along with its Corporate Governance and Human Capital and Compensation Committees, has overall responsibility for the full range of risks and opportunities related to the impact of ESG on Adient’s business and strategy. The Board’s committees oversee Adient’s ESG strategies, initiatives, policies and practices in this area, as well as trends and metrics, and review the company’s public ESG disclosures. Our management team is responsible for managing and addressing the day-to-day ESG risks and opportunities. Further, as a global enterprise, Adient must obey laws that govern its international operations, including those that prohibit bribery and corruption as well as law relating to international trade and sanctions, and we have developed and implemented comprehensive compliance programs and a culture of integrity and ethics to support us in these efforts. 




# COVID-19 Response

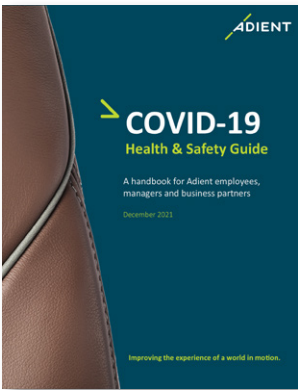
As the world has faced a global pandemic, we have made our employees’ health and safety our highest priority. Throughout the COVID-19 pandemic, Adient’s leadership team has been fully engaged and committed to protecting Adient employees, minimizing disruption to customers, collaborating with suppliers, adapting quickly to unprecedented challenges, and supporting our communities as needed.

Early in the pandemic, we implemented our **COVID-19 Health & Safety Guide**, which set forth guidelines for Adient employees’ safe return to work. We reconfigured our plant facilities and corporate offices to help ensure social distancing, restricted visitors when appropriate, and restricted travel to align with health experts’ guidelines. We also implemented procedures for screening, detection and incident response, and our **Integrity Helpline**, which

we discuss in detail later in this report, gives employees another way in which they may raise any questions or concerns about the pandemic’s impact.

As safe and effective COVID-19 vaccines have been approved and become available in the regions in which we operate, we have encouraged our employees to get the vaccine in order to protect themselves, their families, their coworkers, and their communities.

As the COVID-19 pandemic continues, we remain dedicated to supporting the health and safety of our employees and communities. 



Our plant health and safety team, human resources department and operations team at Adient’s plant in Lerma de Villada, Mexico, worked together to organize a massive vaccination drive for employees over the summer of 2021. As of September 2021, 100 percent of our workers at Adient Lerma — around 1,900 total employees — have been fully vaccinated against COVID-19. With that, our employees and their loved ones are now better protected against COVID-19.



Our employees in India, Thailand, Malaysia and Indonesia organized and participated in COVID-19 vaccine drives at their respective Adient plants over the summer of 2021. As of September 2021: 83 percent of our employees in India had received their first dose; 95 percent of our employees in Thailand had received their first dose; 100 percent of our employees in Malaysia — around 540 individuals — had been fully vaccinated; and 71 percent of our employees in Indonesia had been vaccinated against COVID-19. More clinics are planned.



In Hinjawadi, India, our plant team members held a drive to collect and donate medical equipment to two area health care centers treating patients with COVID-19. The team collected and donated pulse oximeters, thermometers, blood pressure cuffs, an examination table, a glucometer, scale, water dispensers and portable fans. At the Adient India Tech Center in Pune, employees collected and donated 50 bed side screens, 25 IV stands, 25 ECG trolleys and 25 recovery trolleys to a local hospital.



## Our Focus on Ethics

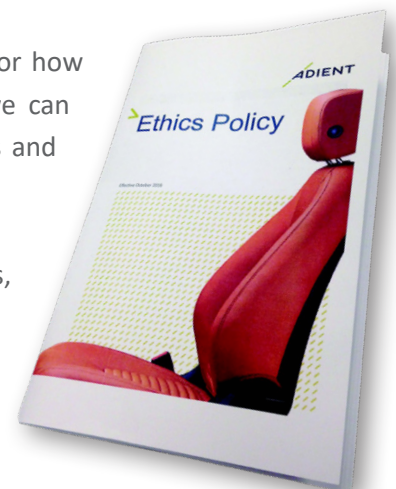


At Adient, we believe a culture of integrity strengthens our business and makes us a better employer, business partner and environmental steward.

**Tone at the Top.** Adient's commitment to integrity, ethics and compliance starts with its Board and senior leadership team. The Board's Corporate Governance Committee meets annually to review and evaluate Adient's Compliance Program and its Ethics Policy. Adient reports its **Integrity Helpline** statistics twice a year to the Board's Audit Committee, and Adient's CEO and other senior leaders regularly communicate to employees about the importance of compliance. Through regular town hall meetings, staff meetings, messages cascaded through their direct reports, and email communications to employees, senior leadership emphasizes the importance of ethics and compliance and reiterates our collective obligation to do the right thing.

**Ethics Policy.** Our foundational document, Adient's Ethics Policy, sets the standard for how we operate and provides the ethical framework for our organization. We know we can only achieve our goals by gaining and keeping the trust of our customers, suppliers and communities, and doing business with integrity is the only way we do business.

Our Ethics Policy applies to everyone at Adient — including the Board, officers, employees, agents, suppliers, vendors, consolidated joint venture employees, and contract workers — and is publicly available at [ethics.adient.com](https://ethics.adient.com). Adient also has a number of other policies to help guide its stakeholders, including, among others, a Competitive Behavior Standard and an Anti-Bribery and Anti-Corruption Standard.





## Our Focus on Ethics //

**Regional Compliance Committees.** We have three active Regional Compliance Committees in the EMEA, APAC and Americas regions. The Committees are comprised of cross-functional leaders from various areas — including Purchasing, Finance, Human Resources, Legal, Operations, and Commercial — and meet on a quarterly basis. Our regional executive vice presidents lead these meetings quarterly and brief leaders on compliance initiatives, policies, procedures and lessons learned from recent internal investigations. These leaders also receive trainings and messages to cascade to their teams to help discuss the compliance initiatives and procedures in their areas of the business.



**Integrity Helpline.** We recognize a strong speak-up culture helps us identify and address potential issues, so we make it easy to raise ethics and compliance concerns. We strongly encourage and promote this speak-up culture through trainings, communications, transparency in our processes, and our strict no-retaliation policy.

Our Compliance Department maintains our 24-hour Integrity Helpline, which is available in 28 languages, is operated by an independent third-party vendor, and allows reporters to submit concerns or ask questions anonymously. Employees, suppliers, customers and third parties can report concerns or ask questions either by phone or at [adient.ethicspoint.com](https://adient.ethicspoint.com). In addition to these more traditional mechanisms, Adient also implemented the capability for reports to be made through mobile devices, via QR code technology and a unique URL. To encourage reporting, we enforce a strict no-retaliation policy for employees who make good-faith reports.

Every question or concern submitted to the Integrity Helpline is triaged and routed to the appropriate team for handling, investigation, and response. Our Chief Legal Officer reviews our Integrity Helpline statistics regularly, our Audit Committee reviews them biannually, and our Regional Compliance Committees review them periodically.

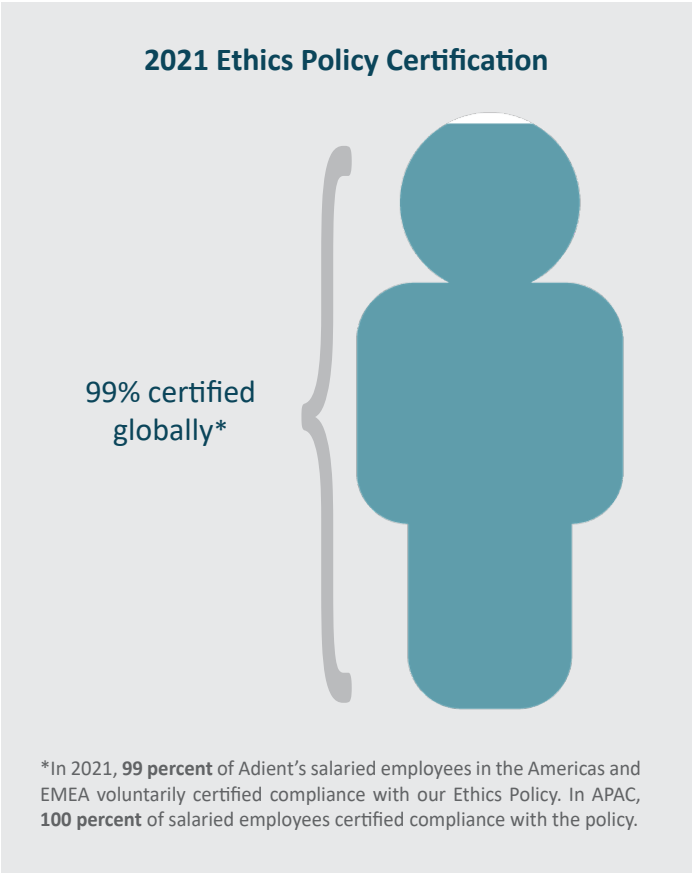
But the Integrity Helpline is only one of several ways to ask questions or raise concerns. Employees often discuss questions or concerns directly with their supervisor; these managers may then escalate issues to Human Resources, Legal or Compliance as needed. We encourage our employees to speak up and raise concerns however they are most comfortable — whether through their supervisor, their Human Resources representative, our Legal or Compliance Departments, or the Integrity Helpline.



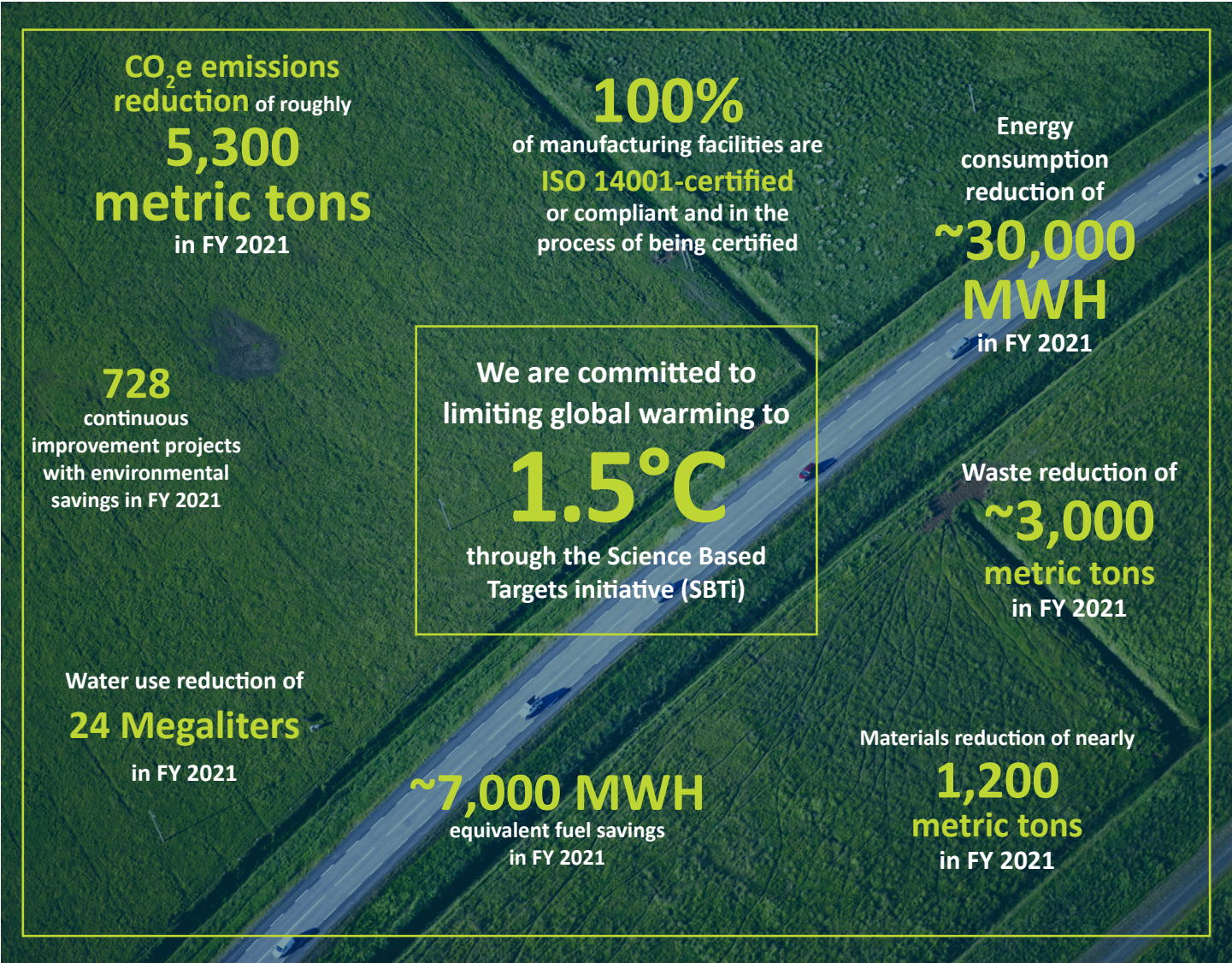
# Our Focus on Ethics

**Annual Ethics Campaign.** Each year, our salaried, global workforce certify their compliance with our Ethics Policy. This year, 99 percent of these employees certified their compliance with our APAC region achieving 100 percent certification. We also run a similar annual Ethics Certification Campaign for our China joint ventures; 100 percent of those employees certified their compliance with our Ethics Policy.

**Ethics and Compliance Training.** We provide extensive compliance training opportunities to our employees on topics such as antitrust compliance, conflicts of interest, anti-bribery and anti-corruption, compliance awareness, speak-up culture, trade compliance, diversity and inclusion, data privacy and more. This training program includes a combination of classroom-style trainings and online training modules. Our training plan uses a risk-based approach and tailors training to particular functions based on the risk presented. We also modify our training plan throughout the year to incorporate lessons learned from internal investigations.







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## Our Commitment

We recognize our activities have an impact on the environment, including the way we source materials, manufacture products, consume energy, and generate air pollutants and waste. We are committed to operating our business in an environmentally responsible manner, minimizing environmental risks and impacts, reducing our CO<sub>2</sub>e (carbon dioxide equivalent, or the number of metric tons of CO<sub>2</sub> emissions with the same global warming potential as one metric ton of another greenhouse gas) footprint, monitoring and improving upon the use of global resources, and maintaining legal compliance in each country where we do business.



### ISO 14001 Status

100% Compliant  
96% Certified

All wholly owned Adient production facilities are **ISO 14001 (Environmental Management Systems standard)**-certified within 18 months from start of production. Currently, 100 percent of all our manufacturing facilities are internally audited and compliant with ISO 14001, and 96 percent are third-party audited and certified to the standard; the remaining 4 percent are in the process of being certified. With respect to **ISO 50001 (Energy Management standard)**, currently, 38 percent of our facilities are compliant and certified while another 20 percent are compliant but not certified. Our goal is for 100 percent of our facilities to be certified by 2025.


In 2020, Adient invested in an energy and water data management platform. We have begun working with thought leaders in energy data management; data from our manufacturing plants, offices and technical centers are collected, validated and uploaded into the platform every month. Our energy managers use the platform to assist in viewing trends and making decisions. This tool is allowing us to calculate our Scope 1 and 2 carbon and hazardous air pollutant emissions supporting environmental impact monitoring.

Each year, Adient submits a report to the **Carbon Disclosure Project (CDP)** regarding our company's environmental performance. We provide information regarding our data and strategy respecting Climate Change, Water Security and Forests; the annual CDP submission provides part of the framework for the same year release of our company sustainability report. In 2021, we also participated in numerous customer environmental, social and governance surveys, including: SAQ 4.0, Ecovadis, Manufacturing 2030, and the Ford Pace Program.

