



IMPROVING THE WAY THE WORLD WORKS

2020 ENVIRONMENTAL, SOCIAL
AND GOVERNANCE REPORT



Providing the most
reliable and valued
propulsion solutions
in the world

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CHIEF EXECUTIVE OFFICER LETTER

Dear Stakeholders,

We are delighted to present the first Allison Transmission Environmental, Social and Governance (ESG) Report, where we intend to provide initial data regarding our environmental performance, our social impacts, and our discussions on how we govern these issues. The report is aligned with the guidelines of the Sustainability Accounting Standards Board (SASB), the United Nations (UN) Global Compact and the UN Declaration on Human Rights, thus allowing us to highlight our commitment to the ideals of corporate citizenship.

2020 was an unprecedented year for all of us. The COVID-19 pandemic challenged many aspects of how we operate. In order to reduce as much risk as possible for our essential employees critical to the physical manufacture and delivery of our product, many of our

I believe Allison is well-positioned to capitalize on growth opportunities across all of our end markets and showcase the potential of our company and team.

colleagues transitioned to remote work, and those who were onsite changed how they worked and collaborated. I am very proud of how quickly we pivoted and adapted, demonstrated a high level of care and concern for each other, and kept working together to deliver the Allison promise. While I am not surprised by the resilience shown by our team, customers, suppliers and communities, I am extraordinarily appreciative of their efforts.

This past year was also marked by social upheaval in a number of regions around the globe that has served to strengthen our desire to recognize the power of different thought, accept and respect each individual, and strive to create an inclusive workplace where everyone can reach their full potential. We continued hosting small group forums, diversity celebrations and established a multicultural employee resource group in order to foster conversations about the topics of race, gender, discrimination and unconscious bias. These conversations are not always easy, but they are necessary.

We continued our productive output this past year and are innovating more now than ever before in our history. I believe Allison is well-positioned to capitalize on growth opportunities across all of our end markets and showcase the potential of our company and team.

So, let me again take this opportunity to thank the Allison Team, and our customers, suppliers and communities as we continue *Improving the Way the World Works*.

