

Allison Transmission, Inc.

SUPPLIER CODE OF CONDUCT

This Supplier Code of Conduct articulates the expectations of Allison Transmission, Inc., its holding company and subsidiaries (“Allison”) of the conduct of suppliers and business partners doing business with Allison (“suppliers”). Suppliers are expected to understand and act consistent with Allison’s approach to integrity, responsible sourcing, and supply chain management. Allison expects that its suppliers will cascade similar expectations through their own supply chains.

In this Supplier Code of Conduct, you will find guidelines that reflect Allison’s core values and the principles of the [UN Global Compact](#) and the [UN Universal Declaration of Human Rights](#). Allison expects to do business with suppliers that meet our standards and behave consistent with, and positively reflect, Allison’s values throughout the supply chain. Allison chooses its suppliers carefully, and expects that they will satisfy contractual requirements, comply with laws, regulations, and act in a way consistent with the principles and values of the Allison Code of Business Conduct and this Supplier Code of Conduct.

Human Rights

Forced Labor

Suppliers will not use slave, prisoner or any other form of forced, indentured, compulsory, or involuntary labor. Suppliers must take reasonable measures to ensure that all of their employees understand the terms of their employment.

Child Labor

Suppliers will not use child labor. Suppliers shall only employ or engage workers who meet the applicable minimum legal age requirements in accordance with applicable laws, except that in no event shall supplier employ any person under the age of 16, even if local law permits otherwise.

Human Trafficking

Suppliers will not engage, directly or indirectly, in human trafficking. Allison prohibits human trafficking abuses.

Conditions of Employment

Suppliers will comply with applicable laws regulating work hours, wages and benefits. Employees must be paid in a timely fashion that meets or exceeds legal minimum standards.

Labor Brokers

If necessary for a supplier to use a labor broker, the supplier will ensure the broker employs ethical recruitment practices, complies with applicable laws, and does not withhold identity documents.

Harassment & Discrimination

Suppliers will not engage in or permit any form of harassment or discriminate on the basis of gender, color, race, national origin, ethnicity, religion, sexual orientation, age, veteran status, disability or gender identity.

Freedom of Association and Collective Bargaining

Suppliers will comply with applicable laws that recognize and respect the rights of employees to freedom of association and collective bargaining.

Health and Safety

Suppliers will provide clean, healthy and safe environments for their employees that meet or exceed legal standards. Suppliers will have safety procedures for their employees and tracking tools that drive to a goal of zero workplace safety incidents. Supplier employees will have the right to refuse work and report any conditions that do not meet these criteria.

Environment

Continuous Improvement

Suppliers will increase efficiency throughout their companies and take measures to reduce their carbon footprint, energy use, water use, wastes, and other emissions. Over time, Allison expects suppliers will establish targets and be transparent in their progress toward their targets.

Responsible Stewardship

Suppliers will look to conserve resources and protect the communities and environment that surround them. Allison encourages its suppliers to develop and diffuse environmentally friendly technologies and to increase the use of renewable energies.

Environmental Management System

Consistent with the spirit of the [Allison Environmental Policy](#), suppliers are expected to maintain an environmental management system that strives to achieve the following objectives:

1. Comply with all applicable environmental laws, regulations, and other requirements to which Allison subscribes.
2. Assign management responsibility for the environmental activities and services within the supplier's organization.
3. Practice and promote effective pollution prevention by executing the philosophy of reduce, reuse, recycle and recovery to improve the supplier's impact on the environment.

4. Maintain good communications with the supplier's employees, community, and other interested parties.

Business Integrity

Anti-Corruption/Anti-Bribery

Suppliers will not tolerate corruption, bribery, embezzlement or fraud in any form. This includes giving or receiving anything of value, including money, gifts or unlawful incentives to improperly influence negotiations or any other dealings with governments and government officials, customers, or any other third parties.

Ethical Behavior

Suppliers will avoid conflicts of interest and operate honestly and ethically throughout the supply chain and in accordance with applicable law, including those laws pertaining to: anti-competitive business practices, respect for and protection of intellectual property, company and personal data, export controls and economic sanctions.

Reporting and Non-Retaliation

Suppliers will provide an adequate mechanism for their employees to report integrity concerns, safety issues and misconduct without fear of retaliation. Suppliers will also appropriately investigate reports and take corrective action, if needed. Suppliers will prohibit retaliation.

Stakeholder Engagement

Suppliers will communicate these or substantially similar codes to their suppliers and subcontractors. Suppliers will continuously improve their sustainability and stakeholder engagement progress. Allison also encourages suppliers to work closely with local communities to implement projects and strategies that improve the community and those who live there. Suppliers will develop and implement appropriate internal business processes and policies to ensure compliance with applicable law and this Supplier Code of Conduct. Suppliers will be able to demonstrate compliance with this Code upon our request and will take any action to correct any non-compliance.

Reporting Integrity Concerns to Allison

Subject to any restriction posed by law, suppliers will promptly inform Allison of any concern related to issues governed by this Supplier Code of Conduct. Allison policy prohibits retaliation against any person reporting such a concern. To report a concern, suppliers can always speak directly to their Allison Procurement representative. In addition, the Allison Care Line allows employees, contractors, suppliers and others to report concerns of misconduct affecting Allison. Individuals can file a report 24 hours a day, 7 days a week by phone, web, or email. Individuals filing reports on the Allison Care Line can remain anonymous, as permitted by law. Further information regarding the Allison Care Line is located [here](#).

Conflict Minerals

Allison is committed to ensuring that the products it sells do not incorporate "conflict minerals" (minerals which are smelted into tin, tantalum, tungsten and gold) sourced from entities which directly

or indirectly finance conflict in the Democratic Republic of Congo or adjoining countries. Allison requires its suppliers to:

1. Perform sufficient due diligence into their respective supply chains to determine whether products sold to Allison contain tin, tantalum, tungsten, or gold, and if so, whether and to what extent those metals are from conflict-free smelters; and
2. Report to Allison the results of such due diligence to enable Allison to comply with its legal obligations and policy goals.

Allison Policies


This Supplier Code of Conduct draws on several Allison policies, principles and practices. We encourage individuals to directly access and familiarize themselves with the following Allison policies:

[Allison Code of Business Conduct](#)

[Allison Environmental Policy](#)

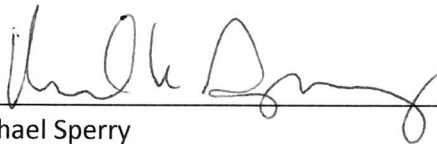
[Allison Conflict Minerals Report](#)

Reviewed and Approved:



Teresa van Niekerk
Vice President, Purchasing and Supply Chain

Date: 3/13/2020



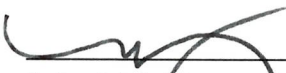
Michael Sperry
Executive Director, Purchasing

Date: 03.11.2020




Christopher McClelland
Managing Director, Supplier Quality

Date: 3-11-2020



Robert Johnston
Director of Procurement

Date: 3/11/2020



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Date: 3/11/2020