

GRAMMER's Statement in Adherence to the UK Modern Slavery Act 2015

This statement is issued by GRAMMER Seating Systems Ltd. and GRAMMER AG pursuant to section 54 of the Modern Slavery Act 2015 to identify actions taken by GRAMMER Seating Systems Ltd. and GRAMMER AG for the financial year 2019 to prevent slavery and human trafficking from occurring in its supply chains and its business.

Structure of the company and our supply chains

Headquartered as GRAMMER AG in Amberg, Germany, the GRAMMER Group specializes in the development and production of components and systems for automotive interiors as well as suspended driver and passenger seats for onroad and offroad vehicles. In the Automotive Division, we supply headrests, armrests, center console systems, high-quality interior components and innovative thermo-plastic solutions to premium automakers and automotive system suppliers. The Commercial Vehicles Division is comprised of seats for the truck and offroad seat segments (tractors, construction machinery and forklifts) as well as train and bus seats.

GRAMMER Seating Systems Ltd. is a wholly owned subsidiary of GRAMMER AG. Situated in the middle of the UK we have a warehouse and sales office from where we service the OEMs and aftermarket customers in both the Automotive and Commercial Vehicle segments.

Our Supplier Management Department is headquartered in Amberg, Germany. This function has been recently reorganized into a new worldwide matrix structure with divisional and global pillars. The divisional supplier management is responsible for supplier program management, initial sourcing and daily purchasing activities. Our global group function is responsible for strategic category development, compliance oversight as well as systems and process standardization. In order to ensure a consistent and global process landscape throughout the world, the Supplier Management Team has a presence in all the regions where we conduct our business.

With approximately 15,500 employees, GRAMMER operates in 20 countries around the world. Our direct supply chain includes around 1,300 suppliers for production material and approximately 8,600 suppliers for non-production material in 37 countries. 54% of GRAMMER's suppliers for production materials are located in Europe.

Policies

We are aware of our responsibility and have therefore adopted the industry code of conduct issued by the German Federal Association of Materials Management, Purchasing and Logistics (BME e.V.), which governs conduct with respect to human rights as well as child and forced labor. This code of conduct applies across the entire GRAMMER Group. Key principles include: Providing a safe working environment that respects human rights, labor laws and health and safety regulations. Compliance with legislation, including fundamental rights at work, in particular freedom of association and the elimination of discrimination throughout the Group and a commitment to the UN Declaration on Human Rights and diverse guidelines.

Further information on the code of conduct (BME e.V.) can be found on our website:

<https://www.grammer.com/en/supplier-support-1/purchasing.html>

In order to be able to integrate all sustainability criteria and meet the extensive requirements of our stakeholders, a Supplier Code of Conduct was published in 2019 and additionally integrated into our supplier portal (<https://www.grammer.com/en/supplier-support-1/purchasing.html>).

Due diligence, risk assessment & effectiveness

Manufacturing companies are exposed to a greater risk of human rights violations than service companies. Risks of potential human rights violations may primarily arise along the upstream value chain and in the procurement of resources. We are aware of our responsibility and we will make every effort to identify detailed risks along our entire value chain.

In Q4-2019 we have established a new position called "Risk Management and Corporate Social Responsibility" in our supplier management organization. This position, which was previously shared across different resources has as its primary responsibility the introducing, monitoring, and ensuring of compliance and all sustainability issues relevant to the supply chain.

In addition, our suppliers must accept GRAMMER's international purchase terms and conditions, under which they undertake to comply with the code of conduct (BME e.V.) or similar guidelines. We keep our suppliers regularly informed of matters pertaining to corporate social responsibility and the code of conduct. Furthermore, we are currently improving and investing in our digital landscape to utilize state-of-the-art real-time risk methods and compliance tools as well.



Established whistleblowing mechanisms for our employees ensure that possible breaches can be readily reported. Thus, a code of conduct team has been established to receive any reports. Internal Audit examines any specific suspicions in accordance with the instructions given by the Executive Board or the code of conduct team. If investigations relate to individual employees, the findings are forwarded to the Human Resources department, which processes them and takes any necessary measures under the respective employment laws.

Both, at the moment and throughout our company's history, various and significant efforts have been made and continue to be made to prevent child labor, slavery and human trafficking throughout our supply chain. However, despite all these preventive efforts we cannot currently guarantee with 100% certainty that all of our suppliers adhere to these principles.

Training

Every new employee of the GRAMMER Group has to acknowledge the GRAMMER code of conduct upon being hired. In addition we heighten our employees' awareness of human rights issues by means of the "Compliance" e-learning module. In the last two years more than 3,000 employees took part in the bi-annual compliance and antitrust law training. Furthermore GRAMMER provides its employees with more detailed information on the code of conduct via the Intranet.

Approval of this statement

This statement was approved by the Executive Board of GRAMMER AG and the Board of Directors of GRAMMER Seating Systems Ltd.



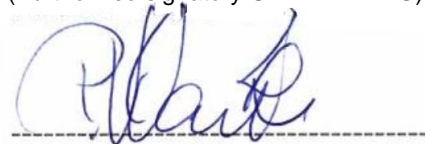
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