Sincerely,

David S. Graziosi

President and Chief Executive Officer





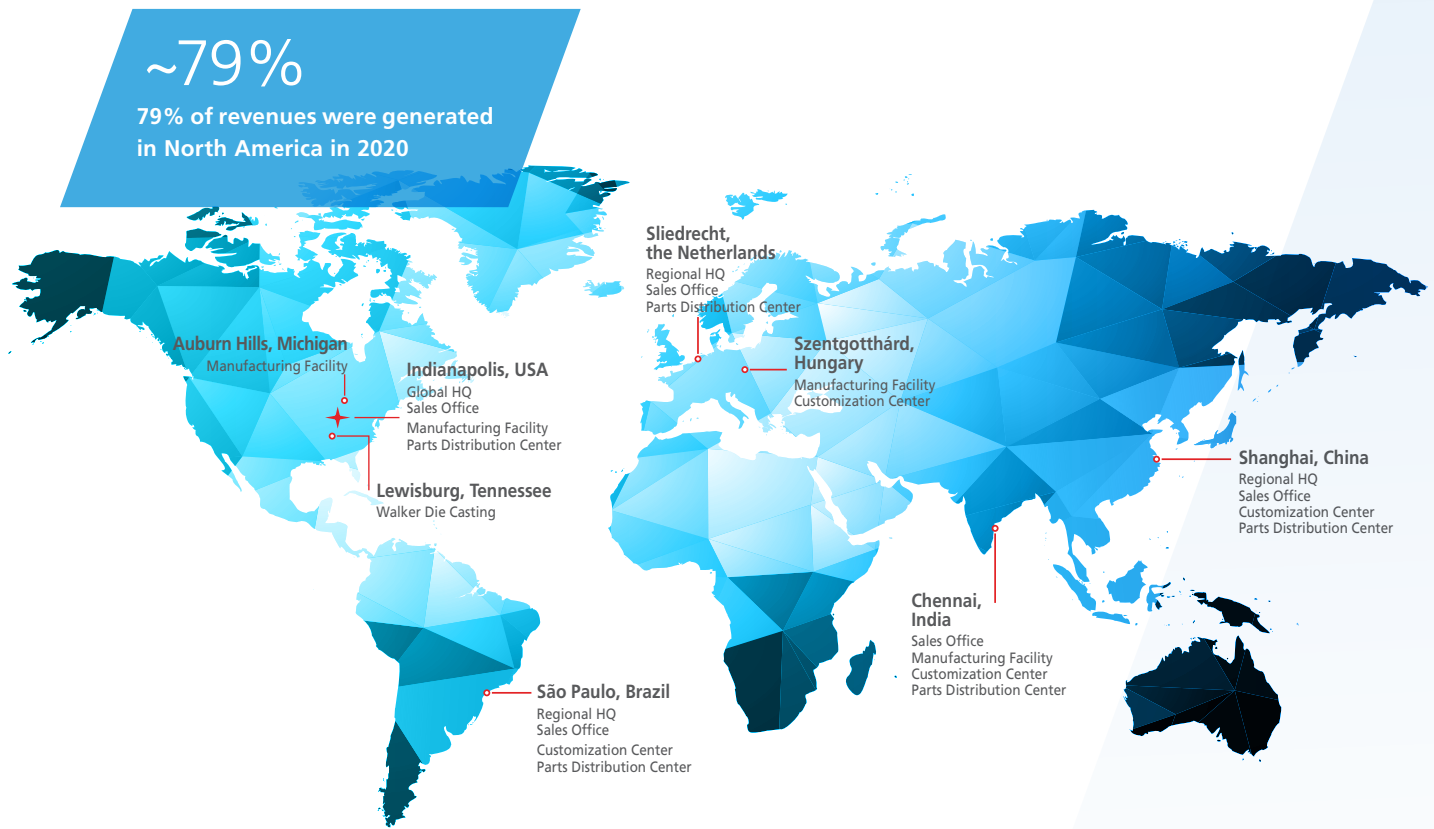
ABOUT ALLISON

Allison Transmission is an industry-leading designer and manufacturer of vehicle propulsion solutions for commercial and defense vehicles, the largest global manufacturer of medium- and heavy-duty fully automatic transmissions, and a leader in electrified propulsion systems. Allison offers a broad range of propulsion solutions that *Improve the Way the World Works*, and our products are used in a wide variety of applications, including on-highway trucks (distribution, refuse, construction, fire and emergency, etc.), buses (school, transit and coach), motorhomes, off-highway vehicles and equipment (energy, mining and construction applications) and defense vehicles (tactical wheeled and tracked).

The business was founded in 1915 and has been headquartered in Indianapolis, Indiana, since inception. Allison was an operating unit of General Motors Corporation from 1929 until 2007, when Allison once again became a stand-alone company. In March 2012, Allison began trading on the New York Stock Exchange under the symbol "ALSN." We have approximately 20 manufacturing and other facilities in eight countries, with plants in Indianapolis, Michigan, Tennessee, Hungary and India.

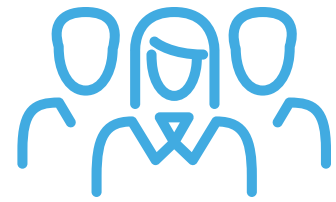
Approximately 79% of revenues were generated in North America in 2020, and we have a global presence serving customers in Europe, Asia, South America and Africa. We serve customers through an independent network of more than 1,400 independent distributor and dealer locations worldwide.

1,400
independent
distributor and
dealer locations
worldwide.





As of December 31, 2020, we had approximately 3,300 employees, with roughly 89% located in the U.S. Approximately 47% of our U.S. employees are represented by the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America (“UAW”) and work under a collective bargaining agreement. In December 2017, we entered into a six-year collective bargaining agreement with UAW Local 933 that expires in November 2023. There have been no strikes or labor-related work stoppages in over 30 years.



3,300
employees

Training is key to properly maintaining any Allison transmission, and having a first-rate training program can make all the difference. The Training Managers Council, sponsored by The National Institute for Automotive Service Excellence, recognized Allison with a National Excellence in Training Award for a redesigned comprehensive training program.

(dollars in millions)	Years ended December 31,	
	2020	2019
Net sales	\$2,081	\$2,698
Cost of sales	1,083	1,304
Gross profit	998	1,394
Operating expenses:		
Selling, general and administrative	317	356
Engineering—research and development	147	154
Environmental remediation	—	(8)
Total operating expenses	464	502
Operating income	534	892
Other expense, net:		
Interest expense, net	(137)	(134)
Other (expense) income, net	(4)	10
Total other expense, net	(141)	(124)
Income before income taxes	393	768
Income tax expense	(94)	(164)
Net income	\$ 299	\$ 604





A top priority remains the safety and well-being of Allison’s extended family and employees around the globe

Governance

Allison is led by a ten-person Board of Directors, which includes two women. Eight of our directors are considered independent under SEC guidelines.

Expectations for the Board's responsibilities are outlined in Allison's Corporate Governance Guidelines. The Board has four committees: Audit, Nominating and Corporate Governance, Compensation, and Finance.

ESG issues are managed by Allison's line functions with oversight for the specific topic and reported to the Chief Executive Officer through the organization's reporting structure. The Nominating and Corporate Governance Committee of the Board of Directors is responsible for overseeing reporting on our ESG efforts and receiving updates on ESG-related issues at least quarterly. We have also established an internal cross-functional ESG working group to oversee Allison's policies, initiatives and reporting relative to ESG. This group is chaired by our Assistant Secretary, who reports directly to the Nominating and Corporate Governance Committee on its activities. 

The Code of Business Conduct includes expectations regarding issues such as fair treatment and non-discrimination, health and safety, anticorruption, fair competition, insider trading, environmental protection, child labor and modern slavery. 

