

2023 **SUSTAINABILITY** **REPORT**

Reporting Period: January 1, 2023 to December 31, 2023



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OUR VISION



To become the global leader of highly engineered sealing systems for the transportation industry that delivers exceptional shareholder value

ABOUT THIS REPORT



This is Henniges Automotive's annual Corporate Sustainability Report. We have prepared and are presenting our information to initiate and document our material topics and strategy framework with intent for year over year improvement in all sustainability metrics.

We do not currently seek third-party assurance of our reported data but utilize current internal audit processes to review our report and assess our processes and results to determine that our controls operate sufficiently to identify errors or omissions.

The global market continues to be uncertain as geopolitical divides and concerns continue yet our business in 2023 operated in a more normal manner reminiscent of business conditions prior to the COVID-19 pandemic. Performance metrics more closely reflected normal business conditions despite high inflation and interest rates.



Larry Williams

Letter from the CEO

I am pleased to present to you our 2023 Sustainability Report, a testament to our commitment to sustainability and responsible corporate citizenship. At Henniges Automotive, we recognize the importance of balancing environmental stewardship, social equity, and economic prosperity in everything we do. This report encapsulates our journey over the past year and we will share key facts about our company and the progress, achievements, and commitments we have made to our people, our world, and our business to foster a sustainable future.

In an era defined by rapid environmental change and global challenges, our role as a corporate leader extends beyond profitability to encompass the broader impact of our operations on society and the planet. We are proud that Henniges Automotive has positioned itself to manage the expectations of our customers as adjustments are made for the environment and ever-changing consumer demands.

As such, this report not only details our progress to reduce our environmental footprint and enhance operational efficiencies but also underscores our dedication to ethical practices, diversity and inclusion, and community engagement.

Our commitment to sustainability is evident everyday as we use HPS (Henniges Production System) concepts in everything we do. Throughout these pages, you will discover how these tools have helped us integrate sustainability into our core business strategies, driving innovation, and creating value while working to ensure a positive impact on the world around us. We have embraced transparency and accountability, aiming to inspire trust and confidence among our customers, team members, and communities. Inclusion councils and a strong focus on continuous learning has been key to our culture and advancement.

Our focus is on developing products which are light weight such as lightcore and microdense, completely recyclable such as Polestar 350 Glassrun system or just following our robust process in design to identify and eliminate waste in processes and during installation at various customer assembly plants.

We work every day to build sustainability in our culture. We are continuing to look at ways to reduce energy and water consumption to minimize our environmental footprint, including exploring alternative energy sources such as wind and solar power. We have made commitments to be carbon neutral by 2035 and are setting science-based targets to meet this goal. Our first solar panels to harness clean energy were installed at three of our Mexico sites with plans to continue.

We believe these commitments will further our success as a company while transforming our business for the better. We have over 9,000 valued team members globally that are dedicated to supporting our business and the communities in which we operate.

As we navigate the complexities of a rapidly evolving global landscape, we remain steadfast in our commitment to sustainability, viewing it not only as a responsibility but as an opportunity to lead by example and pioneer positive change. The 2023 Sustainability Report reflects our ongoing journey towards a more sustainable future and sets the stage for continued progress in the years ahead.

HIGHLIGHTS FROM 2023



SUSTAINABILITY

We earned a Bronze medal from Ecovadis for our Sustainability efforts for the 2nd year in a row



INCLUSION

Our Inclusion journey expanded our Global Inclusion Council to now have regional councils in the North Americas, Europe and China.



AGILE & RESPONSIVE

Our Management of the UAW strike in North America was exceptional with minimal economic impact to our team members.



CUSTOMER SUCCESS

Achieved our annual sales target with 68% of those sales from BEV and our Shanghai plant was qualified as a SGM supplier.



EUROPE REGION

Our Europe region achieved its best operational performance in Henniges history with year over year improvement.



BUSINESS STRATEGY

Plastic injection molding vertical integration strategy created and implemented with great success.



INNOVATION

We implemented our Flush glass technology and automation in China.



OPERATION EXECUTION

We launched new programs flawlessly in China with BYD, Geely, Xpeng, Xiaomi and several other EV customers in China.



AUTOMATION

29 automation projects completed in 12 plants, with significant annual savings absorbing additional business without adding headcount.



LEARNING

Automation Academy continued – Skill development training accelerated.

OUR COMPANY

OVERVIEW

We provide automotive original equipment manufacturers (OEMs) with sealing systems for doors, windows, trunks, lift gates, sunroofs and hoods. We sell to most Automotive OEM customers and operate facilities in North America, Europe and Asia.

HOW WE OPERATE

It all starts with our Vision, Mission, Culture and Values to be 1Henniges

VISION

To become the global leader of highly-engineered sealing systems for the transportation industry that delivers exceptional shareholder value.

MISSION

Through teamwork, talent and leadership our customer focused organization will implement sustainable solutions that:

- Develop, retain and attract exceptional people
- Drive manufacturing excellence across our global footprint
- Diversify and broaden our customer base
- Standardize and optimize our global processes
- Create innovative processes and products

CULTURE

Foster an inclusive environment where all team members contribute to the success of our company by:

- Contributing to the safety and well being of one another, society, and the environment
- Embracing diversity, equity and inclusion where all voices are heard
- Operating with a sense of urgency and a positive attitude in everything we do
- Managing by fact with strong team member collaboration, commitment and accountability
- Creating an open and learning environment that drives quality and continuous improvement
- Conducting business with impeccable ethics, honesty and integrity



HENNIGES VALUES



HENNIGES QUALITY POLICY

A decorative green bar extends horizontally from the left side of the page, ending in a diagonal cut-off on the right. The background features a dark blue gradient on the left and a close-up, grayscale image of a metal grate with circular holes on the right.

Henniges Automotive is a customer-focused organization that is constantly striving for manufacturing excellence through continual improvement. We attract and develop exceptional people who manage by fact with strong involvement, commitment, and accountability. Through this continuous development of our people and systems, and by conducting business with impeccable ethics, honesty, and integrity, Henniges Automotive will meet and exceed all stakeholder expectations.

OUR COMPANY RECOGNITION

NORTH AMERICA AWARDS:



2023 GM CUSTOMER CARE AND AFTERSALES

- For the plants: Gomez Palacio, Guadalajara, MX and Keokuk, IA
- Henniges Automotive receive Supplier of the year Award from GM in 2017 & 2021
- 2022- GM Supplier Quality Excellence Award-(SQEA)
- GP1-5 year in a row
- Guadalajara-3 year in a row
- Tieling ,China- 7 year in a row
- GM has awarded substantial new business to Henniges in recognition of its consistent track record of quality and superior execution

2023 Q1 PREFERRED QUALITY STATUS

- For the plants: Guadalajara, Keokuk, Oakville, Gomez Palacio, Reidsville and Torreon.
 - Ford's Q1 Award is the highest designation for suppliers – a recognition of Henniges' global commitment to best-in-class performance in quality, reliability, delivery, material management, engineering support and cost
- Torreon received Q1 status from Ford in its first year of production (an accomplishment never before achieved by a sealing supplier in Ford's history)
- Expedited obtainment of Q1 designation is an indication of the type of relationship that Henniges has with Ford and Ford's desire to have Henniges in its new business portfolio

CHINA AWARDS:



In 2023, BAIC awarded the "Quality Contribution Award" to Henniges (China) Automotive Sealing Systems Co., Ltd.



In 2023, Geely Lynk&Co awarded the "Best Collaboration Award" to Tieling Branch of Henniges (China) Automotive Sealing System Co., Ltd..