We are committed to the **Science Based Targets initiative (SBTi)** to limit global warming to 1.5 degrees Celsius. This initiative drives ambitious climate action in the private sector by enabling companies to set science-based emissions reduction targets. We have presented our roadmap to SBTi, including the following reduction targets:

- > 75 percent **Scope 1 and 2** emission reduction at our manufacturing plants by 2030
- > 35 percent **Scope 3** emission reduction by 2030

Adient is a **proud supporter** of the Carbon Disclosure Project (CDP), a not-for-profit charity that runs the global disclosure system for investors, companies, cities, states and regions to manage their environmental impacts.

"By disclosing, Adient has underscored their commitment to transparency on their environmental impact, risks and opportunities," CDP North America Managing Director Ateli lyalla said. "This step is critical not just for their goals, but also for their investors, customers and employees. CDP greatly values Adient's contribution to a more sustainable future." 





## Our Commitment



Our products and services also support our customers' efforts to make their products more efficient and more environmentally friendly. We will also track, monitor and challenge them on these efforts. Specifically, it is Adient's policy to:

- > Source our materials, provide our products and services with preference provided to those who are more sustainable, and manage our facilities with the expectation that they track, monitor and improve their environmental performance.
- > Minimize material usage, energy consumption and waste generation in the manufacturing of our products for the good of the environment and to minimize overall production costs.
- > Research and identify materials and manufacturing methods that minimize impact to the environment to air and water, waste generation, and energy consumption and that are produced as "green" products.
- > Provide our customers with advanced lightweight materials with higher recycled content and that integrate technology and help minimize the lifetime environmental impact of our customers' products.

To support Adient's policy objectives and ensure we have consistency in our efforts across the globe, we have implemented the Adient Manufacturing System (AMS). Through our regional manufacturing leaders, we engage employees to drive world-class manufacturing and operational excellence and grow our business. Additionally:

- > All Adient manufacturing facilities work within the legal compliance parameters set forth by each country and facilities are audited both internally and externally as evidence of compliance. Noncompliances are corrected and reviewed regularly.


# Our Commitment

- > If any country agency finds a facility in non-compliance, the finding is reviewed by top regional leadership and corrective actions are imposed quickly.
- > Adient established regional environmental targets which are spread in each facility for energy conservation, waste minimization, CO<sub>2</sub>e reductions, and regulated emissions and reduced energy intensity annually through continuous improvement activities focused on energy savings.
- > Adient has centralized its continuous improvement (CI) process into a CI tracker used across all regions to manage and share improvements, and we have configured mandatory tracking of sustainability metrics.
- > We have dedicated CI managers in each plant who are responsible for achieving annual CI targets. In turn, we highlight the most successful and unique CI projects on our employee's portal to increase visibility and spark new ideas.


More broadly, Adient recognizes the relevance and importance of environmental risks and impacts in our wider supply chain. We expect that our suppliers conduct their operations in an environmentally responsible manner and require them to commit to our global supplier standards. 4

CONSERVATION SNAPSHOT


Fiscal Year 2021




728 projects



29,554 MWH saved



5,282 tons CO<sub>2</sub>e saved




24 ML saved

"I strongly believe that all of us at Adient can contribute to designing an organization where sustainability is embedded in our company's DNA. As the Director of Sustainability, I am proud to be part of our evolution."

Roseline Tagne Duboua

Director of Sustainability



2022 Opportunities	2022 Action Plans
<ul style="list-style-type: none"><li>&gt; Low renewable energy share</li><li>&gt; Decrease the energy emissions in Adient locations</li><li>&gt; Assess carbon footprint of our products</li><li>&gt; Decrease our water environmental impact</li><li>&gt; Reduce waste to landfill</li><li>&gt; No overview on deforestation risk</li></ul>	<ul style="list-style-type: none"><li>&gt; Increase number of locations running with renewable energy</li><li>&gt; Roll out renewable energy program to decrease emissions</li><li>&gt; Perform carbon life cycle analyses on Adient product design</li><li>&gt; Implement water efficient usage actions on sites located in water high risk areas</li><li>&gt; Define and monitor waste recovery rate on all Adient locations</li><li>&gt; Perform a deforestation risk assessment</li></ul>

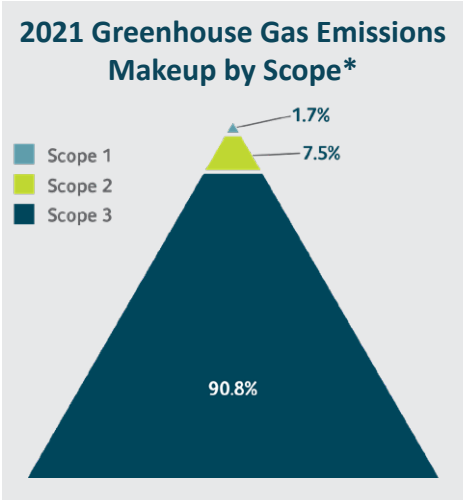
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# Adient's Impact

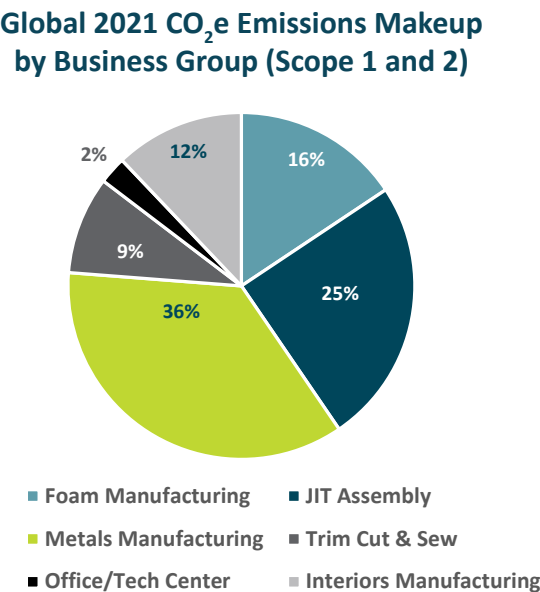
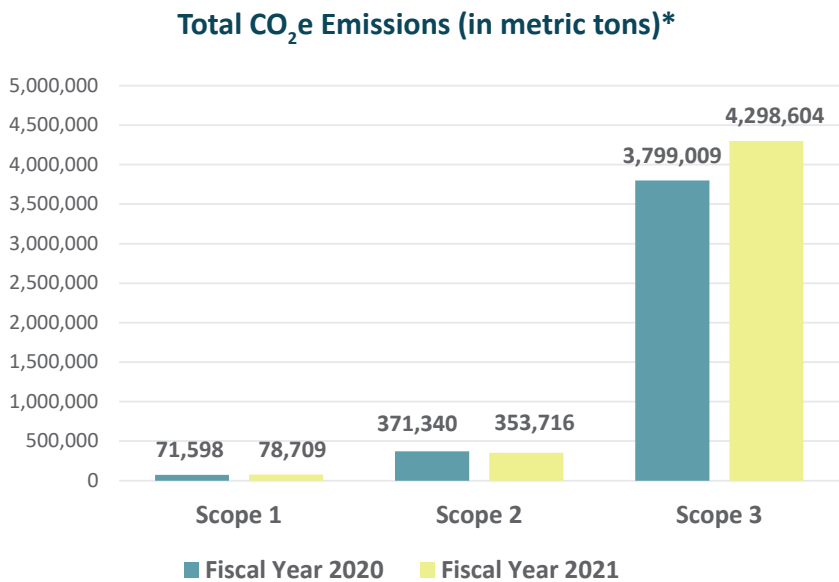
Climate change needs urgent and extensive action by governments, businesses and citizens. Our priorities should be improving energy efficiency in our operations and the impact of our finished products. Our greatest opportunities for reducing our carbon footprint are within our supply chain network, and we will work with our suppliers and partners to achieve our greenhouse gas (GHG) reduction targets. In 2022, Adient will start assessing its supply chain and monitoring their environmental status and, more broadly, their overall ESG actions. We are searching for ways to improve our energy conservation, use of green energy and natural resources, and our waste management processes. Our use of resources and production of waste increase with increasing production – so we need to make our production more efficient to reduce the impact of each product which is produced.



As noted above, we have developed emissions reduction targets in accordance with the Science Based Targets initiative (SBTi) for Scope 1 (our own direct GHG emissions), Scope 2 (indirect GHG emissions associated with the purchase of electricity, steam, heat, or cooling), and Scope 3 (value chain emissions).

It is a priority to improve energy efficiency in our manufacturing operations and to mitigate the impact our finished products have on the climate during the use phase. We believe that the price of energy should reflect the environmental costs of consumption, allowing market economics to lead the shift to cleaner alternatives and new technologies. We support a variety of market-based approaches to regulating carbon emissions that assure the integrity of the reductions and are efficient in their implementation.

We also believe a complementary set of energy policies are needed to overcome market barriers to vehicle energy efficiency, accelerate emission reductions, and reduce the overall cost of compliance to businesses and consumers. Our largest opportunities for reducing our carbon footprint are within our supply chain network.



\*Scope 3 values revised May 2022 for Fiscal Year 2021 (original report release date Jan. 25, 2022).

# Adient's Impact

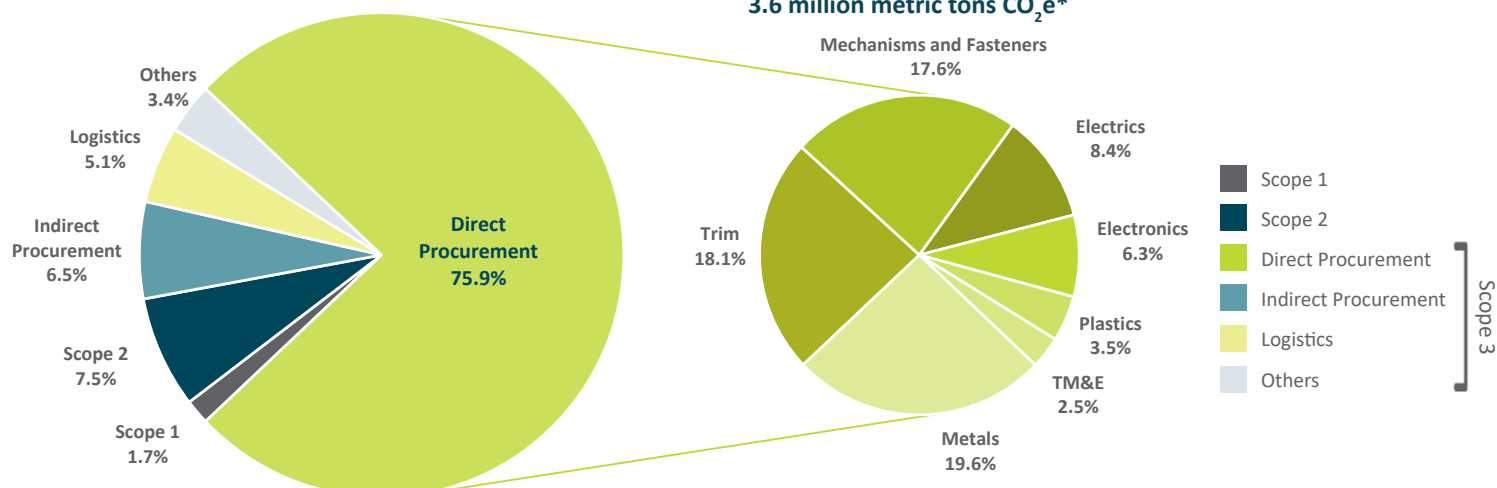
## Greenhouse Gas Emissions

Key Performance Indicator	Units	Fiscal Year 2020	Fiscal Year 2021
<b>Scope 1</b>	<b>Metric Tons CO<sub>2</sub>e</b>	<b>71,598</b>	<b>78,709</b>
Natural Gas	Metric Tons CO <sub>2</sub> e	65,495	68,569
Company Vehicles	Metric Tons CO <sub>2</sub> e	4,350	4,116
Other Fuels	Metric Tons CO <sub>2</sub> e	1,753	6,024
<b>Scope 2</b>	<b>Metric Tons CO<sub>2</sub>e</b>	<b>371,340</b>	<b>353,716</b>
Electricity	Metric Tons CO <sub>2</sub> e	371,340	353,716
Purchased Heat/Steam	Metric Tons CO <sub>2</sub> e	0.057	0.06
<b>Scope 3*</b>	<b>Metric Tons CO<sub>2</sub>e</b>	<b>3,799,009</b>	<b>4,298,604</b>
1. Purchased goods and services	Metric Tons CO <sub>2</sub> e	3,537,352	3,898,599
2. Capital goods	Metric Tons CO <sub>2</sub> e	25	37
3. Fuel- and energy-related activities	Metric Tons CO <sub>2</sub> e	91,375	94,070
4. Upstream transport and distribution	Metric Tons CO <sub>2</sub> e	204,761	242,664
5. Waste generated in operations	Metric Tons CO <sub>2</sub> e	19,079	22,609
6. Business travel	Metric Tons CO <sub>2</sub> e	4,806	2,145
7. Employee commuting	Metric Tons CO <sub>2</sub> e	8,586	38,481

Data collection in line with GHG Protocol; categories excluded from this table may be found in the Appendix.

**Total Emissions, Fiscal Year 2021:**  
4.7 million metric tons CO<sub>2</sub>e\*

**Direct Procurement Emissions:**  
3.6 million metric tons CO<sub>2</sub>e\*



## Energy

Key Performance Indicator	Units	Fiscal Year 2020	Fiscal Year 2021
<b>Intensity Values</b>	<b>Consumption / unit total revenue</b>		
Energy Intensity (Scope 1 and 2)	Consumption / unit total revenue	0.000091	0.000083
Emission Intensity	Consumption / unit total revenue	0.000035	0.000032
<b>Energy Consumption</b>	<b>Percentage</b>		
Grid Electricity	Percentage	100	97

\*Scope 3 values revised May 2022 for Fiscal Year 2021 (original report release date Jan. 25, 2022).



# Energy Conservation and Renewable Energy

Our manufacturing plants logged more than 728 energy-, water-, materials- and waste-reduction projects in fiscal year 2021 through our continuous improvement initiatives. In our plants, we have made energy-saving improvements such as installing new LED lighting systems and performing walk-throughs to identify energy-saving opportunities. We have also installed electric vehicle charging stations at some facilities, including our headquarters in Plymouth, Michigan, U.S.

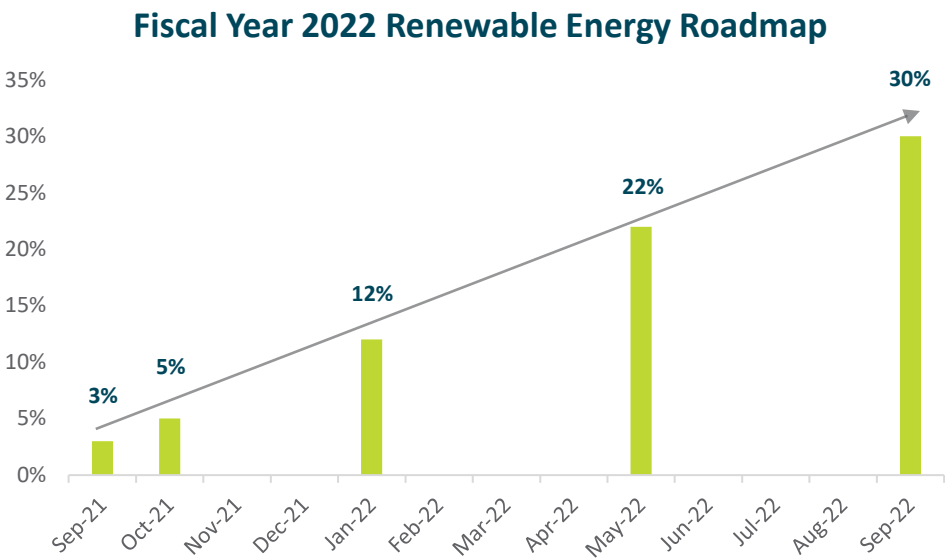
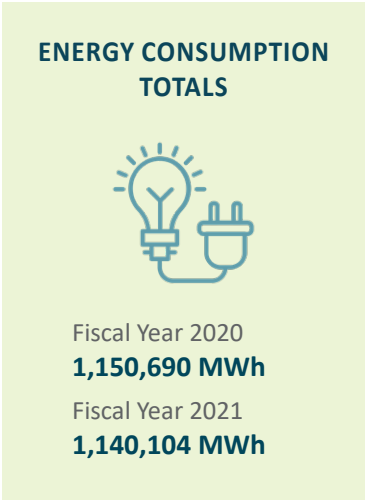
All global manufacturing locations have established facility-specific energy management programs and metrics. Currently, 58 percent are internally audited and compliant or third-party audited and certified to the ISO 50001 Energy Management standard.