Ethics and Compliance

Expectations for all salaried employees including directors and officers of Allison Transmission, Inc., its holding company and its subsidiaries are described in the Allison Code of Business Conduct. All employees are introduced to these expectations as part of the new-hire onboarding process where they must agree to abide by all of the Code of Business Conduct standards. The Code of Business Conduct includes expectations regarding issues such as fair treatment and non-discrimination, health and safety, anti-corruption, fair competition, insider trading, environmental protection, child labor and modern slavery.

Allison has teams or individuals specifically dedicated to ensuring compliance with a wide range of categories, including but not limited to product compliance, emissions regulations, environmental compliance, and rules and regulations specific to our role as a U.S. defense contractor. The General Counsel's team is responsible for adherence and reporting regarding the Code of Business Conduct. Allison has a whistleblower hotline for employees and other stakeholders to anonymously report any concerns or suspicions of malfeasance, and the Board of Directors is updated quarterly on any issues that arise from this reporting mechanism.

All employees receive training regarding compliance issues relevant to their specific areas of responsibility, as well as general training on the Code of Business Conduct, export compliance, anti-corruption, bribery, information security, anti-competitive behavior and other topics of general interest to the company.



INNOVATION

For more than a century, we have driven innovation in propulsion solutions that make work for our customers easier and more efficient. Our world-class team of engineers and technicians design and build propulsion solutions that work in cities and rural areas all around the world in a wide variety of applications. Our ability to continuously innovate and meet the challenges of our broad base of vocations and end-market applications, has enabled us to deliver premium performance with unrivaled reliability and durability, improved emissions, reduced downtime for maintenance and a lower total cost of ownership.

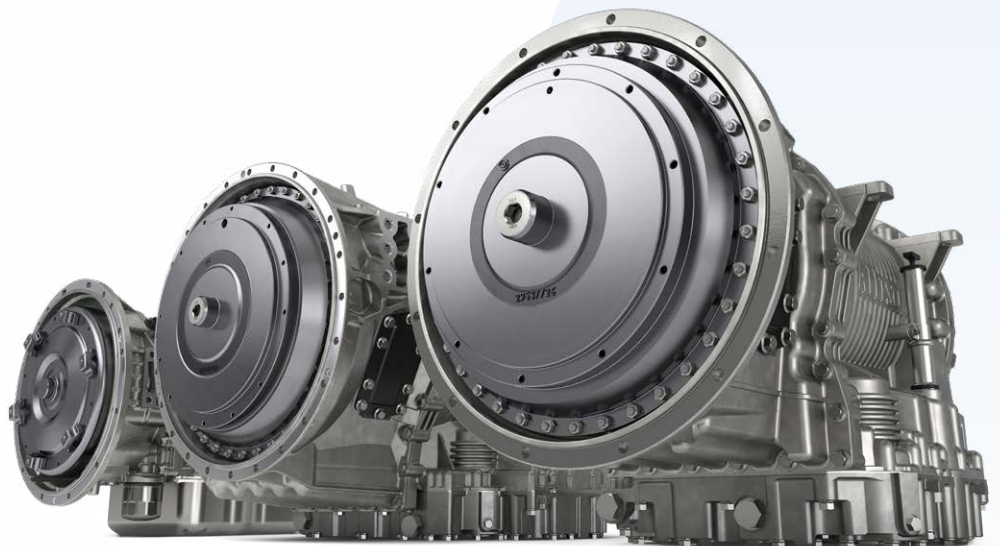
More Sustainable Efficiency

Our conventional products, fully automatic transmissions, convert the energy generated by internal combustion or electric motors into the power and speeds needed to perform in the most challenging environments. The better designed the transmission and its controls software, the more efficient that power conversion is, resulting in less total energy required to perform a given task.

Allison Automatics offer the best combination of economy and efficiency, enabling our customers to optimize their energy source to perform the various demands associated with specific vocations.

To compensate for the lower power associated with compressed natural gas and liquefied natural gas engines, Allison's state-of-the-art torque converter multiplies engine torque to significantly improve startability, drivability and overall productivity. With Allison's Continuous Power Technology™, vehicles don't experience the typically slower response time-to-throttle cycles seen with manuals or automated manuals. Since more torque is transferred from the engine to the wheels with an Allison, operators can also expect improved efficiency and performance. Additionally, the Allison retarder enhances braking, which compensates for the reduced engine-braking torque provided by natural gas engines.

Our worldclass team of engineers and technicians design and build propulsion solutions that work in cities and rural areas all around the world in a wide variety of applications.



