

Faurecia – United Nations Global Compact

Chairman's message

"Since my nomination as Chairman and Chief Executive Officer of Faurecia in February 2007, I wish to confirm our engagement to the United Nations Global Compact. This report illustrates our commitment in particular to principle number three to the freedom of association and the right to collective bargaining. It comprises of an illustration of good practices put in place and developed by Faurecia during 2007."

Yann Delabrière

Chairman and Chief Executive Officer

Principle 3 of the Global Compact:

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

Objective:

Freedom of speech, freedom of association and social dialogue are established practices at Faurecia. To further promote such policies, the Group has worked to set up a platform for discussion between management and employees from different European Union countries, designed to foster information sharing, exchange of views and dialogue.

Background:

From the outset in 2000, as Europe's second-largest automotive parts manufacturer, Faurecia quickly worked to put in place a forum for information and consultation with employee representatives on a European level spanning a range of issues such as industrial targets, corporate strategy and their potential impact on employment. This groundbreaking body was designed to provide a platform for communication and discussion underpinned by a spirit of mutual trust and cooperation. Hence the creation of the Faurecia European Works Council (FEWC) in 2003, whose term was extended and working principles improved in April 2007.

Steps taken:

Workings of the Faurecia European Works Council:

Created in June 2003 and reinforced and improved in 2007, the Faurecia European Works Council handles European issues involving two or more countries, notably spanning topics such as past, present and future activities on a European level, economic and financial results, industrial strategy and growth, market positioning, and any expected changes and key developments impacting on the company and its workforce. These issues are dealt with in a manner designed to provide information, cultivate exchange of opinion, broaden awareness of strategy and changes underway and, on the whole, promote understanding among all those involved.

The Council in no way replaces other organizations providing employee representation under the laws in effect in individual countries.

The Council comprises of 25 members elected or appointed to reflect the labor force in the relevant countries, including Belgium, the Czech Republic, France, Germany, Luxembourg, the Netherlands, Poland, Portugal, Romania, Slovakia, Spain, Sweden and the United Kingdom. These participants then choose six committee members and the same number of deputies who in turn appoint a liaison officer.

The Council meets once a year, usually in April. Renegotiation of the Works Council agreement, signed in April 2007, led to the addition of three ordinary committee meetings to ensure quarterly dialogue between management and employee representatives.

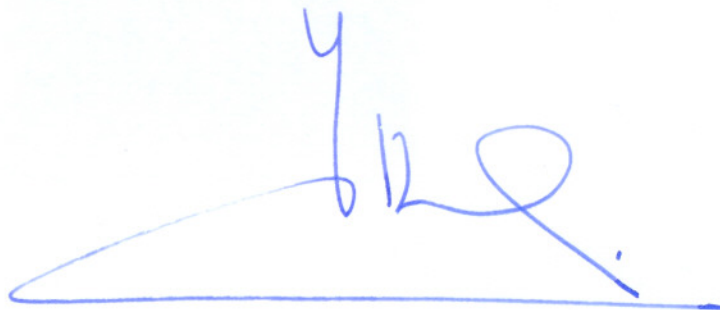
Resources:

Committee members acting as liaison officers are given a time allowance enabling them to concentrate on preparatory tasks and work related to annual meetings. Since the agreement was renegotiated in April 2007, member training was extended to cover new topics such as economic and linguistic issues. Within this context, the Council may call on an economics expert and a trade-union specialist appointed by the European Metalworkers' Federation, which spans Faurecia's main area of business. These specialists, who act as coordinators between the trade-union organizations in different countries, may now attend both Committee meetings and the annual plenary session. In addition, to further promote communication, additional resources have been made available to provide interpreters for Committee members during preparatory sessions.

Results obtained since the Council was created:

Four years after the European Works Council was created, it has been successful in helping foster an open environment promoting open discussion, mutual respect and trust between employee representatives and management. It has also clarified rules governing information and consultation within the Group, both in terms of style and substance. The Council has not only had its term extended, but has also been improved since April 2007, through the addition of new meetings and resources for representatives.

Each quarter, the European Works Council reviews the Group's performance on a range of issues in a spirit of cooperation. In 2007, key issues have included Faurecia's campaigns covering social and industrial restructuring along with the Chairman's strategic plan. Under the terms and conditions of the new agreement, the Works Council provides a commitment to continue promoting this spirit of openness, cooperation, information and dialogue.

A handwritten signature in blue ink, consisting of a stylized 'Y' followed by a large, sweeping loop and a horizontal line at the bottom.