## RECOVERING HEAT IN OUR PLANTS

Through Adient’s global continuous improvement initiative, we’ve identified several opportunities to capture and reuse waste heat in our plants. Most of these waste heat recovery projects have been implemented at metals and foam plants.

Many industrial processes require heat or create it as a byproduct. Heat exchangers — devices that capture heat and reallocate heat — can preheat air for comfort heating or warm liquid for other processes, such as preheating the bath for certain painting or coating processes. Using heat exchangers saves energy and helps reduce the impact our manufacturing processes have on the planet.

Additionally, we are working to acquire an increasing percentage of our electricity from renewable resources such as wind and solar (supplied by the utility company). In fiscal year 2020, we acquired none of our electricity from renewable sources; in fiscal year 2021, we increased our renewable electricity sources to 3 percent (including on-site generation of renewable energy at six of our locations). As of Oct. 1, 2021, nine additional Adient locations in France and Spain are running on 100 percent renewable energy; this increase in renewable energy share will allow Adient to significantly decrease Scope 1 and 2 GHG emissions. It is our goal to be 100 percent reliant on renewable electricity by 2025.



Energy Consumption			
Key Performance Indicator	Units	Fiscal Year 2020	Fiscal Year 2021
Energy Consumption Total	Megawatt Hour	1,150,690	1,140,104
Purchased Fuel	Megawatt Hour	381,452	399,262
Purchased or acquired electricity — Renewable	Megawatt Hour	23,108	22,082
Purchased or acquired electricity — Non-Renewable	Megawatt Hour	740,183	714,002
Purchased or acquired heat / cooling or steam	Megawatt Hour	5,947	4,758

# Energy Conservation and Renewable Energy //



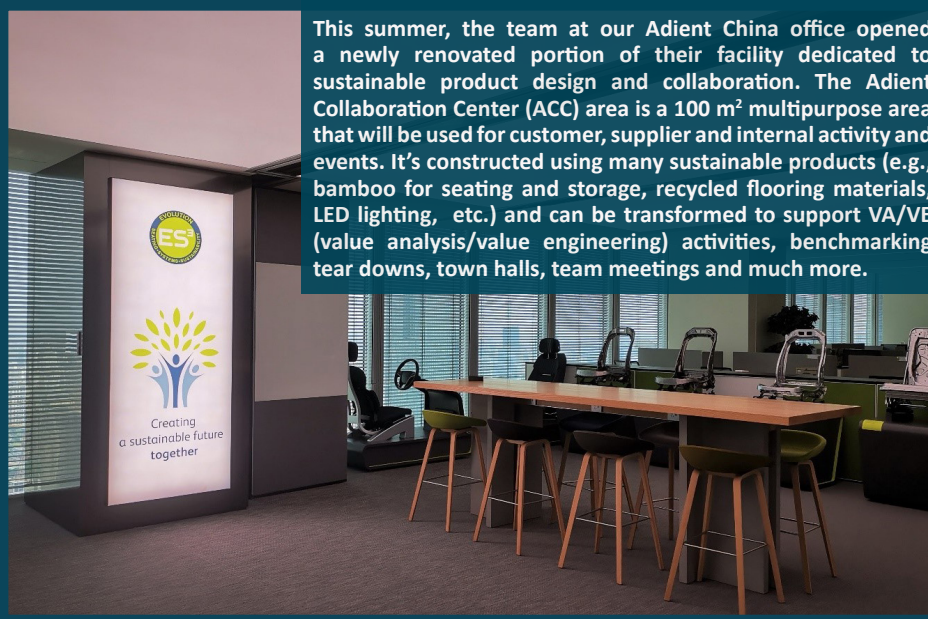
We are investing in electrical vehicle charging stations at our engineering center in Burscheid, Germany, and our headquarters in Plymouth, Michigan, U.S. These charging stations help ensure our employees and visitors have a safe and secure place to charge their vehicles

while working. In Burscheid, costs for the 22 kW-capacity charging stations were kept to a minimum thanks to the engineering expertise of Adient's on-site employees, who were able to do much of the work themselves. The new charging stations bring the total number of EV charging stations at the Burscheid location to 30. At Adient's Michigan headquarters, four charging stations supplying 208 Volts at 30 amps, 6.2 kW, are being installed as part of a larger renovation project of the building's main entrance.

We are committed to increasing our renewable energy share at our locations. To help further Adient's global commitment to energy conservation, Adient's plant sustainability team in Zaragoza, Spain, implemented on-site renewable energy generation by installing solar panels in 2021.



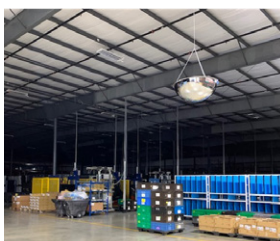
The plant is based in Alagon — a region in Spain with an average of 2,500 hours of sunlight per year, which is ideal for solar generation. The installation allows the plant to cover 15 percent of the plant's energy needs while decreasing emissions. The plant sustainability team hopes to increase on-site solar power generation to 50 percent or more.



This summer, the team at our Adient China office opened a newly renovated portion of their facility dedicated to sustainable product design and collaboration. The Adient Collaboration Center (ACC) area is a 100 m<sup>2</sup> multipurpose area that will be used for customer, supplier and internal activity and events. It's constructed using many sustainable products (e.g., bamboo for seating and storage, recycled flooring materials, LED lighting, etc.) and can be transformed to support VA/VE (value analysis/value engineering) activities, benchmarking tear downs, town halls, team meetings and much more.

One of the top energy-saving projects at Adient facilities in the Americas region is the energy-review initiative — the identification and analysis of energy use and consumption based on data gathering, site surveys and energy waste walks.

These activities identified areas of energy waste and opportunities for energy performance improvements. Sixteen projects were completed in fiscal year 2021, resulting in an overall energy savings of 2,753,595 kWh; 28 additional projects are road mapped for fiscal year 2022 (with a proposed savings of 1,420,268 kWh), and 32 more projects are on deck. In total, 76 projects have been identified during this energy review initiative with potential energy savings of 4,176,863 kWh.



Adient in India recently donated money to two sustainability initiatives — the Prime Minister's National Relief Fund and the Clean Ganga fund.

The donation to the Clean Ganga Fund will help clean the river Ganga, control pollution from agricultural runoff, set up waste treatment and disposal plants along the river and around the cities, and more.

The donation to the Prime Minister's National Relief Fund will be used to render immediate relief to families of those killed in natural disasters, such as floods and severe weather, which are exacerbated by climate change. It also helps defray the cost of medical treatment for individuals in need.

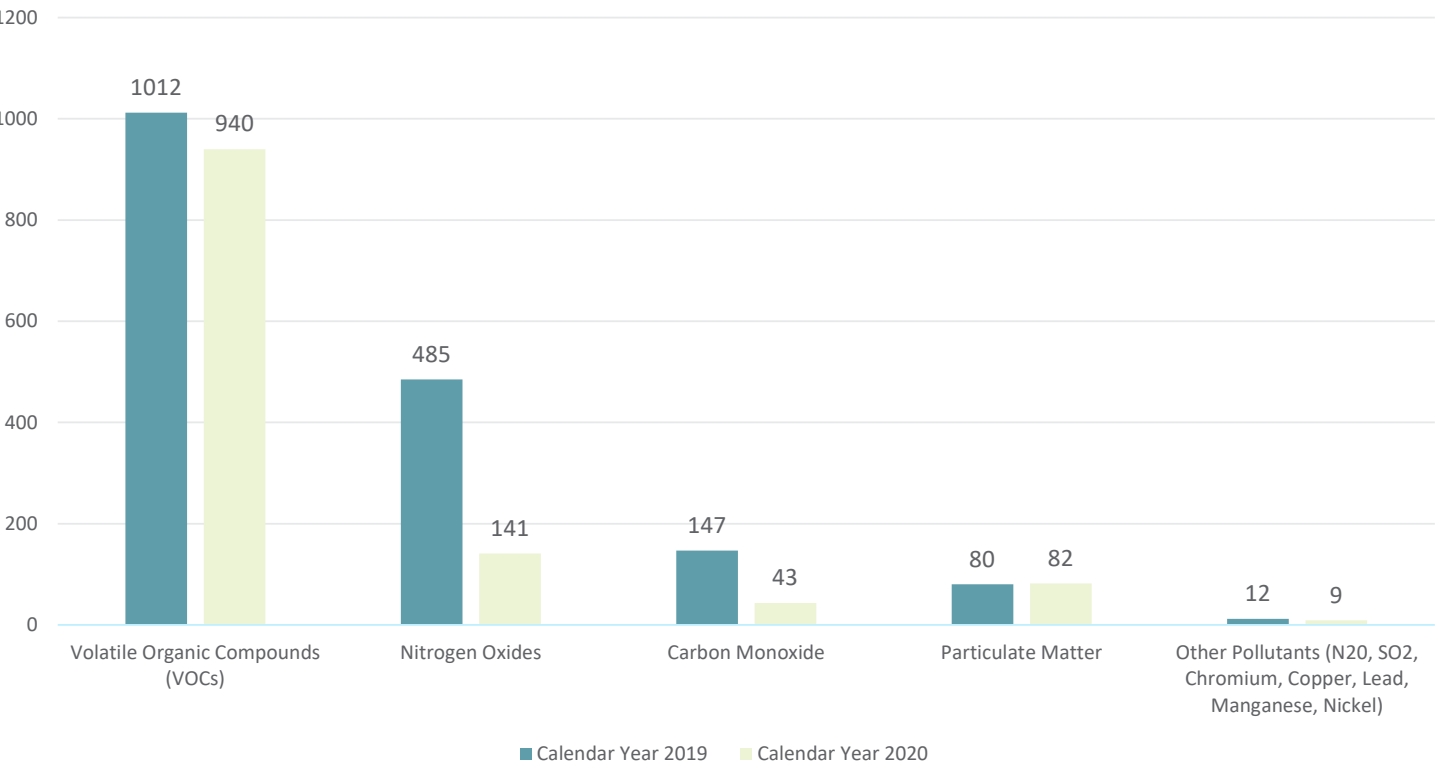




# Air Pollution

Adient reports the following air pollution data from its various operations. ↗

Air Pollutants (in metric tons)



## REDUCING VOC EMISSIONS IN OUR PLANTS

Two Americas foam plants — Saltillo, Mexico, and Pulaski, Tennessee, U.S. — reduced their VOC (volatile organic compound) emissions in fiscal year 2021.

At the Pulaski plant, they cut VOC emissions by **97 metric tons** — a significant reduction — through process improvements. Adient Pulaski is the only foam plant in the Americas to reduce their VOC emissions two years in a row.

The Americas foam plants have committed to an 8 percent VOC reduction target in fiscal year 2022. ↗

# Product Innovation //////////////////////////////////////

Through our ES<sup>3</sup> — Evolution of Seating Systems Sustainability — approach to product design, we are leveraging available knowledge to create opportunities and value for our customers to improve their market performance and increase Adient’s overall value-add. We are also identifying materials and manufacturing methods which minimize environmental impact through a more circular approach to product design, development, and production.


Our holistic approach to product development integrates sustainability by reducing design complexity and limiting operational waste while utilizing sustainable materials. ES<sup>3</sup> draws on input from quality surveys, market research, VA/VE workshops, innovation portfolios, warranty analyses, benchmarking and safety and insurance ratings to engineer or re-imagine products that reduce cost while maintaining or increasing value.



## FINDING LEATHER ALTERNATIVES

Using Adient’s ES<sup>3</sup> approach, we have identified 20 sustainable leather alternatives that could potentially be used in our seats to reduce dependency on animal leather, which requires chemical processing called tanning. (Additionally, cattle — the most common source for leather in automotive seating — are a significant contributor to global human-induced greenhouse gas emissions.)

These animal-friendly leather alternatives are often partially constructed from waste or recycled products, which increases their environmental friendliness. One of several leather alternative currently being tested is cork leather — a durable, waterproof and stain-resistant material made from the bark of a cork oak tree.


Through ES<sup>3</sup> and our other continuous improvement processes, we will continue to identify and test sustainable materials in our seats. 





# Product Innovation

**Designing for Sustainability.** In addition to the ES<sup>3</sup> approach, we have a Sustainable Product Design team dedicated to assessing and decreasing our product carbon footprint. This team developed a market-leading solution that calculates the cradle-to-gate environmental impact of any of our products, allowing us to compare different designs and options for materials, manufacturing processes, transport and packaging. This thorough analysis allows us to proactively engage with customers to identify key carbon drivers and reduce the footprint of the seating products we provide to them.

Our Product Design tool is built following the guidance from the World Resources Institute (WRI) to conduct product life-cycle assessments (LCAs). It considers all GHG emissions associated with the production of the product — from the extraction of natural resources to its delivery to the customer. CO<sub>2</sub>e removals and offsets are not included. 



Thanks to our Sustainable Product Design team, we are able to calculate the **cradle-to-gate** environmental impact of our products.



### BRINGING CIRCULARITY TO OUR FOAM PRODUCTS

In November 2021, Adient began integrating cardyon® — a polyol from Covestro made with up to 20 percent CO<sub>2</sub> — as a sustainable feedstock for the production of hot cure molded polyurethane (PU) foam, which is used as cushioning in our cutting-edge automotive seating systems. By integrating enhanced polyol solutions into the production of PU foam, cardyon helps bring CO<sub>2</sub> back into our value chain — reducing our Scope 3 GHG emissions while saving up to 20% crude oil. Cardyon can also be used in sports flooring, mattresses and textile fibers and can be easily integrated into existing production processes with only minor equipment modifications.

Adient also recently partnered with Dow to pioneer the use of SPECFLEX™ C and VORANOL™ C — two polyurethane solutions sourced from recycled raw material rather than virgin fossil fuel.

“The urgent need to decarbonize the automotive industry goes far beyond powertrain emissions,” said David Nash, vice president foam and trim EMEA at Adient. “As an important building block on the way to further decarbonize vehicle production, the solution helps us to reduce fossil feedstocks by the re-integration of waste products without any compromise in quality and comfort.”



# Conflict Minerals and Materials Management //


Sustainability topics handled by our Engineering Environmental Compliance Team include conflict minerals, critical raw materials (CRMs), and the [International Material Data System \(IMDS\)](#).