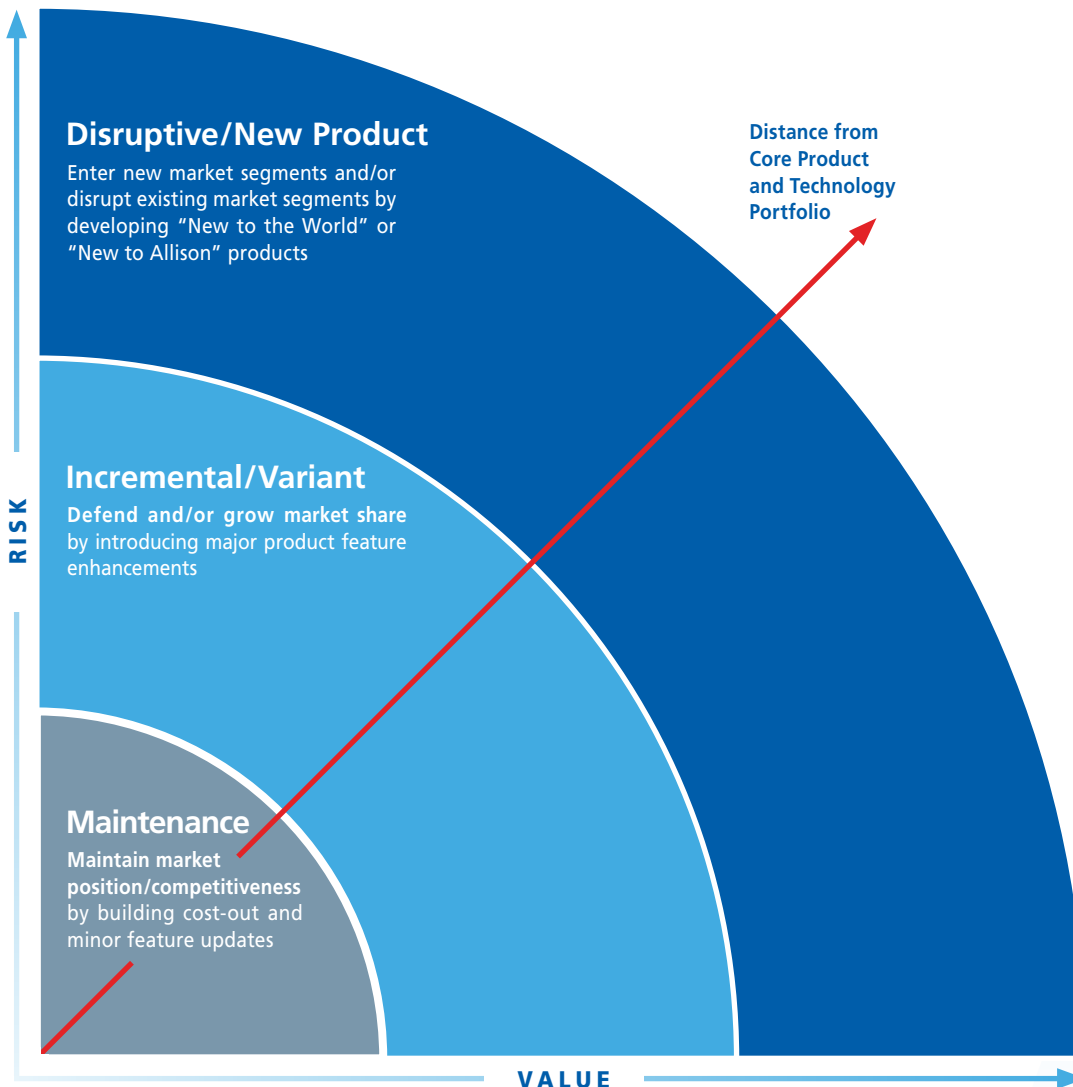


New Product Development

Our highly structured New Product Development (NPD) process drives the development of additional features and new products. Allison has been investing for decades to advance electric hybrid and fully electric propulsion technology with approximately \$250 million spent over the past three years. Additionally, our teams are also focused on enhancing our conventional solutions to reduce emissions and increase efficiencies.

Our NPD process has one path to consider new, disruptive products, a second path to improve upon existing platforms and products, and a third path to develop new processes and procedures to maintain our products so they are operating as optimally as possible. Whichever path is taken, each step of the process includes stage-gate reviews to ensure technical and business-related factors are optimized.

TYPES OF INNOVATION AND INNOVATION GOALS FOR NPD



NEW PRODUCT DEVELOPMENT SYSTEM DESIGNED FOR THREE INNOVATION TYPES

We have right-sized our NPD approach to the risk profile and Critical Success Factors of each innovation type

CRITICAL SUCCESS FACTORS

- **Commit** with customers to build case for NPD and de-risk offering launch
- **Collaborate** with customers and suppliers to generate product concepts and reduce NPD risks
- **Understand** value of new features



Product/Services Highlights

3414 Regional Haul Series: The 3414 Regional Haul Series™ (RHS) conventional transmission offers specification ratings up to 410 horsepower and 1450 lb.-ft. of torque. The 3414 RHS provides fleets 25% faster acceleration 0 to 20 miles per hour, as compared to competitive automated manual transmissions. This new transmission also offers fuel economy improvements of up to 8% with Allison’s xFE technology and FuelSense® 2.0 with DynActive® Shifting, which is included with every 3414 RHS.