In 2023, SGM awarded the "Supplier of the Year Award" to Henniges (China) Automotive Sealing Systems Co., Ltd

OUR FINANCIAL PERFORMANCE

**Confidential
2023 Financials**



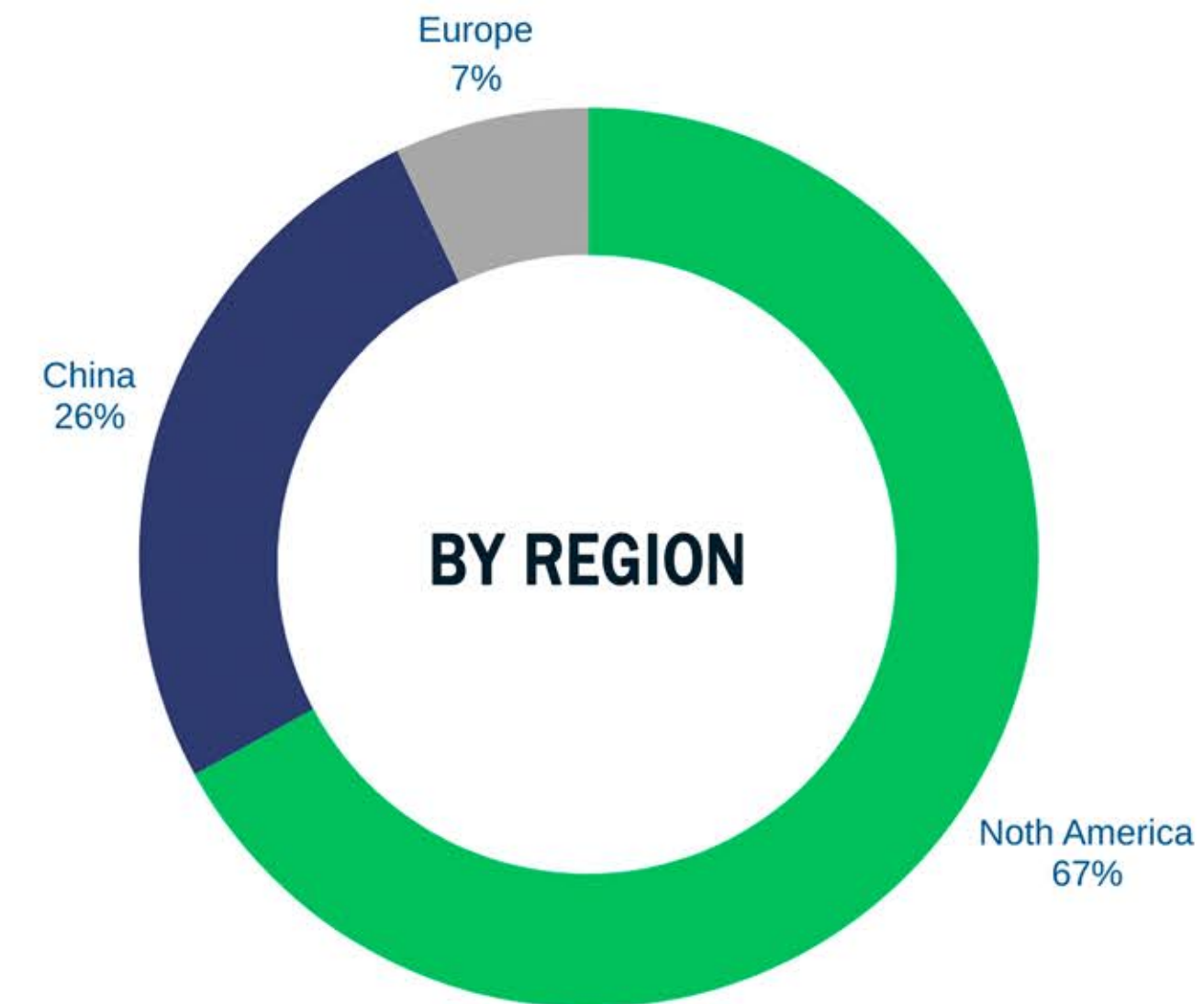
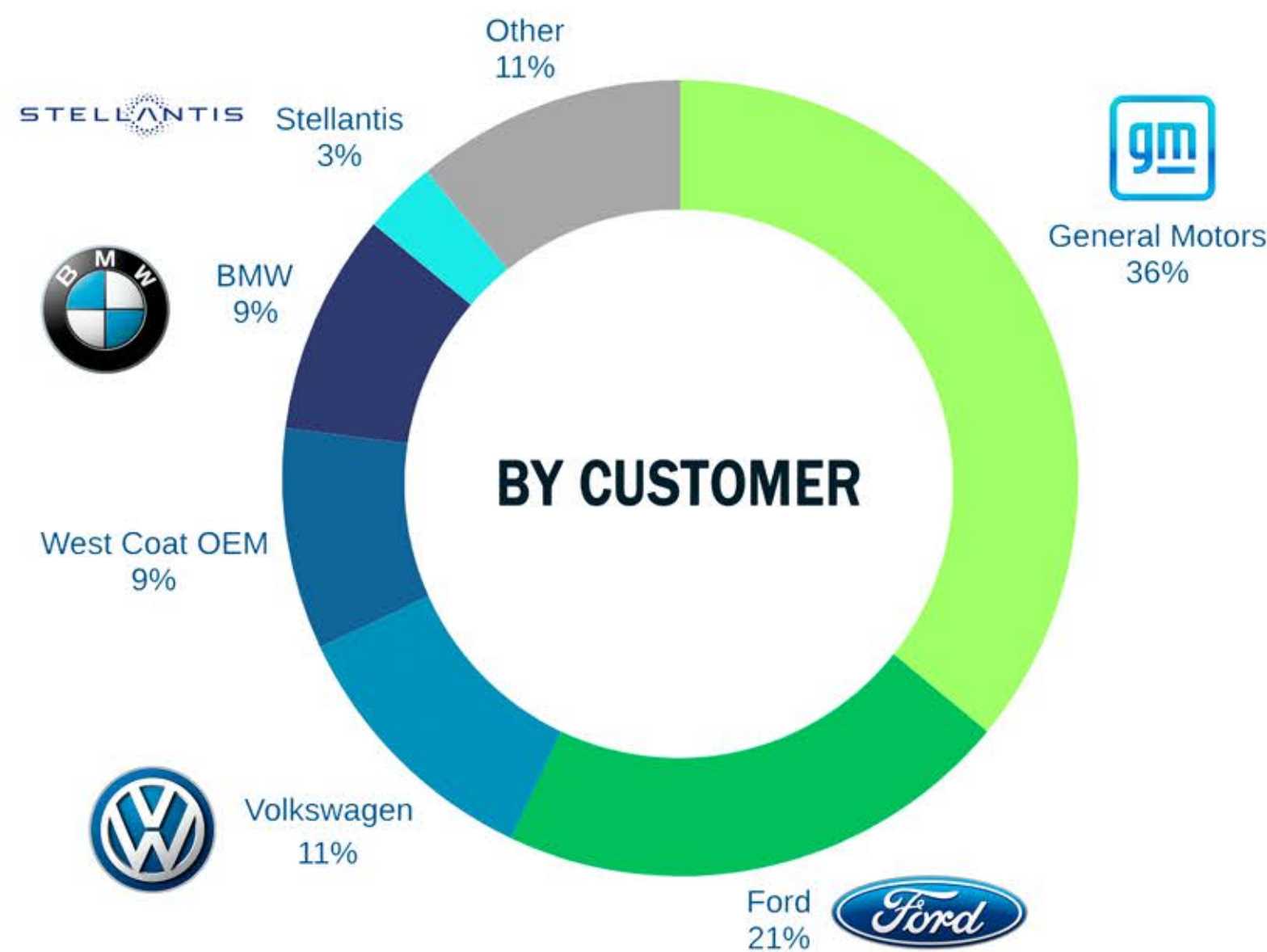
HENNIGES AT A GLANCE



MARKETS

We operate primarily in the transportation / mobility segment with a small portion of sales to building products. The company serves our diverse customers in China, Europe and North America supplying from 6 countries and 16 manufacturing locations.

GLOBAL SALES



CORE TECHNOLOGIES

Henniges leverages a wide range of technologies to meet full-service commitments to our customers globally in the fields of design, testing, prototype, and manufacturing capabilities on a global scale.