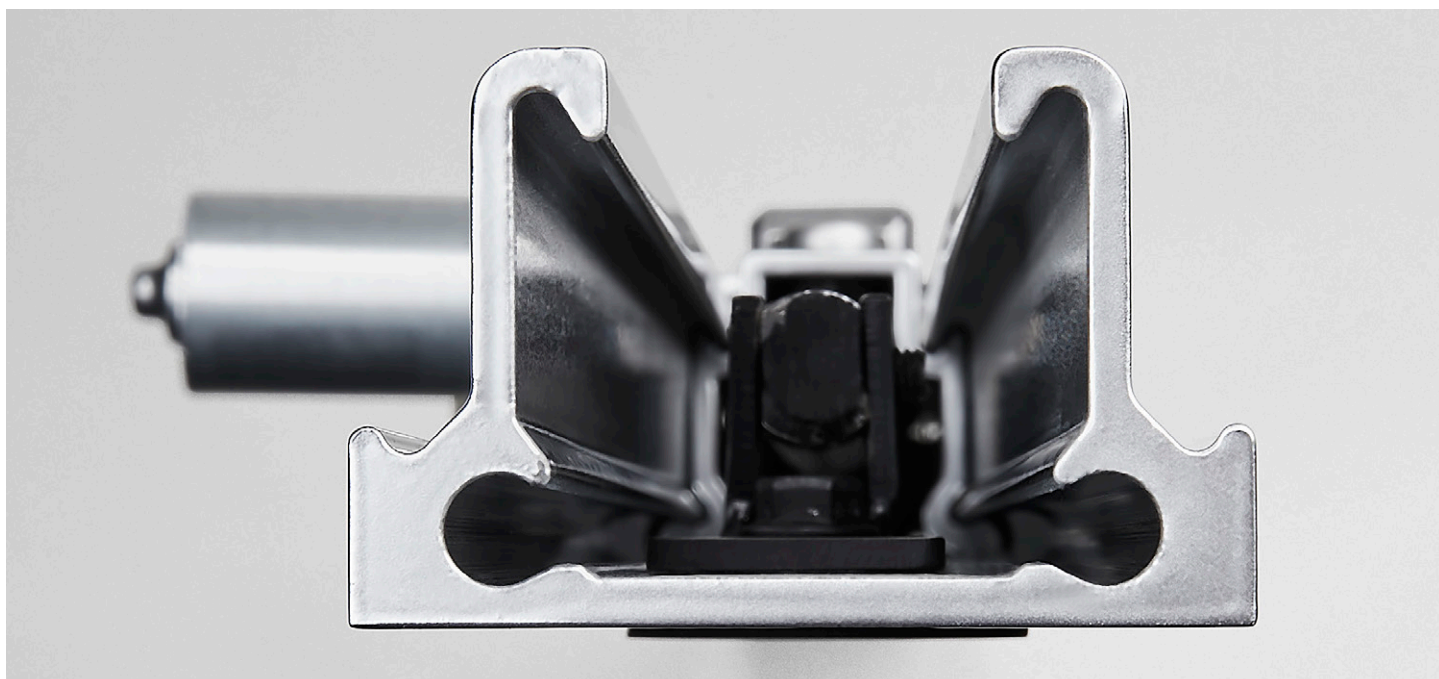
**Conflict Minerals.** Since 2012, Adient has had a reporting requirement on the use of Conflict Minerals (Tin, Tantalum, Tungsten and Gold – 3TG) based on the US Dodd-Frank Act Section 1502 and is performing yearly supply chain reviews based on the [OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected Areas and High Risk Areas](#). In addition, Adient is committed to the responsible sourcing of conflict minerals and is a member of the [Responsible Minerals Initiative \(RMI\)](#), which was founded by members of the Responsible Business Alliance.

Adient expects its suppliers to conduct conflict-free sourcing from RMI-certified smelters and includes express requirements in its Supplier Manual. Adient often corresponds with its suppliers to clarify answers on their [Conflict Minerals Reporting Template \(CMRT\)](#) reports or confirm their compliance in this area. Adient designed and implemented a compliance framework that conforms to the process steps enumerated in the OECD Due Diligence Guidance. Adient is using the CMRT issued by the RMI.

Every year, in compliance with the Securities and Exchange Commission's disclosure rules, Adient makes disclosures regarding the potential use of conflict minerals in the products that it manufactures or contracts to manufacture. Our [Conflict Minerals Policy](#) and [Conflict Minerals Report](#) are available at [www.adient.com/suppliers](http://www.adient.com/suppliers).

**Critical Raw Materials.** Adient is supporting the U.S. and E.U. critical raw materials initiatives to sustain resilient, diverse and secure supply chains by providing usage data to enable the determination of the CRMs that are important for the automotive industry.

**IMDS / Toxicity.** The automotive-owned IMDS is designed to report hazardous substances in our products. Adient is using data from the system to ensure in-time phaseout of substances of very high concern as regulated by national and regional legislation. 



# Natural Resources ////////////////////

Our natural resources are precious and increasingly scarce due to growing global demand and the worsening effects of climate change. We are working to understand how we use natural resources such as water and timber in our manufacturing processes so we may be conscientious consumers of these valuable resources.

Water Security Risk Map — Adient Facilities, Fiscal Year 2021



In fiscal year 2021, Adient conducted a water security risk assessment of all its locations and identified 39 facilities with high water security risk based on geographical location (see map above). With that knowledge, Adient is currently undertaking an analysis of water management practices, current risks and challenges across our global locations and in fiscal year 2022 plan to define a company water policy to include standardized best practices.

Our new energy and water management platform has helped us improve visibility into the quantity and quality of our water withdrawals, water consumption and water discharges through more granular data tracking. In previous years, this data was highly estimated, but today, we are tracking 90 percent of water withdrawals and 50 percent of water discharges with plans to continuously improve upon these values in fiscal year 2022.

Adient continues to operate our manufacturing plants with low water usage in comparison to the auto parts industry. Where we are operating in higher water stressed regions, we are working on an improvement plan to reduce withdrawals. We have had no significant regulatory violations related to water management in any of the countries where we do business.

Water Management			
Key Performance Indicator	Units	Fiscal Year 2020	Fiscal Year 2021
Municipal Water	Megaliters	1691	1850
Groundwater Withdrawal - On Site	Megaliters	31	33
Waste Water Discharges	Megaliters	805	771
Water Intensity	U.S. gallons / unit revenue	0.035	0.035




# Natural Resources

## Combating Deforestation

As part of our commitment to understanding how we can reduce our impact on deforestation, we are working with the [World Wildlife Fund](#) and [Global Canopy](#) as a trusted team of on-the-ground resources while also collaborating with other stakeholders to find potential solutions and alternatives. For the past two years, we have provided data to the CDP regarding our management of timber and leather products. This year is the first year we were able to quantify our purchases of leather in square meters and provide a list of risks and opportunities facing our industry with respect to deforestation.

We are conducting a deforestation risk assessment, which will include mapping our complex supply chain beyond the first tier. Our focus is on two key commodities: timber products, as we received timber-based packaging from our suppliers and ship some of our products to customers with similar products; and leather, as we receive leather products at our trim plants, where we cut and sew them into automotive seat covers, armrests and head restraints. We also consume soy and palm oil products, though in low volumes that are immaterial from a risk perspective.




**Purchased Leather:**  
**6,528,125 square meters\***



**Purchased Cardboard:**  
**88,808 metric tons\***

\*Fiscal Year 2020 Estimated

## Finding Leather Alternatives


Processing the leather that we use in some of our seats can be a water- and carbon-intensive process. To help protect our natural resources, we are developing and testing several leather alternatives. Visit the [Product Innovation](#) section to learn more about our leather alternatives. 

### COLLECTING RAINWATER FOR REUSE

In 2019, Adient’s plant in Gebze, Turkey, installed a water tank to collect up to 25 tons of rainwater to be used for cleaning the filter press of the wastewater treatment station.

In 2021, two more rainwater water tanks with a capacity of 145 m³ were installed. When there is enough water in the tanks, it undergoes three levels of filtration. Then, the filtered water is collected in the main tank. Finally, following a reverse osmosis filtering process, the water is ready to be used on the e-coating line.

By implementing these rainwater tanks, Adient Gebze’s annual municipal water consumption is expected to drop from 24,300 m³ to 11,000 m³, saving a significant amount of municipal water each year.



# Waste and Toxicity

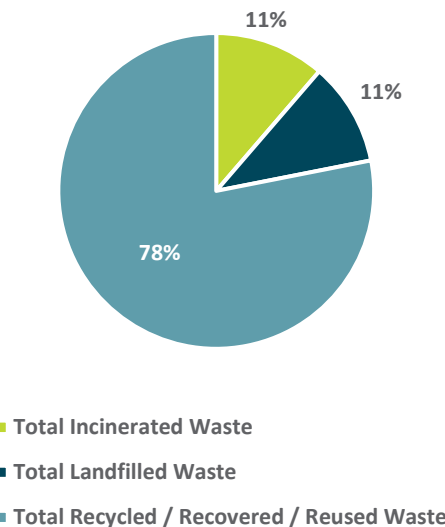
Through various programs and initiatives, Adient manufacturing plants operate with the consistent mindset to reduce the waste materials and chemicals used and generated in their processes. We ensure our ISO 14001 programs are driving these improvements. It is our goal to operate as efficiently and with the least amount of waste possible. Globally, we logged more than 300 waste reduction projects in fiscal year 2021. Some specific examples include:


- > Global foam plants have been reducing isocyanate wastes and their VOC footprint.
- > Plants from Thailand, Korea, Mexico, Spain and Romania are participating in waste-to-energy programs to transform various waste types originally destined for landfills but now converted into kWh.

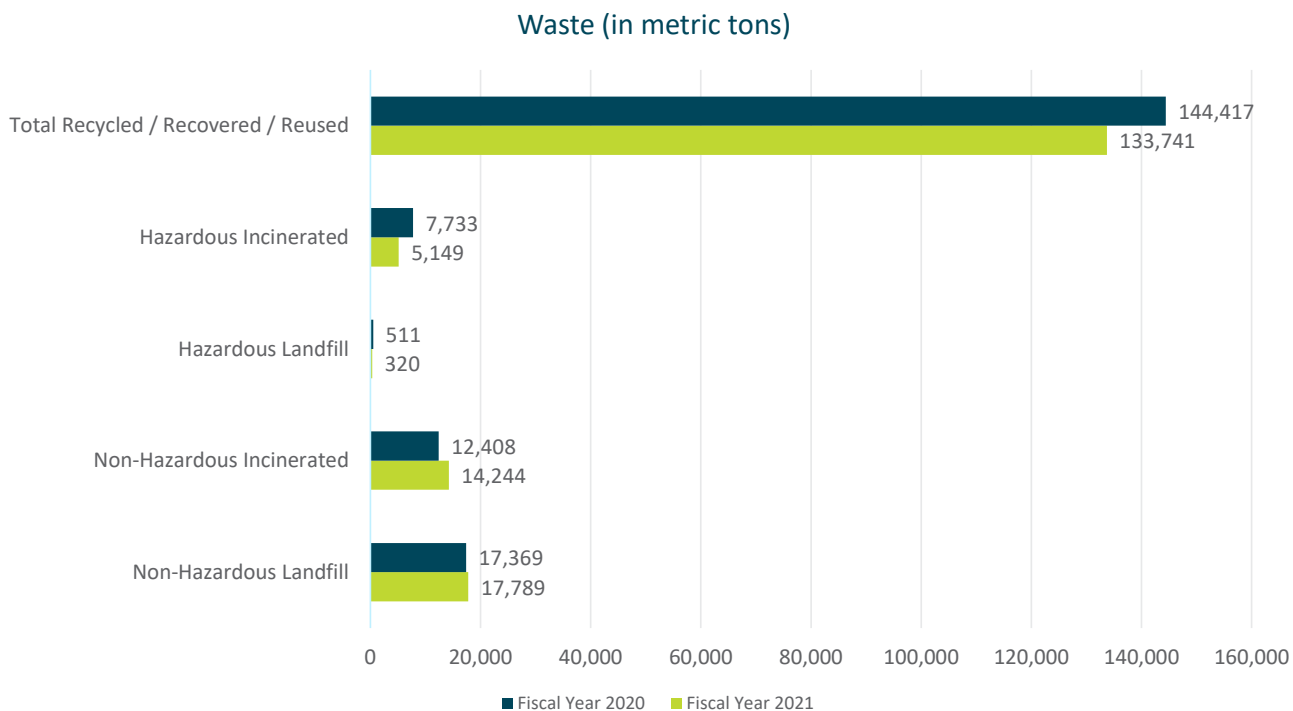
Of special note:

- > Our Avanzar, Texas, U.S. joint venture facility has recently received a gold award for waste management from their municipality.
- > Our Eldon, Missouri, U.S. facility worked with the University of Missouri student program to help capture a number of waste minimization opportunities in the plant.
- > Our Valladolid, Spain, facility has developed an on-site waste-to-energy system that generates comfort heat for the building and provides energy for hot water systems. In fiscal year 2021, the facility has generated more than 750,000 kWh from this operation.

Adient Waste Materials — 2021



In 2021, we began tracking our waste recovery rate and waste intensity as company sustainability key performance indicators (KPIs). 



Note: Our plants track 27 categories of environmental waste.





## People and Communities

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# Our People

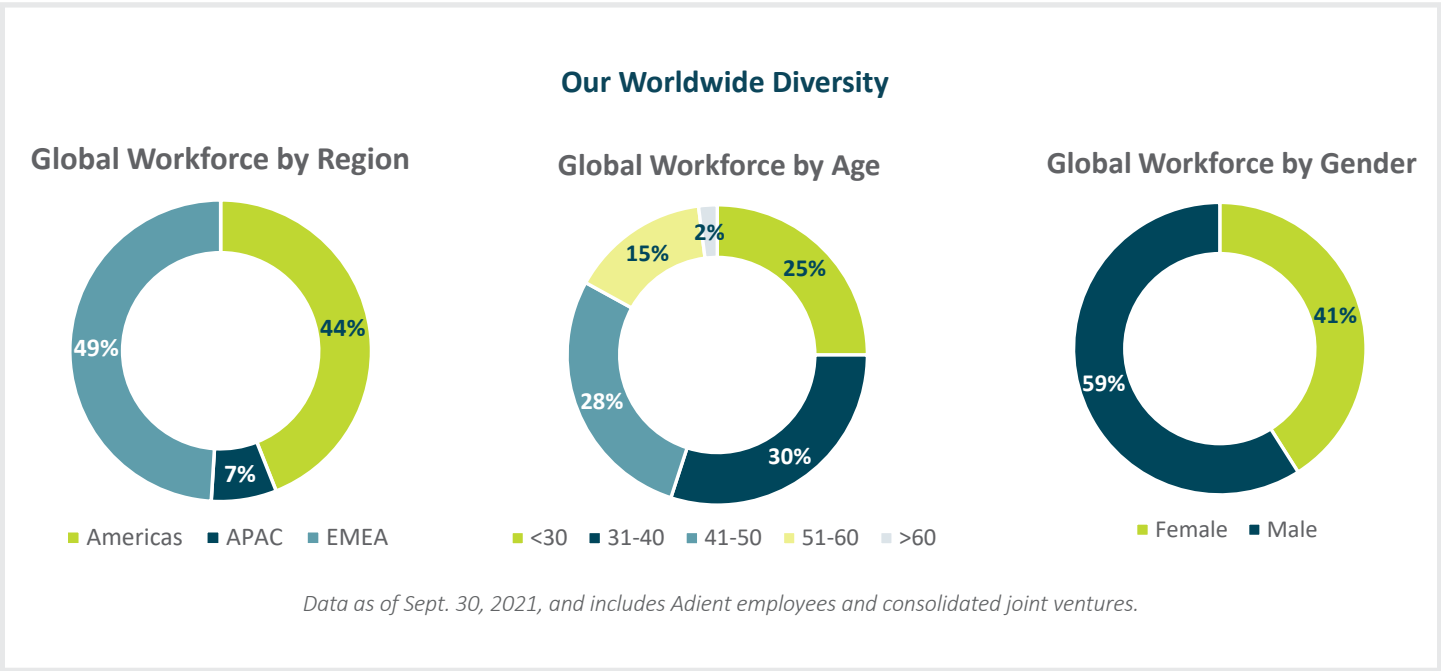
Adient has approximately 75,000 employees worldwide who represent a wide variety of backgrounds. Adient knows that the excellence of its company depends on creating and sustaining a work environment where employees are valued for who they are as individuals and for their unique perspective and contributions.