eGen Flex: Our eGen Flex™ electric hybrid solution provides revolutionary capabilities and fully electric propulsion of up to 10 miles, without the added infrastructure requirements or range limitations of fully electric vehicles. We’ve further evolved our electric hybrid propulsion solution to use geofencing technologies that instruct the vehicle to automatically switch to full electric drive in designated Zero Emission Zones and depot zones. Increased accessory power is included, which electrifies vehicle accessory systems, such as air conditioning and electric heat, allowing those accessories to operate at their optimal efficiency point, and with clean and quiet electric power, thus reducing emissions and strain on the engine, thereby protecting our environment.

eGen Power: The eGen Power™ product family is a new series of fully integrated electric axles, designed to fit between the wheels of medium- and heavy-duty trucks and buses, replacing the vehicle’s traditional powertrain system. Allison has launched the eGen Power 100D, capable of a 23,000 pound (10,433 kilogram) Gross Axle Weight Rating (GAWR), as the first electric axle variant within the eGen Power series of products. The eGen Power 100D is one of the most powerful and fully integrated electric axle systems in the world for medium- and heavy-duty trucks. It features two electric motors capable of generating 200 kW of continuous power each, or 400 kW in total, with a peak combined power of 550 kW. The eGen Power 100D also integrates a two-speed transmission into the central housing. The two-speed transmission facilitates a high starting gradeability, top speed and efficiency as well as an optional differential lock. This efficiency advantage translates to increased range capability or a reduction in battery pack size, optimizing the economic value the eGen Power electric axles deliver.

Our conventional products, fully automatic transmissions, convert the energy generated by internal combustion or electric motors into the power and speeds needed to perform in the most challenging environments.



3414 RHS



eGen Flex



eGen Power



9-Speed



Next Generation Transmission Controls



Next Generation Electrified Transmission

Picture Courtesy Raytheon Technologies

9-Speed: With its deep first gear ratio and industry-leading ratio coverage, the Allison 9-speed medium-duty conventional transmission provides significant fuel savings and greenhouse gas (GHG) emission reductions, as the highly efficient gear train allows the transmission torque converter to lock-up in first range. To further optimize the superior efficiency of the 9-speed, Allison’s FuelSense® 2.0 with DynActive® Shifting is included. The 9-speed provides greater efficiency and greater performance simultaneously. The 9-speed helps address North America Original Equipment Manufacturer (OEM) GHG Phase II stringencies, and will assist European OEMs to achieve improved Vehicle Energy Consumption Calculation Tool results. These enhanced efficiency capabilities are developed with over 70% common components to Allison’s proven 2000 Series conventional transmission, which has accumulated over 100 billion miles of demonstrated reliability in revenue service.

Next Generation Transmission Controls: Allison’s Next Generation Transmission Controls platform is being launched this year to address emerging challenges and trends in the commercial vehicle industry. Our Next Generation Transmission Controls platform includes cybersecurity, functional safety and over-the-air (OTA) programming capability. Cybersecurity helps defend against threats associated with increased vehicle connectivity, while functional safety capability supports the emerging International Standardization Organization 26262 standard, which is anticipated to become a global requirement. OTA capability leverages the cybersecurity capabilities of Allison’s Next Generation Transmission Controls to enable secure communication and programming capability, without the need to establish a physical connection to the vehicle.

Vehicle Environmental Test Center: The Allison Vehicle Environmental Test Center (VET) is an industry-leading facility that allows OEMs, body builders, suppliers and end-users to satisfy their medium- and heavy-duty vehicle testing needs in a single, environment-controlled location year-round, providing repeatable, reliable and seasonally independent conditions for required testing. The 60,000-square-foot facility houses a hot soak chamber, a cold soak chamber, and two chassis dyne-equipped environmental chambers capable of simulating a broad range of duty cycles, environmental conditions from negative 54 degrees to 125 degrees Fahrenheit, altitudes up to 18,000 feet, simulated grades and other on-road conditions. Customers are now facing increasing system complexity, expanding environmental regulatory requirements and higher demand for ever-faster time-to-market requirements. The VET’s one-stop chassis testing can shorten product development cycles dramatically, facilitating efficiency and ultimately reducing the costs and time of bringing products to market.

Next Generation Electrified Transmission: The Next Generation Electrified Transmission (NGET) is the newest planned product in Allison’s extensive tracked defense vehicle portfolio, that will meet requirements across a wide spectrum of applications including the heavy Infantry Fighting Vehicle and future Main Battle Tank markets. Design features include an electric hybrid architecture, which will offer end-users the benefits of reduced detection by the enemy and increased soldier survivability, as well as exportable power provisions for on- and off-board systems.