DESIGN

- Over forty designers with over 270 years of combined sealing industry experience
- Offshore support enabling 'around the clock' support between NA, EU, and Asia
- Detail component and environment layout drawing
- 2D Section development
- 3D Surface development
- Design variation analysis
- Mass calculation
- Vehicle architectural development
- Computer-Aided Engineering

Polyflow Capabilities:

- CAE tool to simulate polymer flow in the die
- Evaluate velocity profile at die exit (Die Balance)
- Study pressure distribution throughout die
- Identify stagnant flow areas ("Dead Spots")
- Accelerate development timing of extrusion industrialization

Moldex3D:

- Mold filling simulation to understand gate size, location and processing parameters' influence on pressure, temperature, and velocity
- 2D Analysis: installation & retention force, sealing force, closing energy, compression set and dynamic response
- 3D Analysis: molded details and cornering

TESTING

Virtual Validation Tools:

- FEA/simulation
- MSC/MARC
- Altair hypermesh
- ANSYS/polyflow
- Moldex 3D

Component Level Testing:

- Material component physical property testing
- Compression set, insertion/extraction, CLD
- Xenon arc weatherometer
- Aging and chemical resistance
- Coating analysis (thickness/cure)
- Flock analysis (density, adhesion)
- Corrosion, flammability and ozone

System Level Testing:

- Rapid cycle glass durability
- Glass drag
- Thermal shock
- System level environmental testing
- System level freeze testing

Vehicle Level Testing:

- Door slam durability
- Vehicle level environmental testing
- Vehicle level freeze testing
- Vehicle level noise evaluation

In House Testing Services:

- Drive-in environmental chamber
- On-road noise evaluation
- Water test booth
- Walk-in environmental chamber
- Rapid glass cyler-full life test 25,000 cycles in 4 days

PROTOTYPE

Rapid Prototyping- 3D Printer Technology

Henniges has widely proliferated the use of 3D printer technologies not only in our technical centers but across our manufacturing locations. New applications for 3D print technology are continuously being discovered and Henniges has repeatedly expanded printer capacity to support the high workflow of needs in the organization. We use Polyjet technology that has flexibility to handle a wide range of materials completely representative of our production products.

- Fixtures/gages/guides
- MROs
- Metal printing for tooling



MANUFACTURING CAPABILITIES

Process Expertise:

- In-house rubber compound mixing
- EPDM/PP/TPV extrusion
- EPDM/TPV/plastic molding
- Variable extrusion
- Online and offline coating
- In-house tooling development: extrusion/molds/notching
- Multi-stage notching and cut to length
- Inline extrusion finishing and packing
- Inline & robotic taping and adhesive application
- Polyurethane glass encapsulation
- Injection molding expertise (single and multi-shot products)

Industry 4.0; Robotics and Automation:

- Material handling robotics
- Paint robotics
- Robotics and paint simulation
- Networked equipment with real-time monitoring
- Live process dashboards using IIOT
- Vision system quality systems

Production Quality Capabilities:

- In-line laser sensing of extrusion profile tolerances
- In-line surface quality sensing
- In-line Adhesive presence sensing
- Rubber compound testing
- CLD, insertion/extraction
- Flock adhesion and density
- Coating film thickness
- Drag force

ENVIRONMENT

HEALTH, SAFETY & ENVIRONMENTAL POLICY STATEMENT

Henniges Automotive is committed to protecting the health, safety, and environmental aspects of our team members, customers, contractors, and the communities in which we conduct business.

As globally responsible corporate citizens, we are committed to exceeding the sustainability requirements of our stakeholder, which includes compliance with all applicable governmental regulations, as well as conducting our business with impeccable ethics, honesty and integrity. We will incorporate our HSE policies with continuous improvement to our operations, procedures, and processes to enhance our overall environmental and safety performance.

Henniges Automotive is committed to:

- Ensuring a safe work environment for all of our team members.
- Operating in an efficient and conscientious manner to minimize impact on the environment and to protect the health and safety of our team members and our communities.
- Valuing our natural resources by minimizing waste, conserving energy and recycling when possible.
- Complying with all applicable environmental, Health & Safety regulations and any other applicable relevant laws.
- Continuously improving our HSE program by measuring our performance to ensure we reach our objectives and targeted goals.
- Encouraging (and in some cases requiring) active team member participation in all of our HSE programs and sites.
- Encouraging all team members to communicate any and all safety concerns without fear of retaliation.

PLEDGE

GM PLEDGE

Through our partnership with GM - Henniges has committed to carbon neutrality by 2035 in our scope 1 and scope 2 emissions. In addition to the carbon neutrality pledge commitment, we also committed that our company's Ecovadis scores would be at a 50 in the pillars of Ethics, Sustainable Procurement and Labor and Human Rights. Henniges achieved a score of 50 in each pillar in 2023.

Our global team members are committed to their local communities and to our environmental goals. One example is in Mexico where several of our Mexico facilities remembered World Water Day by hosting a drawing contest showing the many sources of water we depend upon and creating a video to help promote environmental education and responsible consumption of our water resources.



Several of our Mexico facilities celebrated World Water Day.

Earth Day celebrations were recognized at many of our facilities around to world. New Haven gifted employees with stickers and educational bookmarks. Our Gomez Palacio 2 facility carried out a day of beautification of the areas around their city.

In March, the Beijing headquarters organized a tree planting activity

SUSTAINABILITY PROGRAMS

Many of our locations held beautification events this past year. Our Shanghai facility had a “turn waste into treasure” event; they planted lawns and flowers where there were once weeds and trash. The Henniges Prudnik, Poland team cleaned up the areas around the town of Prudnik. In April, volunteers from our Hranice, Czech Republic facility and their family members participated in a “Clean up the Czech Republic” event.



Before

After

- Henniges Automotive has been tracking and reporting our environmental efforts for several years through various disclosure platforms. Currently, we are working to expand our tracking and reporting efforts for Scope 1, 2 and 3 emissions. In 2025, we plan for a third-party audit of our emission reduction goals that are in alignment with the Science-based Targets initiative (SBTi). Currently, we report our sustainability and safety efforts through multiple platforms, such as CDP and Ecovadis.
- We continue to evaluate our environmental programs on an annual basis using third-party auditors, who review our legal compliance, environmental metrics and programs, air quality, waste, and health and safety programs.
- Henniges is committed to complying with all federal, state, city and local laws and regulations for air and water pollutants. We track and set reduction targets to reduce our greenhouse gas emissions at each of our facility locations. The air emissions we track include carbon dioxide (CO₂), nitrogen oxides (NO_x), particulate matter (PM), sulfur oxides (SO_x), volatile organic compounds (VOCs) and hazardous air pollutants (HAPs).

NQC | SUPPLIER ASSURANCE



ecovadis

AWARDS



2023 EcoVadis Sustainability Rating Award

For the second year in a row, Henniges has received a Bronze Medal on the EcoVadis score card. EcoVadis is a globally recognized assessment platform that rates businesses' sustainability based on four key categories: environmental impact, labor and human rights standards, ethics, and procurement practices. These evidence-based assessments are refined into easy-to-read scorecards, providing zero to one hundred (0-100) scores, and medals (bronze, silver, gold), when applicable. Additionally, the scorecards provide guidance on strengths and improvement areas, which the rated companies may use to focus their sustainability efforts and develop corrective action plans to improve their sustainability performance.



Gomez Palacio II Safe and Healthy Work Environments Award

On February 22, 2024, our Gomez Palacio 2 facility was awarded the ELSSA: Safe and Healthy Work Environments badge for demonstrating commitment to occupational safety and health in the workplace, adopting responsible practices aimed at the well-being of our employees.

We are proud to receive this distinction, and we are committed to maintaining and continuously improving health and safety conditions in the workplace, complying with regulations, implementing prevention measures, providing adequate training and promoting a culture of safety in the organization.



Gomez Palacio 2 facility celebrated World Day of Environmental Education by conducting an urban garden workshop to continue promoting a sustainable lifestyle. They also created a video promoting our environmental objectives to preserve our natural resources, which was shared on the company intranet site. Henniges, Hranice facility held several events this past year to promote safety awareness and environmental stewardship. They created a safety instruction video for employees and visitors and took part in a "Bike to Work" challenge.

SUSTAINABLE MATERIAL DEVELOPMENT

The material composition of our product portfolio plays a crucial role in determining the carbon footprint of our products. In our commitment to reducing greenhouse gas emissions, Henniges is dedicated to developing a sustainable material portfolio. Our approach includes:

- 1. Continuous Benchmarking:** We are consistently evaluating new sustainable material alternatives and emerging technologies to identify the most effective options available on the market.
- 2. Internal Innovation:** We are focused on internally developing greener materials by incorporating biomass content and post-consumer recycled ingredients into our products.
- 3. Expanding Flexibility:** We aim to enhance the versatility of our offerings by increasing the use of recyclable thermoplastics as alternatives to non-recyclable, petroleum-derived thermosets.