We are committed to advancing diversity and career development through inclusive leadership and talent management processes. The highest levels of Adient’s




management support these practices with the alignment and commitment of all levels within the organization. Our Chief Legal and Human Resources Officer — who reports directly to the CEO — oversees Adient’s global talent processes to attract, develop and retain our most valuable asset: our employees. The Chief Legal and Human Resources Officer provides regular updates to the Board on progress by providing key people metrics.

In addition to our global talent practices, each region is empowered to implement localized programs to further drive performance and development in line with the needs of the business and the local labor market. We strive to attract and retain engaged employees who work collaboratively to achieve the company goals. We do this through positive employee relations activities that focus on our employees and their families as well as many forms of communication, so employees can hear from leadership and have the opportunity to ask questions, make suggestions, and provide input. Examples include town hall meetings, open-door policies, high-performance work teams, local and global recognition programs, and Adient’s Integrity Helpline. 





# Collective Bargaining //

Adient respects the rights of our employees to organize. In locations that are represented by a labor union, Adient will bargain in good faith with a goal of reaching a collective agreement that meets the needs of our employees and at the same time allows our business to grow and prosper. 

## Employees Subject to a Collective Bargaining Arrangement



# Diversity, Equity and Inclusion //

## Fostering DE&I in all we do

We promote a diverse and inclusive culture by:

- > Hiring and developing the best and brightest talent
- > Creating an environment where employees can be their authentic and best self
- > Building an inclusive supply chain that fosters innovation and economic development through greater supplier choice
- > Investing in the communities in which we operate

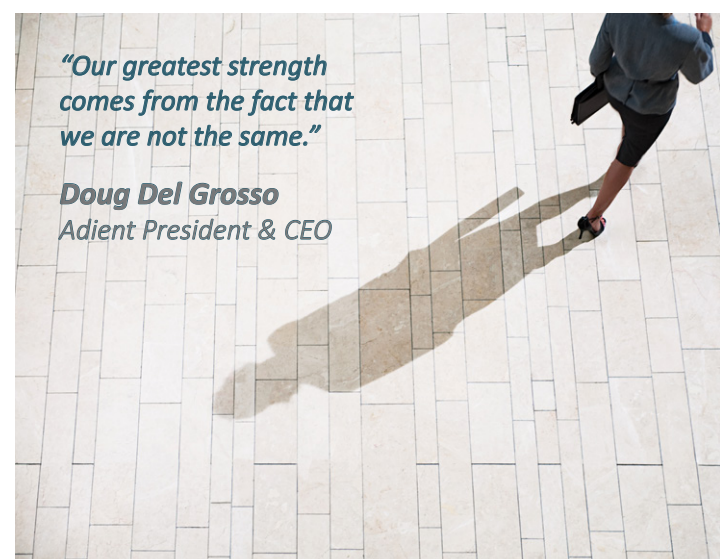


Adient recognizes that DE&I is essential to the success of our business. Living these values fosters different perspectives, increases innovation and creativity, encourages employee engagement and strengthens partnerships with customers, suppliers and all of our stakeholders. Adient President and CEO Doug Del Grosso signed the pledge with **CEO Action for Diversity and Inclusion**, the largest CEO-driven business commitment to advance diversity and inclusion in the workplace. Through this pledge, Adient's executive leadership has committed to: making our company a trusting place to have complex conversations about DE&I; implementing and expanding unconscious bias education; sharing successful practices, as well as areas for improvement; and developing and sharing strategic inclusion and diversity plans with our Board. This pledge, along with Adient's membership in organizations such as the Center for Automotive Diversity, Inclusion and Advancement (CADIA) create the guidance to achieve our DE&I goals.

Since success in this area requires listening to diverse voices, Adient also formed DE&I Councils in 2021 in each of its three business regions — the Americas, EMEA (Europe, the Middle East and Africa) and APAC (Asia Pacific) — to identify barriers, raise awareness and drive organizational change as needed. These councils drive strategic and tactical goals in the areas of talent acquisition and retention,


communications and employee feedback, training and education, and metrics as well as support Adient's diverse Business Resource Groups.

While the three councils primarily work within their regions, they also communicate and collaborate across regions to ensure alignment and progress toward enterprisewide DE&I goals. Together, the councils have created a unified brand and logo, launched a global internal DE&I communication portal for employees, and are beginning to develop KPIs to measure success and create accountability in this area. We have launched two new Business Resource Groups (BRGs)





# Diversity, Equity and Inclusion

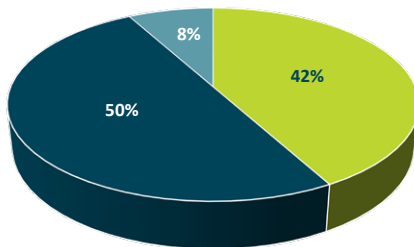
this year — the African Ancestry BRG and the True Colors Network — in addition to growing the existing Women’s Resource Network. Additionally, the we launched a global online training to all salaried employees that covered topics of respect in the workplace, diversity, and overcoming unconscious bias. The councils have facilitated initial rounds of employee surveys to understand current employee perspectives and plans to launch additional surveys and conduct feedback sessions. 



Diversity Equity Inclusion

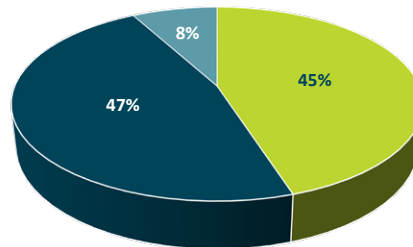
## Diversity in Our U.S. Locations

U.S. Ethnic Diversity — All Employees



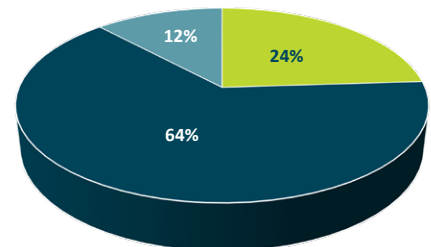
■ Diverse ■ Non-Diverse ■ Not Designated

U.S. Ethnic Diversity — Plant Population



■ Diverse ■ Non-Diverse ■ Not Designated

U.S. Ethnic Diversity — Above Plant Population




■ Diverse ■ Non-Diverse ■ Not Designated

*Data as of Sept. 30, 2021, and includes Adient employees and consolidated joint ventures.*

### ADIENT’S BUSINESS RESOURCE GROUPS

Adient’s BRGs are organized by employees, for employees. Our BRGs undergo an official chartering process and must develop programming and initiatives focused in four areas: Career, Commerce, Culture and Community.

We are proud to have three growing BRGs — the African Ancestry BRG, Women’s Resource Network, and True Colors Network — and plan expand to include additional under-represented groups in the near future. 



### WE’RE COMMITTED TO SUPPLIER DIVERSITY

We spend more than **\$1 billion** with — and support 15,700 jobs at — diverse-owned businesses every year. We are committed to buying from diverse suppliers, building the capacity of diverse suppliers, and expecting our suppliers implement their own supplier diversity best practices. Learn more at [adient.com/suppliers](https://adient.com/suppliers).

#### Adient is a:

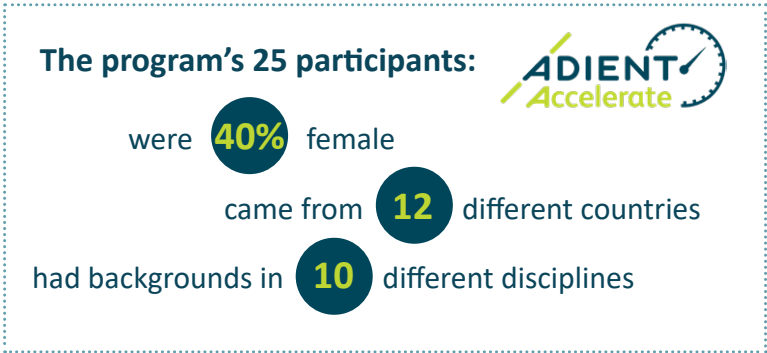
- > Women’s Enterprise magazine’s WE 100 honoree
- > 2020 MBNUSA All Stars Award winner
- > 2020 MMSDC Corporation of the Year
- > FCA Purchasing and Supply Chain North America 2020 Supplier Diversity Supplier of the Year
- > Toyota Superior Supplier Diversity honoree
- > Corp! Diversity Business Leader award winner
- > Diversity Business Leader honoree for the Salute to Diversity Awards hosted by Corp! magazine (nominated by Ford Motor Co.)
- > 2021 WE USA and MBNUSA Corporate Buyer of the Year

# Employee Development


At Adient, we believe that attracting, developing, motivating and retaining employees is key to our sustainable and profitable growth. We understand that, like customers, our employees and potential employees have choices of where to work, and we must compete for the best talent.

**Continuously Improving.** We have a global performance management process through which employees provide a self-assessment and managers provide evaluation and feedback on annual performance. This process informs employee development goals and development plans. Our Leadership Talent Review (LTR) is Adient’s annual process for identifying and evaluating talent for the purposes of aligning individual aspirations and development plans with the organization’s needs and building a diverse pipeline of leaders to mitigate leadership vacancy risk. LTR is designed to be an inclusive process that promotes visibility of talent, increases the validity of succession plans, and ensures development efforts are applied efficiently. The LTR process consists of both potential assessment and succession planning. Managers assess and assign a potential rating that is reflective of employees predicted future performance and confirmed career aspirations. In addition, managers identify talent to succeed critical positions within Adient. Both potential assessments and succession plans are calibrated with broader groups of leaders to drive consistency, awareness and alignment on decisions and development actions.

**Accelerating Growth.** Adient also makes a substantial investment in employee development through its partnership with the University of Michigan’s Ross School of Business. Through this partnership, Adient offers Adient Accelerate, a leadership development program. In its inaugural year, Adient brought together a diverse, global group of 25 employees from a dozen different countries to participate in an intensive eight-week program. The participants used their learnings to tackle strategic issues that Adient faces. The program includes live, virtual sessions with world-class Michigan Ross faculty as well as executive coaching. At Adient, we emphasize the value of on-the-job, real-time learning that enables a person to meet the demands of challenging and changing work. The program culminated in an opportunity for all participants to present their learning experiences to the senior executive team and to participate in strategic projects post-program.




**Learning in Motion.** Adient’s approach to learning focuses on reinforcing key principles that are designed to support an individual’s effectiveness in his or her current job, and in future situations. At Adient, we live a “Learning in Motion” strategy: Learning by Doing, Learning by Others, and Learning by Training (with the majority — 70 percent — being Learning by Doing activities). Adient has established multiple learning journeys to maximize the development path for our employees. Throughout the world, Adient employees are encouraged to develop by doing, taking charge of their learning and growth, and seeking support along the way.

**Always Advancing.** In addition, Adient ensures managers and employees are equipped with the tools necessary to continue to learn, grow and develop throughout their careers by providing technical, soft-skill and leadership training locally and specific to their country and/or work location. Across the organization, our leaders partner with human resources to monitor our talent pipeline and identify career advancement opportunities. As Adient is still a relatively new and developing company, it continues to monitor, review and assess the outcomes of its policies on social and employee matters to ensure they are having the desired impact. 



## Respectful Workplace //////////////////////////////////////

Adient is committed to providing a workplace that is free from harassment, discrimination, or any other behavior that diminishes a person's integrity and self-esteem. We will not tolerate physical or mental harassment or abuse. Adient recognizes it is up to all of its employees to create a respectful, safe workplace and requires the line management of each facility to ensure implementation of equal-opportunity and no-harassment policies in accordance with national, state or provincial law. Adient offers a respectful workplace online training for all salaried employees globally, supplementing its existing local and in-person trainings in this area.

All employees, temporary employees, visitors, interns and other non-employees are encouraged to immediately report situations of harassment committed by anyone, including visitors and other non-employees. They are asked to report the matter to their department manager, plant/facility manager, local human resources manager, Legal Compliance, or Adient's Integrity Helpline. Actions taken as a result of an investigation have included dismissal, discipline and warnings to employees, employee counseling, leadership training, and equal employment/ anti-harassment training. We also expect our suppliers to treat their employees with dignity and to maintain workplaces free from discrimination and harassment in all forms and may terminate a supplier that does not comply with these standards. 



# Human Rights

We know that multinational corporations like Adient have a responsibility and ability to affect change in human rights. We believe it's our responsibility to respect and uphold the rights of our people and any other individuals we are in contact with across the globe and to assert our influence to make an impact. As a participant in the [United Nations \(UN\) Global Compact](#), Adient is committed to incorporating the Compact's core principles into our strategy, culture and operations, and to engaging in collaborative projects that advance the broader development goals of the United Nations — particularly the [Sustainable Development Goals](#).

We require compliance with our policies for the protection of and respect for our global workforce and expect our suppliers to treat workers with dignity and follow policies like our own. We believe our commitment to human rights is evident in our Human Resources, Safety and Procurement policies and practices, and we require adherence to the following policies with respect to the protection of and respect for our global employee workforce:

- > The use of forced, bonded, indentured or involuntary prison labor is prohibited.
- > Compliance is required with regard to minimum legal working age requirements.
- > Work hours must comply with local law.
- > Compliance is required with regard to applicable wage laws, regulations, and relevant collective bargaining agreements — including those relating to minimum wages, overtime hours and legally mandated benefits.
- > Workplaces must be free of unlawful discrimination and harassment in all its forms, including related to race, gender, gender identity, sexual orientation, age, pregnancy, caste, disability, union membership, ethnicity, religious beliefs or any other factors protected by law.
- > Respect for employees' voluntary freedom of association, including the right to organize and bargain collectively, is required.
- > Workers' representatives must be given the access necessary to carry out their required function, and workers' representatives will not be discriminated against.

Adient expects its suppliers and business partners to act in accordance with its policies as well as the UN Global Compact. Our [global supplier standards manual](#) contains

specific prohibitions against forced, indentured and involuntary labor. In addition, we provide all our suppliers with a [Supplier Commitment Letter](#), which further highlights our expected commitment to the highest ethical standards.

As discussed in the [Focus on Ethics section](#), Adient employees are trained on our Ethics Policy and educated on how to report potential ethical violations or claims of harassment or discrimination without fear of retaliation. All complaints of alleged human rights violations, ethical concerns or claims of harassment or discrimination are investigated and appropriate disciplinary action is taken.

Adient also supports the principles behind the UK's Modern Slavery Act of 2015 and the California Transparency in Supply Chains Act; the most recently available disclosures supporting these principles are available on our [Supplier Portal](#). We train global purchasing employees and senior management on how to identify potential red flags in the supply chain with respect to forced labor.

Additionally, we are committed to the responsible sourcing of Conflict Minerals and have had a reporting requirement on the use of Conflict Minerals (Tin, Tantalum, Tungsten and Gold – 3TG) since 2012. More information is available in the [Conflict Minerals and Materials Management](#) section of this report. 





# Health and Safety at Work

We are committed to protecting the safety and well-being of our colleagues, customers, suppliers and people using our premises by providing and maintaining a safe working environment that protects both physical and mental well-being.