Vehicle Environmental Test Center

MANAGING OUR SUPPLY CHAIN

We operate an extensive and complex supply chain that provides everything from bulk commodity products to highly specialized components that enable our propulsion solutions to deliver the best performance. In addition to our own commercial and technical requirements for our suppliers, as a supplier to the United States Department of Defense (U.S. DOD), we are also obligated to apply certain regulatory requirements to suppliers that support the provision of products and services to the U.S. DOD.

Supplier Code of Conduct

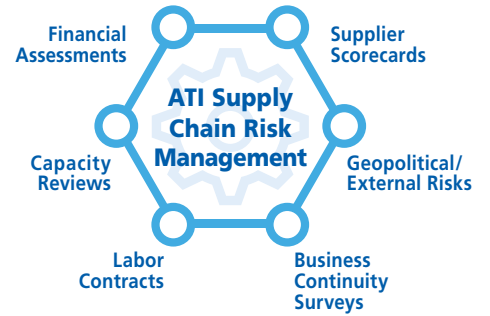
To ensure that our suppliers are all operating in a manner consistent with our values and those of our customers, in 2020 we implemented an updated Supplier Code of Conduct. This Code includes guidelines that reflect Allison's own core values and the principles of the UN Global Compact and the UN Declaration of Human Rights. Specific topics addressed in the Supplier Code of Conduct encompass human rights, including forced labor and child labor, human trafficking, labor rights, freedom of association, health and safety, anti-corruption, ethical behavior and environmental performance.

We choose our suppliers carefully, and expect that they will satisfy contractual requirements, comply with all applicable laws and regulations, and act in a manner consistent with the principles and values of the Allison Code of Business Conduct and our Supplier Code of Conduct. 

Supplier Risk Assessment Process

To ensure that our supply chain operates efficiently and without interruptions, we have instituted a four-step, global Supplier Risk Assessment Process to identify, quantify, mitigate and monitor risk, this process provides an objective assessment that allows our team to implement concrete countermeasures to mitigate risk. This adaptive process enables continuous learning and adjustments as the risk landscape evolves.

SUPPLY CHAIN RISK MANAGEMENT PROGRAM



THE ALLISON TEAM

The Allison Team is one of our most-valuable assets, with approximately 3,300 highly skilled employees around the globe. Through our productive and collaborative relationship with the UAW, that represents approximately 47% of our U.S. employees, we have developed an employee training program that provides team members with the skills necessary to perform at a high level, and to advance to roles of increasing responsibility based on merit and seniority.

Whether salaried or hourly employees, our team shares a commitment to Allison’s values of innovation, quality and the fair treatment for all people, regardless of their gender, race, disability, religion, nationality, sexual orientation, age or other like criteria.

Inclusion and Diversity

In June 2019, Allison created an Inclusion and Diversity (I&D) Executive Council, chaired by our Chief Executive Officer with six vice president members. The intent of this council is to develop targets and review I&D metrics to ensure that our business strategy supports these objectives. This, along with numerous I&D activities, has already proven to have positive momentum in creating and maintaining an inclusive and diverse environment. An employee survey conducted in 2019 demonstrated meaningful improvement from 2017 to 2019 in employees’ perceptions of how Allison achieves I&D in the workplace. Yet, we know there is more work to be done.

In 2020, we introduced our first Multicultural Employee Resource Group. We intentionally combined different diversity dimensions in this group to be able to share different perspectives, and bring people together in an inclusive manner. We want to move from focusing on challenges or barriers that only impact one underrepresented group to focusing on all groups where common challenges and then common solutions can be leveraged.

“Allison Transmission recognizes the power of different thought, accepts and respects each individual, and strives to create an inclusive workplace where everyone can reach their full potential, driving innovation and superior business results.”

– Allison Inclusion and Diversity Statement



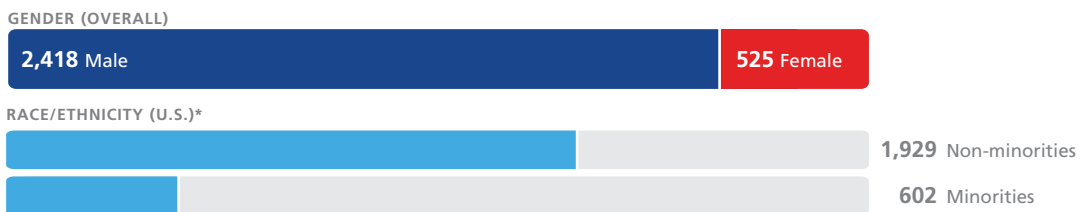


In late 2020, Allison started a new program, the I&D speaker series. We invite speakers to address challenging topics, encourage dialogue and bring our team together. First, we heard about allyship and its importance in creating an inclusive environment. In early 2021, we held a session focusing on gender issues. Later in the year, we will discuss the issue of systemic racism.

We have also established a virtual mentoring program to support people, including those who have historically been underrepresented, as they progress through their career at Allison. In 2020, we increased our focus on the recruitment of underrepresented groups and participated in career fairs with historically black colleges, Hispanic institutions, Veterans and people with disabilities.