Anticipating Future Needs

Henniges recognizes the growing demands from our customers for body architectures that minimize drag and the use of lighter materials to extend vehicle range. In response, we are shifting our focus toward the development of complex sealing systems tailored for Frameless and Flush-glass body architectures. This strategic shift ensures that our products not only meet but exceed the evolving requirements of our customers.

- **Lightweight Material Development:** Developing advanced materials that reduce overall vehicle weight, improving fuel efficiency and extending electric vehicle range.
- **Enhanced Recyclability:** Continuously pushing the boundaries of product design to increase the recycled content of our materials and ensure that our products contribute positively at the end of their life cycle.

Usage and End-of-Life Impact

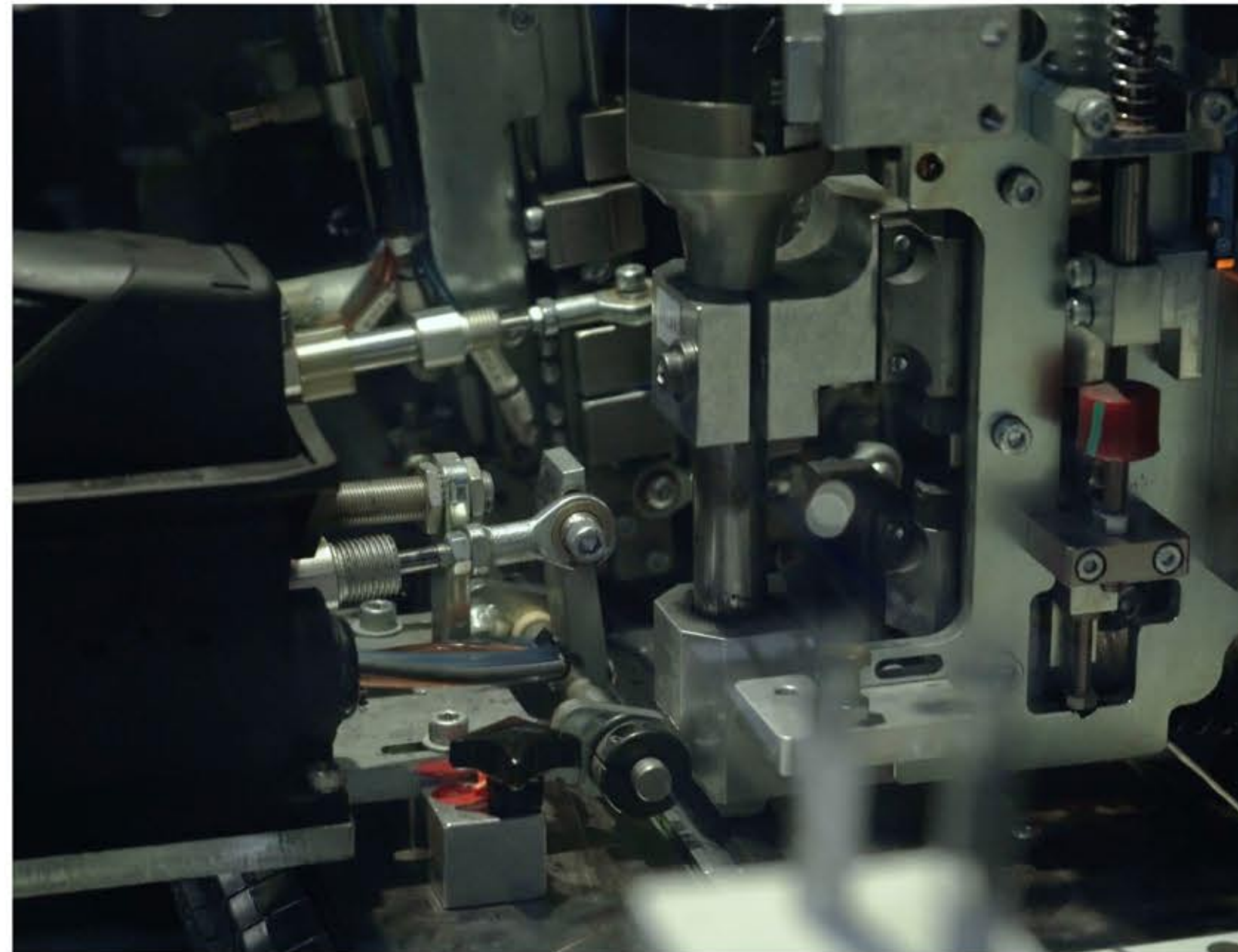
While material selection and product design are key factors in reducing the initial carbon footprint, Henniges also contributes to sustainability during the usage phase and at the end of a vehicle's life cycle.

- **Design for Recyclability:** We are actively developing product designs that result in fully recyclable components at the end of their life cycle. This initiative supports circular economy principles by reducing waste through closed-loop production systems.
- **Lightweighting for Efficiency:** Our efforts are focused on producing the lightest parts possible without compromising on engineering standards. Lighter components not only reduce emissions during the vehicle's usage phase but also enhance fuel efficiency or extend the range/charge performance of vehicles.

Responding to Customer Expectations

As our customers continue to prioritize innovative designs and sustainable practices, Henniges is proactively developing products that address these needs. Our focus on complex sealing systems for Frameless and Flush-glass body architectures is a direct response to the industry's push for body designs that reduce drag and improve efficiency.

- **Biomass and Recycled Materials Integration:** We are committed to meeting all functional requirements of our customers by increasing the incorporation of biomass and recycled materials in our product development. This not only aligns with sustainability goals but also ensures that our products maintain the highest standards of performance and durability.
- **Sustainable End-of-Life Solutions:** Ensuring that our products are designed with end-of-life considerations, facilitating easier recycling and reducing environmental impact.



HEALTH AND SAFETY

THINK SAFE, BE SAFE, STAY SAFE

Safety at Henniges Automotive is not just a catch phrase, it is part of our culture and priority. Our safety culture starts from the top down and includes all our employees, contractors and visitors that walk through our doors. We strive to not only meet country and local laws and regulations, but to go above and beyond compliance in all regions. We expect everyone to go home in the same, if not better, condition than when they arrived. This heightened safety awareness has shown year over year company-wide reductions in recordable injuries the past 3 years.





HEALTH, SAFETY AND ENVIRONMENTAL POLICY STATEMENT

Henniges Automotive is committed to protecting the health, safety, and environmental aspects of our team members, customers, contractors, and the communities in which we conduct business.

As globally responsible corporate citizens, we are committed to exceeding the sustainability requirements of our stakeholder, which includes compliance with all applicable governmental regulations, as well as conducting our business with impeccable ethics, honesty and integrity. We will incorporate our HSE policies with continuous improvement to our operations, procedures, and processes to enhance our overall environmental and safety performance.

Henniges Automotive is committed to:

- Ensuring a safe work environment for all of our team members.
- Operating in an efficient and conscientious manner to minimize impact on the environment and to protect the health and safety of our team members and our communities.
- Valuing our natural resources by minimizing waste, conserving energy and recycling when possible.
- Complying with all applicable environmental, Health & Safety regulations and any other applicable relevant laws.
- Continuously improving our HSE program by measuring our performance to ensure we reach our objectives and targeted goals.
- Encouraging (and in some cases requiring) active team member participation in all of our HSE programs and sites.
- Encouraging all team members to communicate any and all safety concerns without fear of retaliation.

All our manufacturing facilities are ISO-14001 certified and 47% of our manufacturing facilities are ISO-45001 certified with plans for all sites to become certified soon.

We introduced our Behavioral Based Safety Observation program in 2017. The goal of the Henniges Behavior Based Safety Observation program is to recognize and identify hazards in the workplace, reducing and eliminating risk of injury to all our employees. This program has been instrumental in the reduction of injuries so that our IR and DART metrics have improved year over year. Through continuous improvement efforts we have not only operationalized this process but automated it. What started with paper observation cards is now done through an app on phones and computers. We continue to increase our goals each year pushing our plants to increase observations and look at new areas.