**Injuries and Illnesses:** Adient has achieved a year-over-year decrease in our global injury rate over the last several years. We work together across the globe, sharing best practice ideas, procedures and information regarding accidents and injuries. Our **Adient Manufacturing System**



**ISO 45001 Status**

100% Compliant

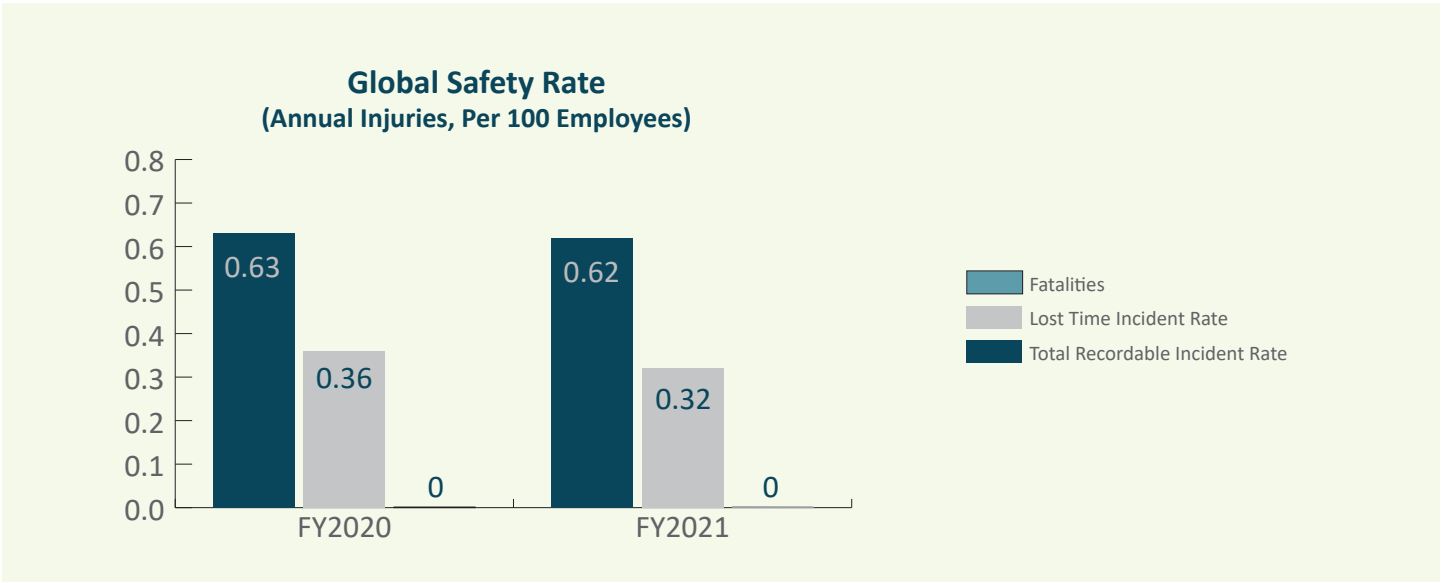
48% Certified

principles serve as a foundation for the creation of procedures and expected behaviors, and we work to standardize how to work safely in our plants, offices and technical centers. We have implemented and maintain a health and safety management system that is certified

to the ISO 45001 Occupational Health and Safety standard. Globally, 100 percent of our facilities are internally audited and compliant, and 48 percent are also third-party audited and certified. We plan to be 100 percent certified by fiscal year 2023.

**Risk Assessment Approach:** Every new machine, operation, building or work-station change requires a safety risk assessment. When our employees come to work, they can know that where they work has undergone an extensive review of associated risks of injury or illness and that those risks are eliminated and/or minimized through robust controls. We review these risks with the most up-to-date technology and associated regulatory requirements found within each country.

**Data Management and Utilization:** Over the past several years, we have invested and embraced technology to assist us in centralizing our environmental, health and safety data collection through cloud-based software. At the click of a button, metrics and trends can be reviewed about our data from a location, country, regional or global level, which has allowed for greater transparency and more thorough and efficient actions plans. This has helped the organization move toward a more robust, leading, indicator-driven approach to risk management. ↗




# Health and Safety at Work

## VIRTUAL ERGONOMICS IN THE TIME OF COVID-19

Adient operations globally use Kaizen, a continuous improvement philosophy, to enhance quality, improve ergonomics, and eliminate waste. The pandemic forced our health and safety team members, who could no longer travel, to look for new ways to create a safer, more efficient work environment while remotely driving engagement in ergonomic risk assessment and risk-reduction activities. To meet their goals, the team created “Small Bites” virtual ergonomics kaizens.

The kaizens rely on our historical injury data to determine specific focus areas — or “small bites” — for improvement and utilize our virtual meeting tools to share. The plant ergonomics teams can focus on one area for one to two months with an emphasis on issue identification, risk assessment, corrective action implementation, solution sharing and best-practice development. The initiative started with the Ergonomics team and the U.S. complete seat plants but has grown to include stakeholders from the AME (Advanced Manufacturing Engineer) team as well as SMEs to close the loop on ergonomic issues for future programs. The initiative expanded to our Mexico and South America plants and included complete seat, metals and trim plants.

The first kaizen focused on ergonomic risk associated with push-pull carts in our complete seat plants. By dedicating each week to a specific activity (assessment, analysis, issue resolution and testing), participating plants collected data using six ergonomic analysis criteria for more than **160 jobs** in a short time frame. **Thirteen percent** of the analyses yielded opportunities for risk reduction. The plants applied corrective actions to improve **110** of the opportunity areas within the first month with progress continuing on remaining actions in subsequent months.

With the success and lessons learned from the first project, the team continued implementing this initiative in other product groups across the Americas over fiscal year 2021. As a result, **four projects** focusing on the ergonomics improvement areas were completed in fiscal year 2021 spanning across U.S., Mexico and South America for complete seat, metals and trim plants. Out of the more than **570 jobs** that were analyzed, **213** were identified as having ergonomic risks, and **24 percent** of those jobs were improved to reduce the risk to safe level. 

## FOCUSING ON MENTAL HEALTH



To help support employees during the COVID-19 pandemic, the human resources team in our **APAC** region developed a Mental Health Toolkit to distribute to employees.

The toolkit was released in December 2020 and contains a general overview, guidelines for keeping mental health a priority, tips for managing stress and anxiety, and what to do if you or someone else is having suicidal thoughts.

The Mental Health Toolkit is part of a larger assistance program — the Employee Assistance Program (**EAP**) — at Adient. The EAP gives Adient employees confidential access to a range of services, including confidential consultations, in-person counseling, referrals to helpful resources and a wealth of online content and tools.






# Community Engagement //////////////////////////////////////

We strive to have a positive impact on the communities in which we operate. Our global presence allows us to support communities around the world, and we strongly encourage our employees to engage in community outreach and charitable giving.

Through our employees and the **Adient Foundation**, which provides charitable contributions to U.S.-based not-for-profit organizations that are recognized by the Internal Revenue Service as tax-exempt, we have contributed to numerous organizations that support health and social services, education, culture and the arts, and civic activities.

Our manufacturing locations also get involved at the local level by donating time and resources to the communities in which we operate and our employees reside. In addition, during the COVID-19 pandemic, several of our plants shifted operations for a period of time to provide much-needed personal protective equipment (PPE) for our employees as well as local communities who were in need of such PPE. 

Employees from Adient Bieruń, Poland, participated in an Adient-organized run to support Tychy Animal Shelter, which provides medical treatment, professional care and safety to animals while they await adoption. Adient employees raised money and donated food, blankets, gear and cleaning supplies.



In December 2020, Adient's Women's Resource Network in Japan organized a gift drive for a local mother-and-child care facility. Employees presented donations of handmade cards (see below), Otoshidama (a gift given to children in the New Year) and sweets, including mochi (a traditional Japanese rice cake to be eaten in the New Year).

Employees at Adient's trim plant in Ploiești, Romania, sewed 77,500 face masks from materials supplied by the company and donated them to people who could not afford to buy masks. The masks were delivered to Sastipen, a non-government organization that supports Romani communities, in May 2021.



In September 2021, Adient employees in Aguascalientes, Mexico, began collecting plastic bottle caps to help raise money for Banco de Tapas A.C., a nonprofit that helps pay for cancer treatment for children. Every 125 kg donation equals one dose of chemotherapy treatment. The Aguascalientes team donated enough caps to fund two treatments.

Each year, our Women's Resource Network in the U.S. raises money for the University of Michigan's Rogel Cancer Center. In September 2021 — after a one-year hiatus due to COVID-19 — the group came together one again to host a safe and socially distanced golf outing that helped raise more than \$13,000 for breast cancer research.



Governance and Compliance //

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# Environmental, Social and Governance Oversight

Adient’s Board, as a whole or through its committees, oversees an enterprisewide approach to risk management that is intended to achieve Adient’s long-term strategic and organizational objectives and enhance shareholder value. Management is responsible for the day-to-day management of the risks that Adient may face, while the Board, as a whole and through its committees, has the responsibility for the oversight of risk management. In this risk oversight role, the Board is responsible for ensuring that the risk management framework, and any supporting processes implemented by management, are adequate and functioning as designed. A summary of the primary areas of risk oversight of the Board and its committees can be found in [Adient’s 2022 Proxy Statement](#).

The Board’s risk management oversight includes responsibility for the full range of risks and opportunities related to the impact of environmental, social and governance matters on Adient’s business and strategy. Management regularly reports to the Board on its strategic short-term and longer term initiatives and objectives in these areas. In addition, the Board’s Corporate Governance Committee is responsible for oversight of Adient’s ESG strategies, initiatives, policies and practices, as well as the Company’s public disclosures of ESG matters, including annually reviewing the Sustainability Report. As noted elsewhere in the report, Director Peter Carlin has also

been appointed by the Corporate Governance Committee to provide further director-level ESG oversight to management and to advise on inputs to the company’s Sustainability Report. Similarly, the Human Capital and Compensation Committee is responsible for overseeing Adient’s policies and strategies related to broad human capital matters. The Human Capital and Compensation Committee also receives updates on key human capital trends and metrics, as well as key management observations regarding such trends and metrics, at least two times per year from management. These metrics include Executive Workforce Profile, Executive Talent Pipeline, Voluntary Turnover, and Retention and Attraction.

Adient has created an ESG Steering Committee, which is comprised of the Chief Executive Officer, Chief Financial Officer, Chief Legal and Human Resources Officer, Vice President of Global Sustainability, Vice President of Investor Relations, Executive Vice President – EMEA, and the Director of Sustainability. The ESG Steering Committee meets quarterly and reviews key sustainability initiatives, activities and disclosures.

**Adient Board of Directors**

**22%** ethnically diverse

**22%** gender-diverse



# Bribery and Corruption

As a global enterprise, Adient is subject to laws that govern its international operations, including laws that prohibit bribery and corruption and laws regarding international trade and sanctions. These laws include but are not limited to the U.S. Foreign Corrupt Practices Act (FCPA), the Irish Criminal Justice (Corruption Offences) Act, the U.K. Bribery Act, the U.S. Export Administration Act as well as international economic sanctions and money-laundering regulations. Adient has internal policies and procedures relating to compliance with such laws and regulations to protect Adient from risks associated with the improper acts of employees, agents, business partners, joint venture partners or representatives.


Adient does not tolerate any form of bribery or corruption with our business dealings. Adient's stance against bribery and corruption is a key statement of principle in our Ethics Policy: We do not tolerate, and we actively oppose, corruption in our businesses.

In addition to our Ethics Policy, Adient's Anti-Bribery and Anti-Corruption Standard (Standard), Supplier Manual, Terms and Conditions, and other compliance program elements, including training, provide detailed guidance to our employees, third parties and joint ventures regarding how to conduct business with integrity and make decisions that are legal, ethical, responsible, and that minimize risks related to bribery and corruption. The Standard describes the types of prohibited conduct, such as bribes, kickbacks, facilitation payments and improper gifts, travel and entertainment; provides guidance on how to identify, address and mitigate third party risk, including a due diligence review process for high risk vendors; requires that any pre-approved, appropriate government-related expenditures are properly listed in expense reports and in Adient's books and records; and provides a reporting mechanism for any potential misconduct. Additional efforts to prevent bribery and corruption include:

- > We collaborate with our senior leaders to identify Adient employees whose job responsibilities have a higher corruption risk, which facilitates targeted

anti-corruption training and guidance.

- > We provide targeted anti-bribery and anti-corruption employee training globally.
- > We embrace a speak-up culture where reporting concerns is strongly encouraged by our no-retaliation policy.
- > Our allegation case management system provides alerts and priority ranking for corruption allegations.
- > Our internal investigation procedures provide guidance on when to and to whom to escalate high risk allegations.

In addition to these measures, Adient conducts thorough due diligence of its high-risk vendors, such as government-facing consultants and customs brokers. These vendors must complete a lengthy questionnaire, make certain representations and certifications, and undergo an extensive screening process at onboarding and are monitored on an ongoing basis. In addition, Adient offers online anti-bribery training to its high-risk vendors. 






## Trade Compliance

As noted in our Ethics Policy, Adient is committed to complying with all laws — including laws regarding the international trade of goods, services and technology. Such laws include exports controls, sanctions, embargoes, import/export regulations, and supply chain security programs.

Our Trade Compliance policies and supporting processes provide a framework for managing and controlling the following:

- > Declaring to appropriate authorities the correct classification, origin, trade program eligibility and value of the goods, services and technology that Adient moves across international borders;
- > Adient's activities at the border and with customs brokerages;
- > Accurate and timely payment of custom duties;
- > Customs aspects of Adient's free trade and investment zones that provide duty and tax benefits;
- > Export controls and strategic trade restrictions; and
- > Screening of business partners against sanctions and embargo lists.


We also provide targeted awareness training addressing sanctions, embargoes, export controls and other trade compliance topics on a regular basis. 



## Data Privacy



Adient understands that it has a responsibility to safeguard employee and other personal data. Adient uses personal data for specific purposes to support Adient operations and to provide employee benefits. We inform individuals about the collection and processing of their data, as well as their rights regarding their personal data, as required by applicable data and privacy laws. We have safeguards to protect personal data, and we limit data access to employees who need it for business purposes. Adient has procedures to review and document privacy requirements and impact.

Our vendor and supplier due diligence process includes performing a privacy risk analysis and checking their compliance with applicable privacy laws, including cross-border data transfer requirements. We also incorporate privacy terms and conditions in applicable contracts. We follow local data protection and privacy laws and continuously monitor changes in this area. Adient has an internal network of local privacy coordinators that support Adient's Global Privacy office. Adient's Privacy Notice is available at [www.adient.com/privacy](https://www.adient.com/privacy). 