Lastly, at the beginning of 2020 Allison implemented and required all employees to complete unconscious bias training, to help our team understand how bias can permeate our interactions without awareness.

2020 Diversity Composition U.S. Workforce



2019 Diversity Composition U.S. Workforce



2018 Diversity Composition U.S. Workforce



2017 Diversity Composition U.S. Workforce



*Non-identified not included



HEALTH AND SAFETY

As a manufacturing company, the health and safety of our employees is of paramount importance. Allison has in place a wide variety of measures, including training and reporting mechanisms, to ensure that our employees remain as safe as possible. We are continuously improving our processes and programs to increase safety standards globally. We review our health and safety metrics regularly, including the number of injury incidents that occur and those incidents that result in lost workdays, and begin daily start-of-shift meetings on the manufacturing floor with a safety message.

Our Data

For 2020, across all of our North America locations (other than Walker Die Casting), we achieved an overall recordable rate of 1.53, equating to 1.53 employees per 100 employees incurring an injury that resulted in recordable medical treatment. Our number of lost workdays was 0.28, meaning that for every 100 employees, 0.28 individuals experienced an incident that resulted in days away from work.

Allison also experienced an increase in the number of reported “near misses,” which indicates to us an increasing willingness on the part of our employees to report when activity does not go as planned and an incident was averted. We are pleased that our culture encourages people to speak up when they do experience a near miss, so that we can better understand the conditions that could lead to an injury and implement appropriate preventive measures.

NEAR MISSES

We encourage employees to report “near misses”—to avoid them in the future.





Continuous Improvement

When employees are injured on the job, our historical practice was to retrain the people involved to ensure they were following all protocols and performing their job properly. However, in recent years, we have enhanced our root-cause approach, which we have followed for more than 30 years, to include minor first-aid injuries. The root-cause approach includes detailing the conditions that led to the injury, leading us to consider whether the process the employee was asked to follow was optimal, and if improvements could be made. The process ensures we understand *why* the incident occurred, and where appropriate, eliminates, substitutes or reengineers the process that led to the injury.

Continuous improvement is a fundamental aspect of our business, especially as we strive to create the safest possible environment for our employees. In 2021, we intend to build upon another critical insight recently understood regarding employee injuries. By analyzing the data in detail, we have identified that employees are far more likely to be injured in the first few months in a new role at Allison. Whether it is due to lack of experience with a new process, or a new team around them, this is when accidents are most likely to occur.

In response to this insight, Allison enacted a new program with our hourly employees located in Indianapolis, where employees in new roles are contacted by a member of the Safety Committee within the first five days of their new position start date. The Safety Committee member, who is either a safety department employee or member of the UAW Joint Safety Committee, then counsels the employee on the potential safety risks associated with their new job. We have already observed initial benefits of this program and expect additional improvements in our safety metrics.

In 2021, we will continue our comprehensive risk assessment across all functions at Allison. This detailed process will help us uncover new risks to the health and safety of our team, and better understand known risks to ensure we are mitigating them properly.



#TeamAllison received Gold Level Recognition in the 2020 American Heart Association Workplace Health Achievement Index for health programs and best practices.

ENVIRONMENT

As a responsible corporate citizen, Allison is dedicated to protecting human health, natural resources and the local and global environment. This dedication reaches further than compliance with the law to encompass the integration of sound environmental practices into our business decisions. While our biggest environmental impact is related to the GHG emission reductions and fuel efficiency improvements our technologies make possible, we recognize that the energy we use in our operations has its own environmental impacts.

We report here, for the first time, the total electricity and fuels usage from our main facilities, and the corresponding GHG emissions. The energy sources we used for this report are:

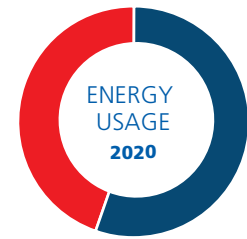
- Electricity, which powers our manufacturing and assembly processes, and lights, cools, and heats our offices and plants.
- Natural gas, which provides heat for both buildings and manufacturing processes.
- Diesel and gasoline fuel, which are used for maintenance vehicles, testing our products, and emergency generators.

Our environmental management system includes annual energy reduction goals such as converting legacy lighting to light-emitting diode lighting, compressed air efficiency improvements, and process improvements.

Activities	Performance Indicator	Unit	2020	
Energy	Electricity	Grid electricity	GJ	766,563
	Building or process heating	Natural gas	GJ	533,497
	Vehicle and test stand fuels	Diesel and gasoline	GJ	83,613
Total Energy Usage			GJ	1,383,673

Activities	Performance	Unit	2020	
GHG	Building electricity	MTCO ₂ e	111,013	
	Building or process heating	MTCO ₂ e	26,835	
	Vehicles	MTCO ₂ e	5,850	
Total GHG Emissions			MTCO₂e	143,698

Activities	Performance	Unit	2020
GHG	Direct (Scope 1)	MTCO ₂ e	32,685
	Indirect (Scope 2)	MTCO ₂ e	111,013



DIRECT ENERGY 617,110 **INDIRECT ENERGY** 766,563



DIRECT (SCOPE 1) 32,685 **INDIRECT (SCOPE 2)** 111,013

Electric hybrid propulsion for transit buses and coaches

In July 2020, Allison and Cummins Inc. announced certification from the California Air Resources Board for the model year 2020 Allison Hybrid 40/50 Electric Propulsion (H 40/50 EPTM) system paired with the Cummins B6.7 and L9 diesel-electric hybrid engines used in transit buses and coaches.