AWARDS

The Safety Awards for 2023



Torreon, Mexico
Guiyang, China



New Haven, USA



China Region



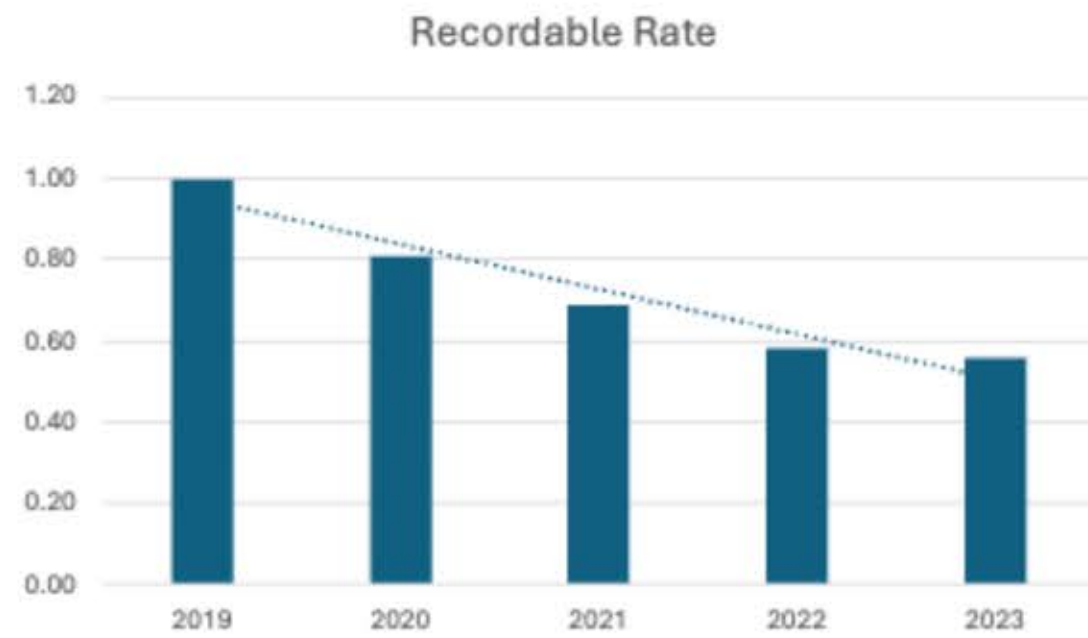
Torreon, Mexico

- In 2023, we had six (6) facilities that achieved zero (0) recordable incidents. These facilities were Beijing, Changchun and Guiyang in China, Mlada Boleslav in the Czech Republic, Torreon in Mexico and our Corporate Headquarters in the United States.
- China was the most improved region at reducing the recordable rate with a 43% reduction. The China region promotes safety in their bi-weekly safety meetings at each facility as well as improving the completions of the behavior-based safety (BBS) observations year over year.
- The Shanghai, China facility achieved the most improved recordable rate with a 52% reduction.
- The New Haven, Missouri facility achieved the most improved DART rate with a 60% reduction.
- The Torreon, Mexico facility accomplished 2 million man-hours with a lost-time case.
- The Guiyang, China facility accomplished 1 million man-hours without a lost-time case.
- Guadalajara and Reidsville are the two facilities that completed 100% of the behavior-based safety (BBS) observations each month in 2023. Both facilities also reduced their recordable rate, 33% and 25%, respectively.

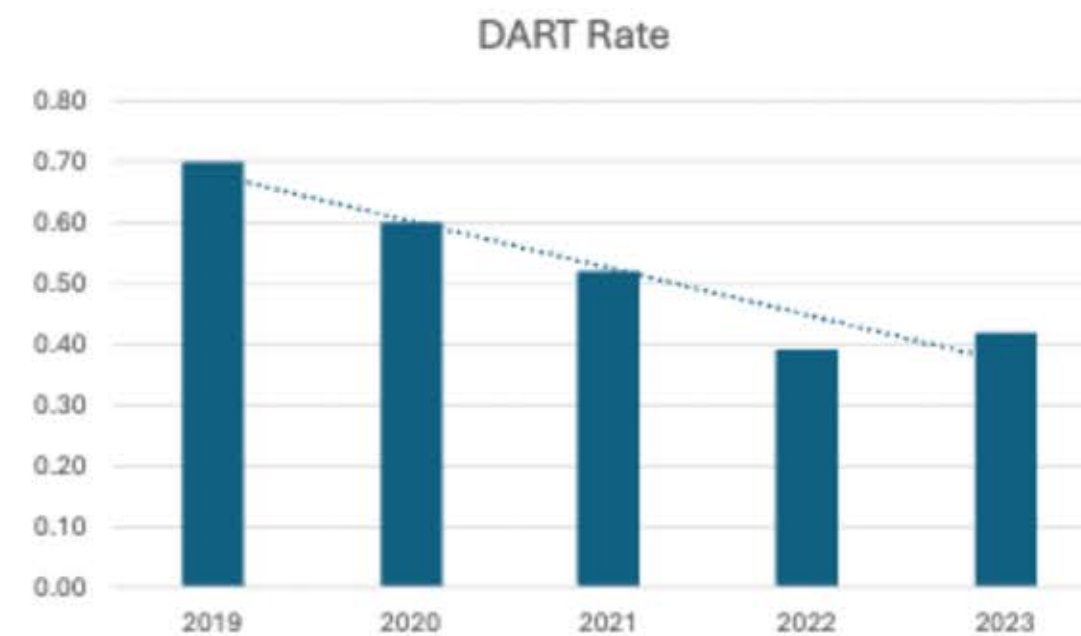


HIGHLIGHTS FROM 2023

Recordable and DART Rate Charts



2019=1.00, 2020=0.81, 2021=0.69, 2022=0.58, 2023=0.56



2019=0.70, 2020=0.60, 2021=0.52, 2022=0.39, 2023=0.42

We continue to improve our safety record year over year. This past year we saw a 3.5% decrease in our total recordable rate as well as fewer total incidents from 2022. Even though our recordable rate increased slightly this past year, we had fewer total incidents.



Health, safety and environmental training is important at all our Henniges locations. Some of the training this past year included fire extinguisher and emergency response, CPR and first-aid, sustainable development, and safety awareness, just to name a few.

SUPPLY CHAIN

ENSURING CONSISTENT HIGH STANDARDS ACROSS OUR SUPPLY CHAIN

We value our relationships with our supply base. It is critical that both Henniges and our supply base maintain high standards in every way. Our supplier agreements are with companies that have a verifiable record and commitment to integrity and sustainability. We believe in an environment where our suppliers compete fairly on the quality of their products and services.

Our Supplier Code of Conduct requires compliance with all applicable laws and regulations, including those relating to environmental matters, wages, working hours, conditions of employment, discrimination and health and safety. We require our suppliers to attest that anything purchased by Henniges will not be produced by child or forced labor either by the supplier or its suppliers.

HENNIGES SUPPLIER CODE OF CONDUCT

We work to hold our direct suppliers to the same standards and sustainability principles with respect to their operations. Henniges issues terms and conditions to all of our suppliers that include compliance with all applicable laws and regulations, including those relating to environmental matters, wages, working hours, conditions of employment, discrimination and health and safety.

HENNIGES SUPPLIER SUSTAINABILITY

Our goals continue to strive for exceptional focus and flawless execution. To achieve these high standards, we will increase our focus on long term sustainability. This energized focus will ensure our success and long-term benefit for the environment, employees, business partners and shareholders. Reaching these goals requires the full support from our global supply partners.

We encourage suppliers to align with Henniges' commitments by developing and implementing their own environmental sustainability policy and programs focused on conservation of natural resources.

Henniges' procurement team is dedicated to a sustainable future and has an EcoVadis Sustainable Procurement score that is 28% higher than the average industry score.