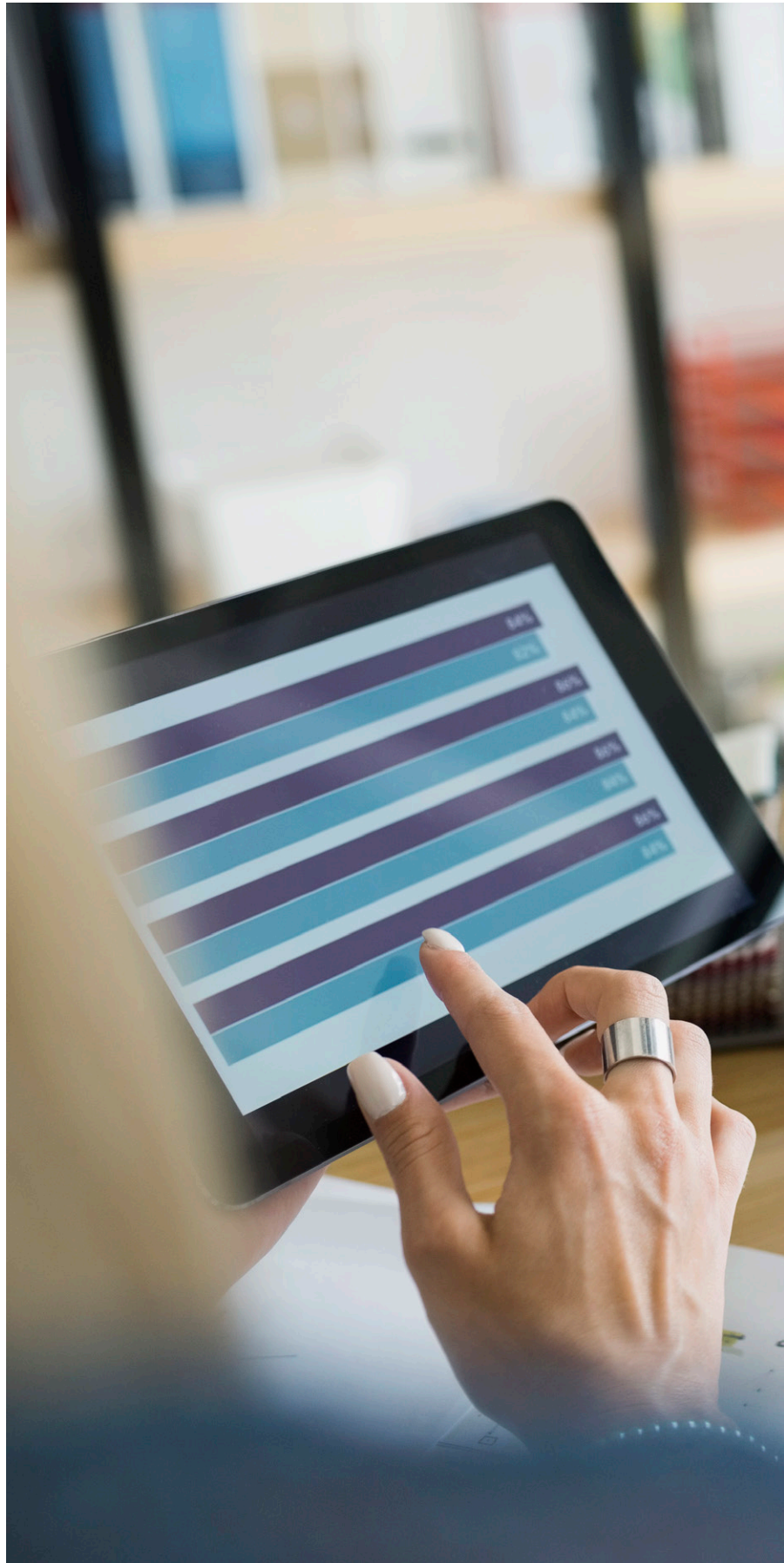
## IT Security



Our cybersecurity program is designed to protect and preserve the confidentiality, integrity and continued availability of all information we own as well as the information of our customers, suppliers, vendors, employees and anyone in our care. Our program adheres to applicable industry standards such as Trusted Information Security Assessment Exchange (TISAX) as well as standards from the International Organization for Standardization (ISO) and U.S. National Institute for Standards and Technology (NIST).

Our program includes a cyber incident response plan that provides controls and procedures for timely and accurate reporting of any material cybersecurity incident. For example, we provide our employees with easy-to-use tools to report potential phishing emails. Employees also receive annual security training, and we conduct periodic phishing testing to ensure our employees remain vigilant and compliant with our expectations.

Our Vice President and Chief Information Security Officer oversees our cybersecurity program. Adient's Board and its Audit Committee, which have oversight of cybersecurity risk, receive frequent updates that cover: cyber threats, the results of exercises and response readiness assessments performed by external experts that provide a third-party independent assessment of our cybersecurity program, and internal response preparedness. 




## Product Safety

At Adient, we recognize that our products form an integral part of our customer's total vehicle system safety strategy. We take pride in our responsibility for safety and elements of safety incorporated as integral parts of our product and process development, as well as quality assurance and other processes. We work to promote a culture of safety across the organization where all employees are encouraged to identify potential safety defects. This is accomplished through regular communication, training and leadership supported by safety processes and resources that establish responsibility for actions, consistent analysis and mitigation of problems with sound technical solutions. Adient processes also support our commitment to meet responsibilities under IATF 16949 and VDA Product Integrity standards. This includes ensuring Product Safety and Conformity Representatives are identified and trained in their responsibilities at each Adient location.

Adient's approach to product safety is centered on robust functional deliverables and execution through

development and serial production, a clear process to guide investigations, continuous improvement and focus on prevention. The Potential Product Safety Concern Process is in place to support identification and resolution of potential issues. Through this process concerns are escalated on an as needed basis and addressed swiftly through the proper channels.

Our internal network of SMEs and SMTEs (subject matter technical experts) in Product Engineering, Industrial Engineering, and Quality and Operations are active participants and work to capture learning and where applicable to drive updates to standards and support implementation across Adient.

Annual product safety training and certification requirements are in place to continuously reinforce understanding of roles and expectations for all responsible employees. 





# Task Force on Climate-related Financial Disclosures

Climate-related risks pose serious threats to people and organizations all over the world. At Adient, we recognize the importance of communicating our climate-related risks and opportunities transparently and clearly to our stakeholders in order to support our vision to create a sustainable future together. To do so, we have aligned this Sustainability Report to the TCFD's recommendations on climate disclosures, and we encourage all our stakeholders to do the same.

## Governance

We manage sustainability by a cross-functional team, which engages with work streams through designated sustainability representatives. The sustainability team has director-level oversight from Director Peter Carlin, who was appointed by the Corporate Governance Committee to oversee ESG opportunities, including climate-related risks. For more information on ESG governance and oversight, [see above](#). Everyone at Adient is involved on management of climate related issues through Adient's enterprise risk management process.

## Strategy

Climate change both poses risks and creates opportunities for Adient. Climate-related risks may have both financial and strategic impacts. Monitoring these over the short, medium, and long-term is essential for effective strategic planning. In terms of opportunities, Adient recognizes that its transformation into a sustainable business will drive new revenue growth as well as cost savings.

Our approach is three-fold. First, we describe different scenarios, i.e., possible evolutions of the global economic, social, regulatory and environmental conditions. Second, we conduct an exhaustive screening of possible risks and opportunities. Last, we assess these risks and opportunities in each of our scenarios.

We are using three climate scenarios for our analysis: the underlying data used in modeling is based on climate scenarios used by the Network for Greening the Financial System (NGFS), the International Environmental Agency (IEA), and the International Panel on Climate Change (IPCC).

- > **1.5 degrees Celsius scenario:** Based on NGFS' "Net Zero 2050" scenario and the IPCC's "SSP1-1.9" scenario. The world is on track to keep global warming to 1.5 degree Celsius above pre-industrial levels by 2050. Both disorderly and orderly pathways are considered, and the outcome is averaged. In the orderly pathway, climate policies are introduced early and become gradually more stringent, allowing both physical and transition risks to be relatively subdued. In the disorderly pathway, the change is late, disruptive, sudden and unanticipated, and there are higher transition risks due to policies being delayed or divergent across countries and sectors.
- > **2 degrees Celsius scenario:** Based on the IEA's "Stated Policies" scenario and the IPCC's "SSP2-4.5" scenario. This scenario reflects the impact of existing policy frameworks and today's announced policy intentions, e.g., Nationally Determined Contributions. There is delayed policy response and reduced availability of carbon dioxide removal (CDR) technologies.
- > **3 degrees Celsius scenario:** Based on the IEA's "Current Policies" scenario and the IPCC's "SSP5-8.5" scenario. This scenario reflects how global energy markets would evolve if governments made no changes to their existing policies and measures. Nationally Determined Contributions are not met, and emissions grow until 2080 leading to and severe physical risks.

# Task Force on Climate-related Financial Disclosures

The screening of all the possible risks and opportunities is exhaustive: we consider all transition risks (e.g., change in regulation, supply chain issues, change in stakeholders' expectations including investors, customers, end-users and staff), physical risks (e.g., acute and chronic risks for Adient's assets, activities and staff), as well as revenue, cost and asset opportunities. Three risks and two opportunities emerge for Adient:

Climate-related Risks and Opportunities					
Type	Description	Short (0-1)	Med (2-5)	Long (6+)	
Risk: Customer Behavior	Original Equipment Manufacturers (OEMs) have started to impose targets on their Tier 1 suppliers (e.g., requiring them to switch to renewable electricity). Failure to meet customer expectations, may result in the loss of business, diluted market valuation, and an inability to attract customers.				
Risk: Investor Behavior	Not meeting investors' increasing expectations on ESG performance could make it more difficult for Adient to access capital or increase the cost of such capital and may result in a diluted market evaluation.				
Risk: Carbon Tax	Rising carbon tax may impact profit through increased taxes (on direct emissions from operations) and costs (suppliers may reflect their own carbon tax increase in selling prices for all the products and services used in operations)				
Risk: Physical	Adient's assets may be damaged by extreme weather events like hurricanes or heat waves, incurring repair or replacement costs. Operations may also be interrupted (e.g., due to heat waves, storms, etc.), incurring delays in production and delivery				
Opportunity: Cost Savings	Cost savings from more effective management of energy, water and transport. For example, water management initiatives, such as leak management to reduce water consumption.				
Opportunity: Customer Contracts	Being a first mover on sustainability issues, could give a competitive advantage as Adient would become a trusted partner to OEMs. This would enable an increase in revenue, through winning additional OEM contracts.				

Finally, we analyze each of these risks and opportunities in the context of our three scenarios.

Scenario Analysis												
Scenario	1.5°C scenario				2°C scenario				3°C scenario			
Timeline	Now	2030	2040	2050	Now	2030	2040	2050	Now	2030	2040	2050
Risk: Customer Behavior												
Risk: Investor Behavior												
Risk: Carbon Tax												

Key:

Risk Level	Impact
Low	<\$10M impact on profit or assets
Medium	\$10M-\$100M impact on profit or assets
High	\$100M-\$500M impact on profit or assets
Very High	\$500M+ impact on profit or assets



# Task Force on Climate-related Financial Disclosures

## Risk Management

At Adient, climate-related risks are integrated into an overall enterprise risk management process, which monitors risk annually on a portfolio basis. The Risk team works together with the Internal Audit team to define a list of risks for Adient, including climate-related risks, based on the input of key executives and top management consultancies. Based on the results, a heat map is created and brought to the Board and executive leadership to be discussed and identify possible mitigations. Finally, a lead is assigned to each risk to be accountable for taking mitigating action.

As climate-related risks are dynamic, our assessment of them must also be flexible. To ensure we evolve as climate-related risks do, we will continue to evaluate the effectiveness of our climate risk management process.

## Metrics and Targets

We define our sustainability-related **KPIs** in line with the guidance from international standards, i.e., WRI, GRI and SASB. Our KPIs reflect the areas of sustainability that are relevant and material to our business, and we calculate them in an accurate and consistent way, and we disclose them transparently and consistently. We are reporting on the impact of our operations and supply chain above, using these KPIs and following these principles: see pages **19** and **61**.



Appendix //

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# The UN Global Compact



We are committed to making the **United Nations Global Compact** and its **10 core principles** part of the strategy, culture and day-to-day operations of our company, and we’re committed to engaging in collaborative projects that advance the broader development goals of the United Nations — particularly the **Sustainable Development Goals**. Plus, and most importantly, it’s simply the right thing to do.

<div> <b>Human Rights</b></div> <div><p><b>Principle 1:</b> Businesses should support and respect the protection of internationally proclaimed human rights; and</p><p><b>Principle 2:</b> make sure that they are not complicit in human rights abuses.</p></div> <div><hr/></div> <div><p><b>Chapter:</b></p><p>People and Communities</p></div>	<div> <b>Labor</b></div> <div><p><b>Principle 3:</b> Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;</p><p><b>Principle 4:</b> the elimination of all forms of forced and compulsory labor;</p><p><b>Principle 5:</b> the effective abolition of child labor; and</p><p><b>Principle 6:</b> the elimination of discrimination in respect of employment and occupation.</p></div> <div><hr/></div> <div><p><b>Chapter:</b></p><p>People and Communities</p></div>	<div> <b>Environment</b></div> <div><p><b>Principle 7:</b> Businesses should support a precautionary approach to environmental challenges;</p><p><b>Principle 8:</b> undertake initiatives to promote greater environmental responsibility; and</p><p><b>Principle 9:</b> encourage the development and diffusion of environmentally friendly technologies.</p></div> <div><hr/></div> <div><p><b>Chapter:</b></p><p>Environmental Responsibility</p></div>	<div> <b>Anti-Corruption</b></div> <div><p><b>Principle 10:</b> Businesses should work against corruption in all its forms, including extortion and bribery.</p></div> <div><hr/></div> <div><p><b>Chapter:</b></p><p>Governance and Compliance</p></div>
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The Ten Principles of the United Nations Global Compact are derived from: the Universal Declaration of Human Rights, the International Labor Organization’s Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention Against Corruption. (Source: [www.unglobalcompact.org](http://www.unglobalcompact.org))

# The UN Sustainable Development Goals

Adient is committed to engaging in collaborative projects that advance the United Nations’ 17 Sustainable Development Goals.



## About Adient



## Environmental Responsibility



## People and Communities



## Governance and Compliance





# Greenhouse Gas Protocol Reporting

The Greenhouse Gas (GHG) Protocol has created a comprehensive, global, standardized framework for measuring and managing emissions from private and public sector operations. Adient's **carbon footprint** has been calculated in line with the World Resource Institute (WRI)'s internationally recognized reporting standards:

- > Greenhouse Gas (GHG) Protocol — A Corporate Accounting and Reporting Standard (2015 revised edition)
- > GHG Protocol: Scope 2 Guidance (amendment to GHG Protocol) (2015), GHG Protocol Corporate Value Chain (Scope 3) Accounting (2011)
- > GHG Protocol Technical Guidance for Calculating Scope 3 Emissions (version 1.0)

Categories excluded from Adient's carbon footprint report are listed in the below table.

Category	Justification for exclusion
Scope 1 Emissions	
Refrigerants	No data is available on refrigerants
Scope 3 Emissions	
8. Upstream leased assets	Adient does not have any Scope 3 upstream leased assets. Adient does lease offices and manufacturing buildings; however, these emissions fall under Scope 1 and 2 emissions.
9. Downstream transport and distribution	Transportation from Adient's operating buildings to direct customers (automotive OEMs) is already accounted for in Scope 3 category 4. Transportation from OEM customers to end-users is excluded on the grounds of lack of influence, limited risk (not core to business operations), and lack of reliable data to base the analysis on.
10. Processing of sold products	All emissions associated with the processing of car seats in the OEM's operations are excluded on the grounds of lack of influence, limited risk (not core to business operations), and lack of reliable data to base the analysis on.
11. Use of sold products	Emissions from the use of car seats sold are excluded on the grounds of lack of influence, limited risk (not core to business operations), and lack of reliable data to base the analysis on.
12. End of life treatment of sold products	Adient has no operational control over the end-of-life treatment of sold products, and would not be able to get reliable data to calculate these emissions
13. Downstream leased assets	Adient does not have any leased downstream assets
14. Franchises	Adient does not own any franchises
15. Investments	Adient does not operate any investments, except from investments in joint ventures in China (which are not considered in the operational scope of Adient)

# GRI Index //

Adient has referenced GRI Standards in the preparation of this Sustainability Report. This GRI Content Index references the location of disclosure where the information can be found. In some cases, the referenced information partially satisfies the referenced disclosure standard.

GRI Standard	Disclosure	Page number(s) and/or URL(s)
GRI 101: Foundation 2016 General Disclosures	<b>Organizational profile</b>	
	102-1 Name of the organization	Page 6
	102-2 Activities, brands, products, and services	Page 6
	102-3 Location of headquarters	Page 6
	102-4 Location of operations	Page 6
	102-5 Ownership and legal form	Page 6
	102-6 Markets served	Page 6
	102-7 Scale of the organization	Page 6
	102-8 Information on employees and other workers	Page 30
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# SASB Index

This index references Adient's voluntary reporting against the Sustainability Accounting Standards Board (SASB) standards and is our first report to these guidelines.