Environmental Overview



ISO14001 certified since 2001.



Recently awarded (11/2017) membership to the Indiana program in recognition of Allison's history of regulatory compliance, strong Environmental Management System and ongoing commitment to continuous environmental improvement.



The Partners for Pollution Prevention champion pollution prevention and Environmental Stewardship Program in businesses and organizations by promoting successful practices and approaches to achieve measurable reduction of pollution in Indiana.



Encourages voluntary action by the business community directed at reducing air pollution and promoting better air quality.



Zero Waste to Landfill for production waste since 2009.

COMMUNITIES

For more than 100 years, as Allison has grown, so has our commitment to be a responsible and compassionate corporate citizen. Our founder, James A. Allison, recognized the power of community, education and innovation. In 1915, he donated funds to renovate and electrify a community church’s organ. In 1924, Allison used his resources to construct a hospital. The Great Depression brought about a philanthropic awareness among Allison employees, and participation in improving lives and strengthening communities became part of Allison’s culture. The phrase, **“Quietly do good work,”** came into being.

To this day, employees proudly roll up their sleeves to improve the lives of people in need by routinely participating in a host of activities and fundraisers that support the communities where we live and work. Examples of community initiatives from 2020 include:

- For the fifth straight year, our generous employees contributed holiday gifts for more than 170 Indianapolis children attending low-income charter schools.
- In place of an in-person celebration, on Veterans Day we displayed 180 flags in front of our global headquarters representing each employee who self-identifies as a Veteran and contributed to three non-profits that honor our Veterans: Conexus INVets, United Service Organizations and the Tuskegee Airmen Scholarship Foundation.

QUIETLY DO GOOD WORK

Our commitment to be a responsible and compassionate corporate citizen





- We were a sponsor of the 2020 Integrating Women Leaders Fall Virtual Conference, which focused on empowering people from around the globe with inspiration and strategies to accelerate the advancement of women.
- We proudly celebrated Women’s Equality Day through internal and external videos highlighting many of our employees and leaders across the globe who *Choose to Challenge* gender biases and inequality.
- Team Allison donated 193 units of blood to Versiti Blood Center of Indiana.
- We were a key sponsor of the Earth Day Indiana festivities.
- More than 80 Allison employees volunteered to pack over 12,000 meals for Rise Against Hunger, a non-profit organization with a mission to end world hunger by 2030.
- More than 430 people joined Team Allison, holding the title of the largest team for the fourth straight year, to participate in the main fundraising event Indianapolis has for its primary shelter for people without housing.
- Allison and its employees donated over \$550,000 to the 2020 United Way of Central Indiana Annual Campaign.

100 YEARS

Recognizing the power of community, education and innovation.





SASB TABLE

For this report, Allison Transmission has made disclosures as outlined in the SASB framework for the Industrial Machinery sector.

Topic	Accounting Metric	Disclosure	Code
Energy Management	(1) Total energy consumed,	Page 15	RT-IG-130a.1
	(2) % of grid electricity	In the US, we utilize renewable-powered landscape and parking lot lighting at some locations. Also, 10 percent of power consumed at our Global Headquarters facility is generated from renewable energy sources such as wind and solar. International sites, such as India, utilized nearly 50% of power in 2020 from renewable energy.	
	(3) % renewables		
Employee Health & Safety	(1) Total recordable incident rate (TRIR),	Page 13	RT-IG-320a.1
	(2) Fatality rate	There were no fatalities at Allison sites in 2020	
	(3) Near miss frequency rate (NMFR)		
Fuel Economy & Emissions in Use-phase	Allison’s products are used on vehicles, but themselves are not responsible for fuel consumption.		
Materials Sourcing	Description of the management of risks associated with the use of critical materials	Allison has built a robust and resilient supply chain, which includes redundancy for critical materials where possible. We seek to avoid sole-sourcing of critical materials where possible, and do not believe that we are at substantial risks for supply chain disruptions regarding essential materials.	RT-IG-440a.1
Remanufacturing Design & Services	Revenue from remanufactured products and remanufacturing services	While we do offer some remanufactured products, they are not a significant part of our total revenue.	RT-IG-440b.1

Activity Metrics			
Number of units produced by product category	See page 5 of our 2020 10-K for revenue shares by geography and product type		RT-IG-000.A
Number of Employees	3,300		RT-IG-000.B