OUR GOVERNANCE AT

BUSINESS ETHICS & INTEGRITY

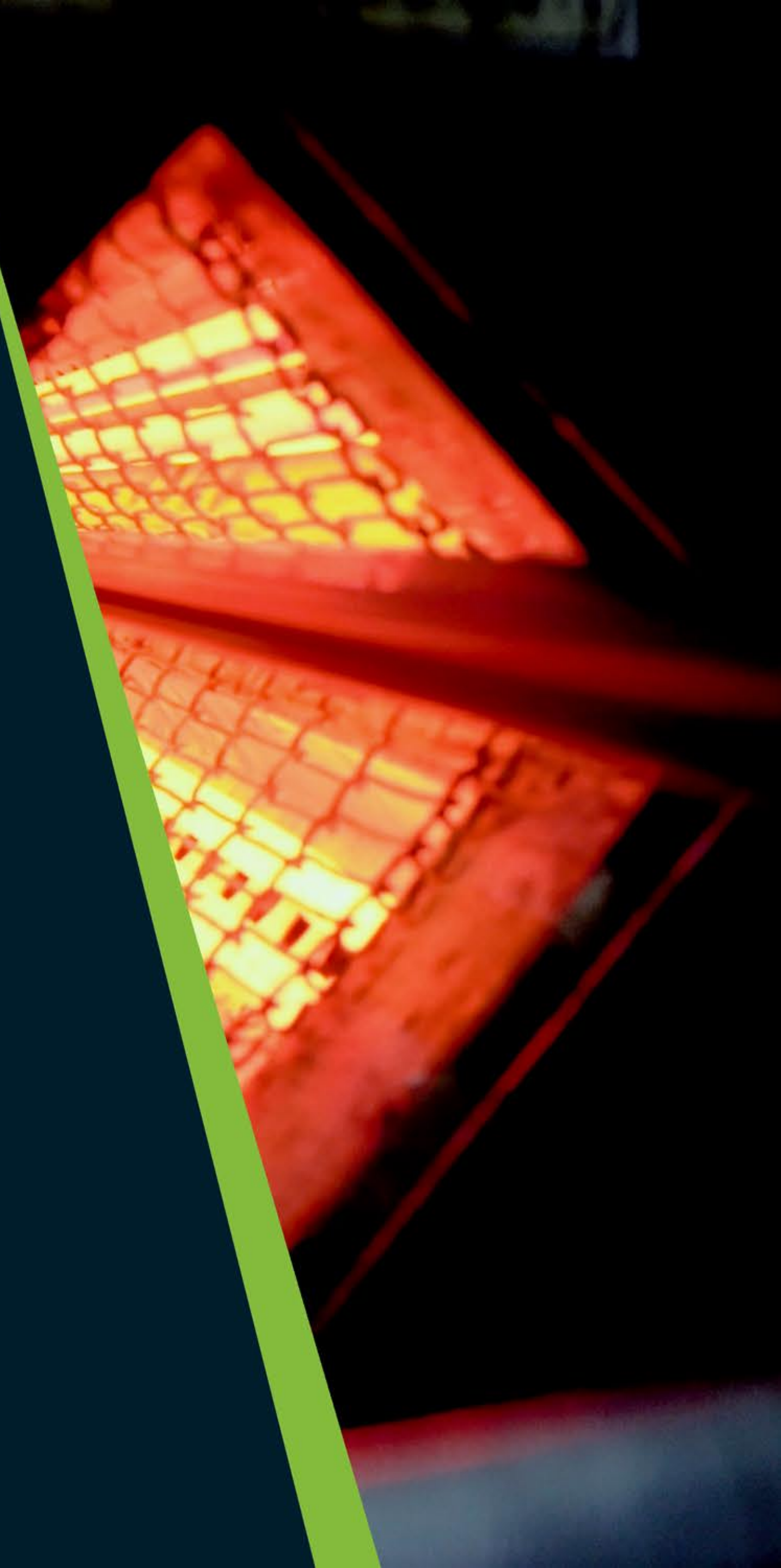
At Henniges, a positive work environment and ethical culture provide the foundation to maintain our steadfast commitment to being a trustworthy business. While all our values guide us, our Integrity core value drives us to consistently engage in honest, ethical, and responsible business practices. By adopting and adhering to ethical standards, focusing on the management of business risks, and complying with all relevant laws and regulations, we will continue to promote ethical practices across our business.

OUR PRIORITIES

Maintaining a world-class reputation for honest, ethical, and responsible business practices is our priority. We believe the conduct of our employees is the foundation for earning and sustaining this reputation. Accordingly, we have identified goals to ensure our employees understand how to apply our values in everyday business activities, know where to turn for support or report concerns and are confident in the investigation and resolution process.

OUR APPROACH

Our Integrity core value is at the foundation of everything we do and influences our ethics and compliance program. We maintain an effective ethics and compliance program, including robust ethics reporting resources, training and education initiatives, and risk assessment, mitigation, and monitoring initiatives. Our integrated approach to risk management combines processes related to ethics and compliance, enterprise risk management and sustainability to detect, prevent and mitigate risks. We maintain an ethics and compliance program that reflects well-established elements of an effective program.



INTEGRITY DRIVES US, OUR CODE OF CONDUCT

Our Code of Conduct provides guidance about our Company's policies and is designed to help all stakeholders recognize and address ethical issues, enabling us to maintain our culture of integrity and accountability. Everyone who works at Henniges is responsible for understanding and following our Code, which is available in all languages in which we conduct business and is posted on our internal and external facing websites and our global employee communications application. Our salaried workforce is required to complete annual training through our online learning management system and certify that they have read and understood our Code. We expect all employees and covered individuals to understand our Code, ask questions when more guidance is needed and speak up when something does not seem right.

We take integrity seriously. Behavior that falls below the standards set forth in our Code may result in disciplinary action, up to and including termination of employment. These situations include:



We also expect our suppliers to comply with our Supplier Code of Conduct, which outlines our expectations for conducting ethical business practices and compliance with our policies and the law.

BUSINESS CONDUCT THAT CONSTITUTES FAIR AND LEGAL PRACTICES

As a global enterprise, Henniges is subject to laws that govern its international operations, including laws that prohibit bribery and corruption and laws regarding antitrust and fair competition.

These laws include but are not limited to the US Foreign Corrupt Practices Act (FCPA) and the People's Republic of China Anticorruption laws and money laundering regulations. We have internal policies and procedures relating to compliance with such laws and regulations.

Henniges does not tolerate any form of bribery or corruption with our business dealings. Anti-corruption training is provided to all salary employees, including senior management as part of our compliance program.

Trade Compliance and Sanctions

As noted in our Code of Conduct policy, Henniges is committed to complying with all laws – including laws regarding the international trade of goods, services and technology. Such laws include the U.S. Export Control Administration Act, sanctions and embargoes imposed by the U.S. Office of Foreign Assets Control (OFAC) and the European Union, global customs 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 cross international borders
- Henniges's activities at border and custom brokers
- Export controls and strategic trade restrictions

Reporting Concerns & Seeking Guidance

We expect all stakeholders, including our employees, suppliers, and customers to speak up, both to ask questions and raise concerns. Our goal is that ethical misconduct never happens at Henniges, but if it does, we need to be informed so we can work to resolve it. We depend on all our team members to recognize misconduct and expect them to report it to one of the ethics reporting resources. It is our belief that the sooner we learn about Code violations, the sooner we can end the behavior and work to resolve any issues.

Our ethics reporting resources are available to respond to questions and concerns. These include:

- Supervisors.
- Representatives of the human resources team.
- Members of the legal department.
- Members of the internal audit.

The internal audit is comprised of a team of corporate officers and representatives from the company who review the company's operational compliance with applicable legal requirements and sound ethical standards. This committee also regularly reviews data from our ethics reporting resources to identify opportunities to improve our compliance training and communications.

Alternative Reporting Methods

We are committed to maintaining an environment where open, honest communications are the expectation, not the exception. We want all stakeholders to feel comfortable approaching our supervisors or management team with questions and concerns. However, we also understand that there may be situations in which our stakeholders may prefer another reporting option. For this reason, we established multiple methods to report any issues. These methods include:

- Complaint form maintained on the intra company website Hennisphere
- Mail directly to the internal audit department
- E-mail directly to the HR.violations inbox monitored by corporate HR and internal audit
- Anonymous reporting through an external surveymonkey.com website that will notify corporate HR and internal audit

Each report is reviewed by the internal audit and assigned to an independent investigator. The outcome of each investigation, and remediation plan for those reports where concerns were substantiated, are reviewed by the Compliance Committee prior to closure of the matter. Matters involving integrity, accounting, financial, legal, or regulatory matters are escalated at intake based upon criteria set forth by the internal audit. Additionally, the board of directors receive periodic updates of ethics reporting statistics as well as review of all significant matters.

Ethics & Compliance Training

As part of our efforts to ensure employees understand how to comply with our Code, we expect all direct hire salaried employees at Henniges Automotive to complete compliance training annually certifying that they understand and will comply with our Code. Courses are assigned online through a learning management system that enables us to track and deliver training consistently across our worldwide operations. Our training curriculum addresses topics such as: our Code; conflicts of interest; respect in the workplace; and compliance with global anti-bribery, anti-corruption and competition laws.