Topic	Code	Accounting Metric	Page
Activity Metrics	TR-AU-000.A/B	Number of seats set produced/sold	6
Labor Practices	TR-AU-310a.1	Percentage of active workforce covered under collective bargaining agreements	32
Materials Sourcing	TR-AU-440a.1	Description of the management of risks associated with the use of critical materials	28
Waste Management	TR-AP-150a.1	Total amount of waste from manufacturing	29
	TR-AP-150a.1	Percentage hazardous	29
	TR-AP-150a.1	Percentage recycled	29
Energy Management	TR-AP-130a.1 / TC-SI-130a.1	Total energy consumed	20
	TR-AP-130a.1 / TC-SI-130a.1	Percentage grid electricity	20
	TR-AP-130a.1 / TC-SI-130a.1	Percentage renewable electricity	20
Employee Diversity & Inclusion	C-HW-330a.1 / TC-SI-330a.3	Percentage of gender representation for Board of Directors	42
	TC-HW-330a.1 / TC-SI-330a.3	Percentage of gender representation global workforce	31
Percentage of racial/ethnic group representation	TC-HW-330a.1 / TC-SI-330a.3	Percentage of racial/ethnic group representation for Board of Directors	42
	TC-HW-330a.1 / TC-SI-330a.3	Percentage of racial/ethnic group representation for other employees in the U.S. workforce	34

*All metrics in this table are referring to fiscal year 2021.*



# TCFD Index

This index references Adient’s voluntary reporting against the Task Force on Climate-Related Financial Disclosures (TCFD) and is our first report to these guidelines.

Key Elements	Description	Explanation	Page
<b>Governance</b>	Describe the board’s oversight of climate-related risks and opportunities	Development and execution of transition plan is subject to the regular oversight of the organization’s strategy by the board and senior management.	3, 42, 48
	Describe management’s role in assessing and managing climate-related risks and opportunities	Progress is monitored and regularly reported by work streams and committed to the board and senior management.	48
		The company provides transparency around transition planning goals and performance to external stakeholders, including financial aspects, performance against targets, and impacts on the company’s business and financial results.	48
<b>Strategy</b>	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term	Alignment with climate ambition and climate strategy: Transition plan is integrated with the organization’s high-level climate strategy and articulates how it helps to implement the organization’s climate ambition.	14, 15, 48
	Describe the impact of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning.	Disclosure of climate-related financial impacts, estimated in consideration of climate-related metrics, among other factors, and reported for the historical and current period.	15, 16, 17, 49
	Describe the resilience of the organization’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Forward-looking financial impacts under multiple scenarios.	49
<b>Risk Management</b>	Describe the organization’s processes for identifying and assessing climate-related risks.	Description of risks faced in implementation that the organization faces from a transition to a low-carbon economy.	50
	Describe the organization’s processes for managing climate-related risks.	Management of risks faced in implementation with action plans for minimizing risks to a successful implementation of the transition plan.	50
	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization’s overall risk management.	Risk management processes are incorporated into overall risk management, including who is accountable for reducing climate-related risks throughout the transition.	50
<b>Metrics and Targets</b>	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	GHG emissions (Absolute Scope1, Scope2 and relevant, material categories of Scope3 emissions.	17, 19, 50
	Disclose Scope1, Scope2, and, if appropriate, Scope3 greenhouse gas (GHG) emissions, and the related risks.	Disclosure of absolute Scope1, Scope2, Scope3 GHG emissions and the related risks.	18
	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	Targets are based on recognized metrics, quantified and granular; designed in consideration of an organization’s strategy and forecasting, and informed notably by scenario analysis and climate science, clearly specified over time, including clear baselines, time horizons, and interim targets; reviewed and updated, when appropriate	15

Climate-Related Metrics	Unit	Page
GHG emissions (Absolute Scope 1, Scope 2, and relevant, material categories of Scope 3 emissions, as well as carbon intensity)	MT of CO <sub>2</sub> e	18

Adient also tracks the following KPIs\*:

Key Performance Indicator	Unit	Page
Energy Intensity	kWh/unit revenue	19
Share of Renewable Electricity	Percentage	20
CO <sub>2</sub> e Intensity	MT of CO <sub>2</sub> e/unit revenue	19
Water Intensity	U.S. gallons/unit revenue	27
Total Waste Recycled, Recovered, Reused	Percentage	29

*\*Adient follows all intensity KPIs at the regional, country, business group and plant levels.*

## Human Rights Policy Statement

At Adient, we believe human rights are fundamental to society and imperative to the success of our business. We are committed to protecting the safety, well-being and human rights of all our people — including women, minorities and other protected groups. We value diversity and do not tolerate discrimination or harassment. We also believe access to clean water is a fundamental human right, and we are actively working to decrease our greenhouse gas (GHG) emissions and protect our natural resources, including our forests and water supply. We reinforce these commitments in our policies and in our supplier expectations.

Adient is a UN Global Compact participant. We support the [Ten Principles of the UN Global Compact](#) on human rights, labor, environment and anti-corruption, and we are committed to making the UN Global Compact and these principles part of the strategy, culture and day-to-day operations of our company.

Our publicly available policies and procedures for respecting human rights include:

- > Our [Ethics Policy](#) and [Integrity Helpline](#)
- > Our [Global Supplier Standards Manual](#)
- > Our [Privacy Policy](#) and [Terms of Use](#)
- > Our [U.K. Modern Slavery Disclosure Statement](#)
- > Our [Conflict Mineral Policy Statement](#)

Whenever possible and applicable, we work with our stakeholders (e.g., employees, customers, investors, suppliers, etc.) to develop, implement and evaluate our policies.

### Our workplace policies

We are committed to driving a [safe, respectful, diverse and inclusive work culture](#) where all our employees are valued, respected and empowered to always act with integrity. Our [Ethics Policy](#) is the foundational document that sets the standard for how we operate and how we reach our goals; it contains, among many things, our commitment to non-discrimination and freedom from harassment. Adient employees are trained on our Ethics Policy and educated on how to report potential ethical violations or claims of harassment or discrimination without fear of retaliation. All complaints of alleged human rights violations, ethical concerns or claims of harassment or discrimination are investigated and appropriate disciplinary action is taken.





Each year, 99+ percent of our salaried employees in all our regions voluntarily certify their compliance with our Ethics policy. Additionally, policies such as our Competitive Behavior Standard and Anti-Bribery and Anti-Corruption Standard help guide our business partners; Legal Compliance also performs periodic risk assessments in several areas, including anti-bribery and anti-corruption.

To make it easy to raise ethics and compliance concerns, our Legal Compliance Department maintains our 24-hour [Integrity Helpline](#), which is available in 27 languages, is operated by an independent third-party vendor, and allows reporters to submit concerns or ask questions anonymously. We strongly encourage and promote this speak-up culture and enforce a strict no-retaliation policy for issues raised in good faith. To ensure transparency, Adient reports its Integrity Helpline statistics twice a year to the Board's Audit Committee.

## **Our expectations for suppliers**

We require all our external suppliers to comply with the expectations in our Global Supplier Standards Manual, which is [publicly available on our website](#). We expect our suppliers to demonstrate their commitment to human rights and creating a sustainable future for their employees, customers, communities and the environment. More information about our supplier expectations is available in our most recent [Sustainability Report](#) and on the [Supplier Portal](#).

## **Protecting children and young workers**

The safety and well-being of children within our sphere of influence is paramount. In our own operations, we comply with all applicable international, national and local laws regarding child labor. As outlined in our Global Supplier Standards Manual, we also expect our suppliers to adhere to the legal age requirements for workers in their countries.

## **Additional information**

For additional information about our human rights commitment, Ethics Policy, Sustainability Report or supplier requirements, visit [www.adient.com](http://www.adient.com) or email [sustainability@adient.com](mailto:sustainability@adient.com).

## Adient's Commitment to Diversity, Equity and Inclusion

At Adient, we recognize the importance of diversity in enhancing our culture and driving strong business performance, and we strive to create an open and inclusive environment where all people are supported and able to fully contribute and benefit from the success of our business. We are committed to advancing diversity and career development through inclusive leadership and talent management processes. We value and respect the diversity of our employees, directors, suppliers, customers and communities and empower them to always act with integrity.

We promote a diverse and inclusive culture by:

- > Hiring and developing the best and brightest talent
- > Creating an environment where employees can be their authentic and best self
- > Building an inclusive supply chain that fosters innovation and economic development through greater supplier choice
- > Investing in the communities in which we operate

### Our Diversity Vision & Mission



**Diversity Equity Inclusion**

**DE&I Vision:** To be a premier employer that champions an inclusive and equitable work culture enriched by our diversity, where all employees are valued and respected.

**DE&I Mission:** Adient is committed to driving an inclusive culture that celebrates our differences and empowers our people. Through progressive programs and initiatives, we will enrich our company's culture through recruitment, retention and development of diverse talent throughout the organization. By integrating the values of diversity, equity and inclusion into the way we do business, we are a better partner to our employees, suppliers, customers and communities.

### How We Manage Diversity

The highest levels of Adient's management support our DE&I practices with alignment and commitment at all levels within the organization. Our Chief Legal and Human Resources Officer — who reports directly to the CEO — oversees Adient's global talent processes to attract, develop and retain our most valuable assets: our people. Adient's President and CEO signed the CEO Action for Diversity and Inclusion CEO Pledge, and we work with industry organizations such as the Center for Automotive Diversity, Inclusion and Advancement (CADIA) to help create the guidance to achieve our DE&I goals. In addition to our global talent practices, each region is empowered to implement localized programs to further drive performance and development in line with the needs of the business and the local labor market.

We have also established regional DE&I Councils to further promote a diverse and inclusive culture locally and establish DE&I priorities and initiatives for each region. Each respective council has individuals or sub-committees focused on topics such as training, talent retention, and communications. The DE&I Councils receive metrics twice per year to help guide and inform their initiatives, and every four weeks, representatives from all three councils meet with the global VP of Sustainability to report on progress, share ideas and resources, identify new goals or focus areas, and plan upcoming initiatives. The executive leadership team and the Board of Directors routinely review Adient's diversity initiatives.

## Creating an Inclusive Culture

We believe it's our responsibility to respect and uphold the rights of our people — including women, minorities and other protected groups — and do not tolerate discrimination or harassment. We are committed to creating an inclusive workplace and welcoming ideas and perspectives from all backgrounds and cultures to build better products and enhance the communities we serve. We believe our commitment to human rights and a workforce free from discrimination and harassment is evident in our Human Resources, Safety and Procurement policies and practices.

Globally, our people continue to drive a diverse and inclusive culture through employee-run Business Resource Groups (BRGs). BRGs are voluntary, employee-initiated groups of Adient employees who share common interests, issues, backgrounds, characteristics or pursuits; they offer opportunities to gather socially and share ideas and similar interests outside normal work groups. These groups also help engage, retain and develop employees through personal development activities, peer support and mentorship, and direct interaction with Adient's senior leadership. Adient's BRGs are integral to creating an open and inclusive environment where all our people are supported.

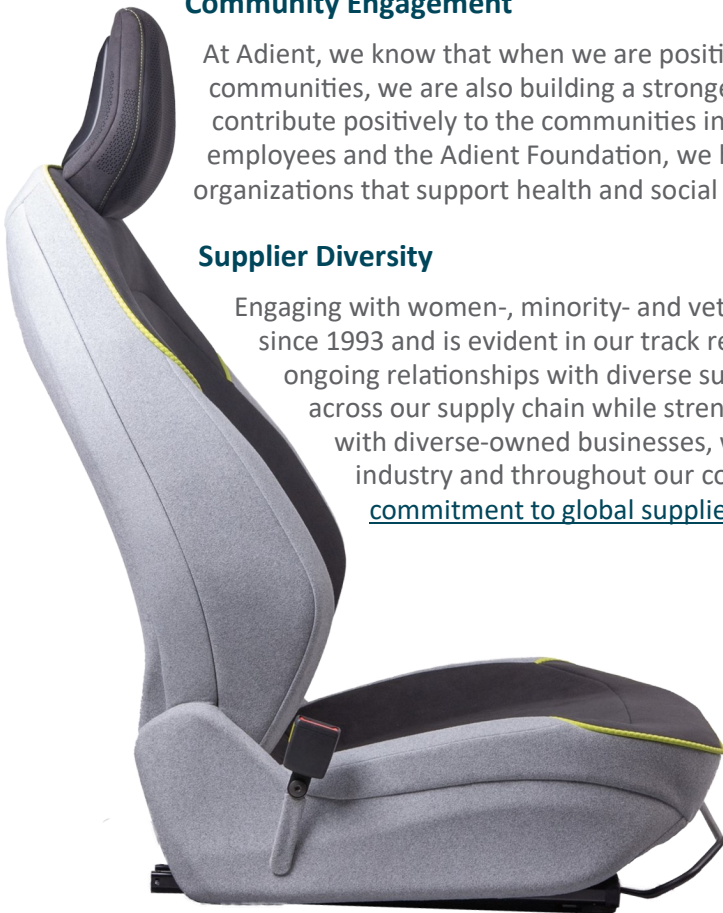


## Community Engagement

At Adient, we know that when we are positively contributing to our communities, we are also building a stronger organization. We endeavor to contribute positively to the communities in which we operate. Through our employees and the Adient Foundation, we have contributed to numerous organizations that support health and social services, education, culture and the arts, and civic activities.

## Supplier Diversity

Engaging with women-, minority- and veteran-owned businesses has been a cornerstone of our business since 1993 and is evident in our track record of exceeding \$1 billion in diverse spending every year. Our ongoing relationships with diverse suppliers are imperative to our success and enable innovation across our supply chain while strengthening our go-to-market capabilities. And when we partner with diverse-owned businesses, we promote economic growth — both in the automotive seating industry and throughout our communities. For more information, read our [statement of commitment to global supplier diversity and business development](#).





## Deforestation Policy

At Adient, we recognize forests play a vital role in preserving biodiversity, providing habitats for wildlife, mitigating climate change, and supporting human life. We also recognize that the loss of our forests and rainforests through human-driven deforestation harms the health of our global ecosystem.

Adient's Board of Directors and senior leadership are overseeing actions that help reduce our potential impact on deforestation and climate change globally, and Adient expects our suppliers to share this commitment.

### Understanding our impact

Adient is committed to working toward procuring our forest commodities from more sustainable sources in order to reduce our impact on deforestation and protect natural habitats globally. Since most of our potential impact on deforestation exists further down our supply chain, we look beyond our controlled purchases to better understand how our suppliers source the following commodities:

- > **Cattle products** such as the leather used in our seat covers
- > **Timber-based packaging** such as wood pallets, cardboard and paper packaging
- > **Soy and palm oil products**, which are used as plant-based substitutes for polyols in small amounts in a limited number of our foam products



Creating  
a sustainable future  
together

In 2022, we conducted our first forest risk assessment, which included high-level supply chain mapping, with help from an external consultant. Based on what we learned, we have defined the following deforestation-mitigating actions:

- > Conduct supply chain mapping of Adient-controlled leather products (100%), timber-based packaging (75%) and soy and palm oil products (100%) by 2025
- > Work with 75% of our global timber-based packaging supply chain to understand the status of sustainable certifications on supplied products in 2023
- > Work with 100% of our soy and palm oil suppliers to understand the status of their sustainable-product certifications in 2023
- > Increase recycled content and deforestation-free alternatives within our products and packaging

We are committed to working with our suppliers globally to help mitigate deforestation. Adient's [Global Supplier Standard Manual](#) (GSSM) outlines our expectation that suppliers implement sustainability programs that focus on, among other things, conserving natural resources and biodiversity and limiting deforestation. We also encourage our suppliers to develop sourcing policies in alignment with the [Accountability Framework Initiative](#) (AFI) guidelines.

Adient also recognizes the benefit of collaborating with non-governmental and nonprofit organizations as we continue our sustainability journey. We are working with the [World Wildlife Fund](#) and [Global Canopy](#) as globally recognized authorities in conservation and deforestation, and we plan to participate in roundtable working groups to help drive sustainable practices that mitigate deforestation and promote conservation.

## Additional information

To learn more about Sustainability at Adient, visit [www.adient.com](http://www.adient.com) or email [sustainability@adient.com](mailto:sustainability@adient.com).