In addition to our mandatory online and live training sessions, we work to share ethics and compliance information across the enterprise. We make ethics and compliance resources readily available both on our corporate intranet and external website.

Cyber Security

Henniges continues to prioritize cyber security to ensure system control and decreased risk in critical areas. To allow us to achieve a level of protection we are satisfied with, our IT Department has put the following initiatives in place:

- Vulnerability Management – Risk Based Management Tool. Daily Scanning of Henniges devices that provides visibility to vulnerabilities in hardware and software, with mitigation recommendations.
- BitSight – Daily Scanning that analyses security risks from an external view of Hennies Network.
- Microsoft Advanced Threat Protection – Preventative and Post Detection investigative response feature.
- Windows Defender AntiVirus.
- Malware Endpoint Protection – Zero Day exploit protection, ransomware, protection, protection form malicious downloads.
- DUO MultiFactor Identification – Multilevel identification of user identity at login.
- Zscaler Internet Secure Gateway – Web filtering, blocking, usage reporting.
SilverPeaks Network Access Control – Network access Security, Network Segmentation.
- Microsoft Online Threat Protection – Email Filtering to mitigate Malware and virus infiltration, imbedded URL links.
- Abnormal Email Filtering – Additional email filtering for phishing activities, ransomware.
- Annual Network Penetration Testing – Simulated cyber-attack to expose potential vulnerabilities.
- Simulated Phishing Exercises.
- ZeroFox – Domain Monitoring, Branding Protection.

Implementing these initiatives has allowed Henniges to significantly increase our security efforts, but also our ability to better identify, detect, respond, and recover. In addition to all the initiatives put in place by our IT Department, we have also put increased effort in educating our employees. We have done this through annual cyber awareness training that educates our employees on what a potential attack might look like and how best to prevent it. During the year, Henniges had zero confirmed corruption incidents. Additionally, there were zero confirmed information security incidents.

HUMAN RIGHTS AND WORKING CONDITIONS



At Henniges Automotive, we are committed to upholding the highest standards of human rights and working conditions throughout our operations and supply chain. Our dedication to these principles is not only a reflection of our ethical values but also a cornerstone of our long-term sustainability strategy.

Human Rights Commitment

Our commitment to Human Rights is guided by International Human Rights principles encompassed by the Universal Declaration of Human Rights. Our Human Rights policy encompasses:

- Freedom of Association and Collective Bargaining
- Prevention of Child Labor, Forced labor, Human Trafficking and Modern Slavery
- Diversity, Equity and Inclusion

Under Working Conditions

- Health and Safety
- Wages and Benefits
- Working Hours





PEOPLE

DIVERSITY AND INCLUSION

At Henniges, we bring exceptional people together to be a part of our vision and that starts with providing an open and welcoming environment for everyone. We stand for fairness, equality and inclusion where all of our voices are heard.

- We recognize that all of our employees have a voice, so we set out to provide opportunities for employees to directly contribute to our Diversity and Inclusion efforts. Our Global and Regional Inclusion Councils are comprised of employees from all locations and they have a significant impact on the inclusion activities and initiatives that take place throughout the year.
- We know how important it is to set the tone of inclusion during important conversations. That is why we aim to start every meeting with an inclusion topic, reminding all participants that we value everyone's contribution.
- We are all on this journey together and understand the importance of learning and self-development to help us build and foster more inclusive relationships. In 2023, we offered quarterly inclusion training opportunities for all of our employees.
- We want to create an environment that goes beyond the talk of inclusion and focuses on the action of being inclusive. In August of 2023, Henniges launched an Inclusion in Action campaign. This campaign provides Henniges employees the opportunity to recognize inclusive behavior, recognizing and uplifting the great things happening in our workplace. Employees can request an inclusion coin to give away to someone demonstrating inclusive behavior. Through June of 2024, 150 have been awarded.



LEARNING

We continue to invest in training for all our team members. Our teams across the globe logged more than 1,385,421 hours in 2023; We focused on achieving an average of 10 hours for our hourly team members and 20 for salaried. Key learning areas were in Front Line Supervisor training, Zodiac Finance training, Technical training in Extrusion, Mold, Automation and Mold Tech Sealing



We will continue our focus on corporate sustainability, environmental protection, social justice and equity, and economic development. In 2018, we launched 1Henniges, a program that highlights the strength of our organization as ONE company. The 1Henniges program highlights great achievements, encouraging empowerment, accountability and teamwork fulfilling our vision of being a global leader in our industry. We will continue to work as 1Henniges with operational excellence across the board – which will help us drive profitable growth.



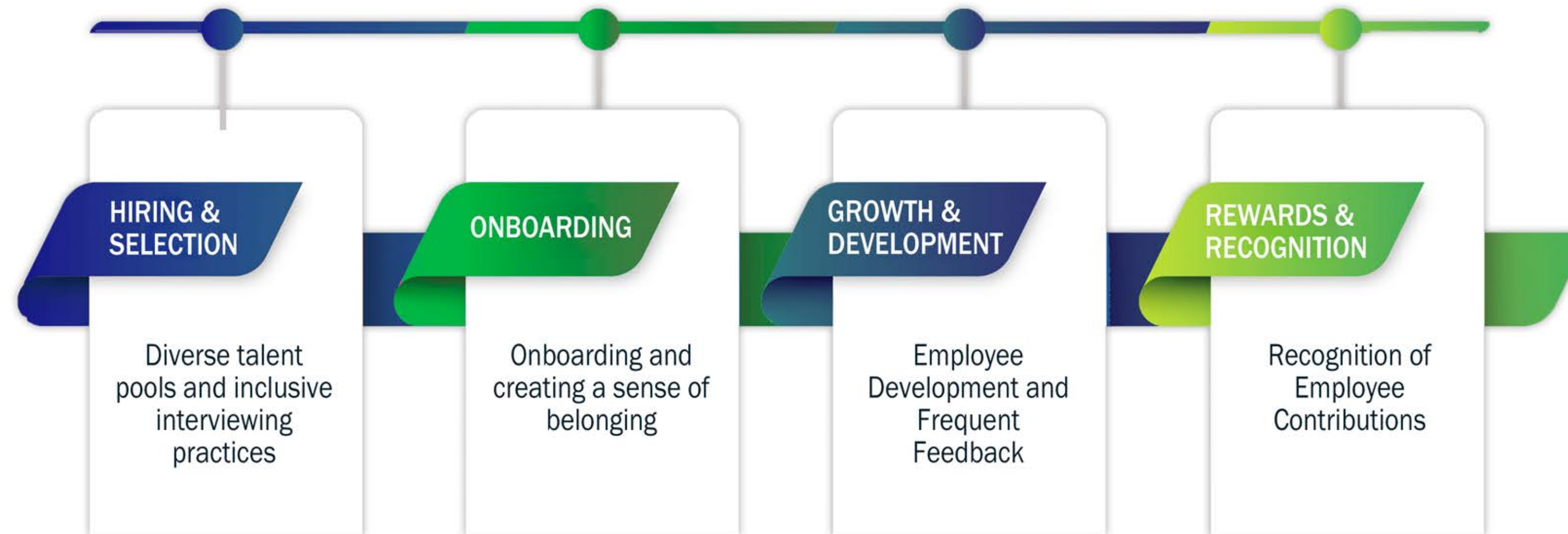
PEOPLE

EMPLOYEE EXPERIENCE

Diversity and Inclusion is ingrained in our employee experience at Henniges Automotive and that is reflected in our culture. We use inclusive hiring and onboarding practices to develop, attract and retain top talent. We prioritize employee development and provide frequent feedback to ensure employees have the tools necessary to be successful in their positions while providing the support needed to reach their full potential at Henniges. Investing in our people is critical to the success of our business.

The benefits of a diverse and inclusive environment create:

- Stronger working relationships with customers, suppliers and our communities.
- Better ideas, thoughtful dialogue and, ultimately, greater innovation.
- Talent retention and higher productivity.





PEOPLE

EMPLOYEE ENGAGEMENT

Henniges employees are provided with opportunities that contribute to meaningful and engaging work. We provide a culture that emphasizes continuous professional development and recognizes and rewards employees for their significant contributions. We prioritize an environment where all of our voices are heard and we are committed to taking action when improvements can be made. For the past two years, we have utilized annual surveys to measure how engaged our employees are in their work and how we are doing to live our values as an organization. Our leadership teams dive into those results by identifying focus areas and implementing action plans at each of our locations.

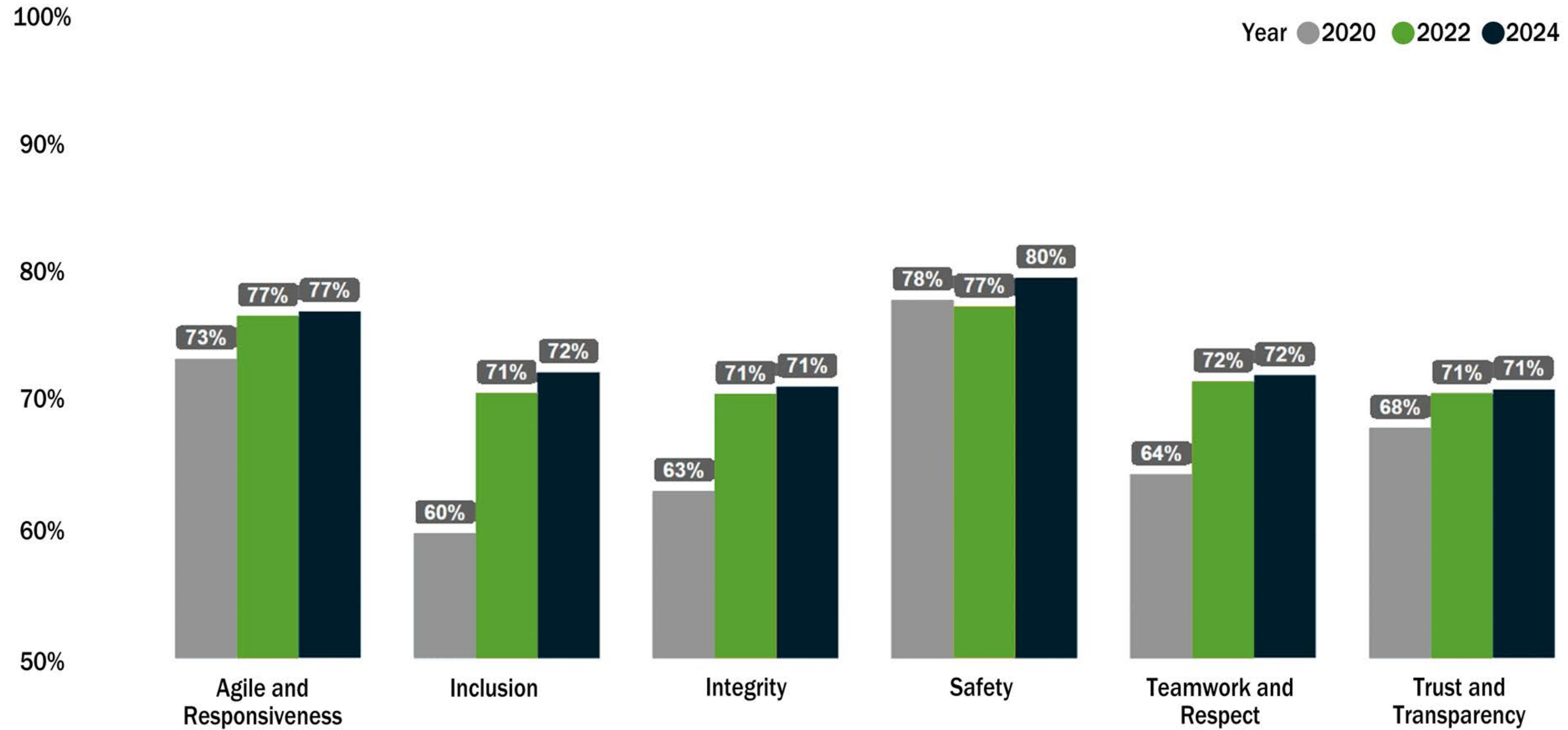
We understand that a key element of employee engagement is a rewarding work environment. We offer many ways to recognize employees and their contributions, including a bonus program that provides financial incentives for employees that go above and beyond. We train and encourage our supervisors to focus on positive behaviors by utilizing our rewards and recognition programs.





PEOPLE

HISTORICAL CULTURE SURVEY RESULTS



PEOPLE

LEADERSHIP

We are committed to our employees' professional growth and development. We believe this investment will drive the continued success of our business.

Henniges leaders from across the globe came together for the 2023 Leadership Meeting, consisting of over forty leaders, representing each of the regions, and all of our Senior Leadership Team. This meeting included two days of immersive inclusion training, leadership training and strategic planning.

We focus on retaining the best talent by offering an educational assistance program that reimburses employees for both degree and non-degree programs. By investing in our employees' professional development, we are able to retain top talent and develop leaders internally.

High performing employees and those with potential for upward mobility within the organization are identified annually during our succession planning process. These employees receive personalized development plans to ensure that they are being given the tools and coaching necessary to grow within our organization.



PEOPLE

COMMUNITY OUTREACH

Henniges Automotive takes pride in giving back to our communities. We strive to become community partners at all of our locations. We believe a strong community presence is vital to the success of our business and our workforce. The main areas we provide support to our communities is through financial contributions, volunteer service, and community involvement.

- **INVESTING IN OUR COMMUNITIES**

- o \$76,049 USD

- **SERVING IN OUR COMMUNITIES**

We know Henniges employees are passionate about their communities and are committed to giving back through acts of service so we are pleased to offer a volunteer time off program. This program allows team members to volunteer up to 8 hours per calendar year with full pay. The purpose of this program is to support volunteer activities that enhance and serve the communities in which we live and work. This creates community engagement opportunities for Henniges Automotive team members that are meaningful, purposeful and help those in need. These experiences also enrich and inspire the lives of our valued team members.



PEOPLE

MAKING A DIFFERENCE

Henniges Automotive understands that community involvement goes beyond financial contributions. Our plants enjoy giving back to their communities through numerous activities, including food bank donations, school supply fundraisers, job shadow days, community wide clean up events, holiday events, community speaking engagements and many more.



COMPANY RECOGNITION

At Henniges Automotive, we aim to distinguish ourselves by exceeding our customer's requirements. We provide top quality automotive sealing solutions and take pride in delivering customer satisfaction. We are proud of our successes and the recognition we have received from our customers demonstrating our commitment to excellence.





CANADA

° Burlington, Ontario

GLOBAL LOCATIONS

HENNIGES
AUTOMOTIVE



UNITED STATES

Global Headquarters - Auburn Hills, Michigan

- ° Keokuk, Iowa
- ° New Haven, Missouri
- ° Reidsville, North Carolina
- ° Frederick, Oklahoma



MEXICO

- ° Gomes Palacio I
- ° Gomez Palacio II
- ° Guadalajara
- ° Torreon



CHINA

- ° Beijing
- ° Chengdu
- ° Guiyang
- ° Shanghai
- ° Taicang
- ° Tieling



CZECH REPUBLIC

- ° Hranice
- ° Mlada Boleslav



POLAND

- ° Prudnik

APPENDIX

General Information Xileh Holding, Inc. was incorporated in the United States of America on April 24, 2015 as a Delaware incorporated entity. The address of Henniges Automotive's registered office is 251 Little Falls Drive, Wilmington, Delaware 19808 and its principal place of business is 2750 High Meadow Circle, Auburn Hills, Michigan 48326. Xileh Holding, Inc. is an investment holding company. Xileh Holding, Inc. and its subsidiaries (collectively Henniges Automotive) are engaged in the design and manufacture of vehicle sealing systems for doors, windows, trunks, lift gates, sunroofs and hoods primarily for sale to companies in the North American, European and Asian automotive industry. Henniges Automotive has primary operations in the United States of America, Mexico, Canada, Czech Republic, Poland, and China. Henniges Automotive's common stock is 100% owned by AVIC Hande (Beijing) Investment Holding Co. Ltd. (AVIC Hande), a Chinese limited liability company. Henniges Automotive's directors regard Aviation Industry Corporation of China (AVIC), a company established in China, as being the ultimate holding company of Henniges Automotive.