4

The Group's human resources policy and social policy

CONTENTS

4.1. Safety in the workplace

Safety in the workplace is one of the key elements of the excellence initiative embodied by the Faurecia Excellence System (FES). It forms part of the personal respect requirement which every facility must satisfy. Faurecia's policy on health and safety in the workplace is based on two main objectives: safeguarding the health of its employees and improving their safety while at their place of work.

Thanks to our constant commitment to enhancing occupational safety and working conditions, we have consistently reduced the number of work-related accidents since 2003. To speed up this change, in 2010, Faurecia launched a breakthrough safety plan which, in two years, enabled it to achieve its highly ambitious objective of reducing the frequency of work-related accidents with lost time per million working hours by two thirds.

4.1.1. WORKPLACE SAFETY INDICATORS

Analyses of changes in the frequency rate of work-related injuries are performed in order to measure the effectiveness of actions carried out in this area. To guarantee the same level of workplace safety for all employees, temporary workers are included in the same manner as permanent staff in the following indicators:

- The Group's excellence indicators are FR0t and FR1t. FR0t measures the number of work-related accidents involving a Faurecia employee or temporary worker, with lost time, per million hours worked. FR1t measures the number of work-related accidents involving a Faurecia employee or temporary worker, with or without lost time, per million hours worked across the Group. Both indicators are calculated on a rolling six-month basis.

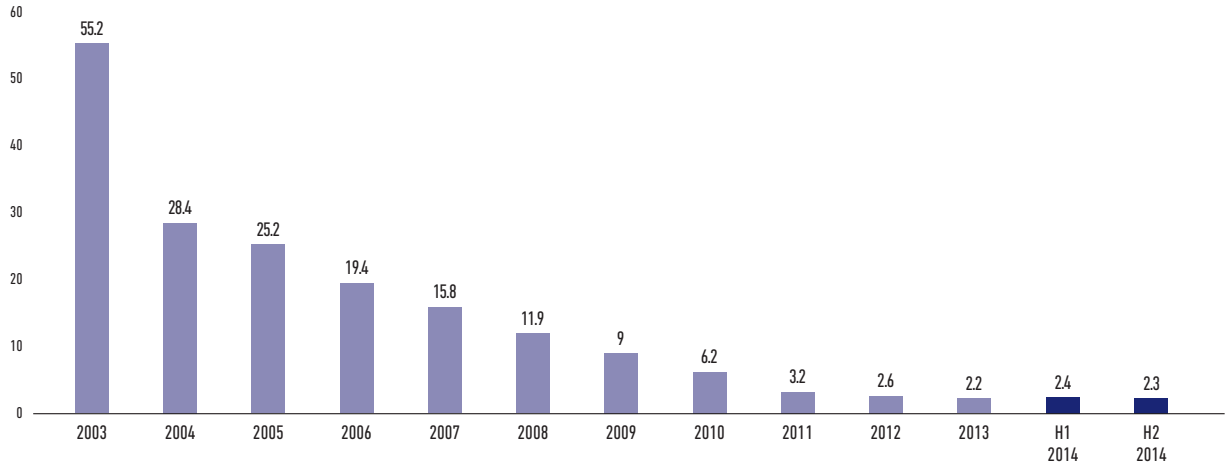
After each FR0t and FR1t accident, a QRCI (Quick Response Continuous Improvement) analysis is performed using a problem solving method based on quality problem solving best practices to ensure that the root causes of the accident are understood, that corrective actions have been effective and that preventative measures are implemented and shared across the various sites.

NUMBER OF ACCIDENTS RESULTING IN LOST TIME PER MILLION HOURS WORKED (FR0T)

The rates shown above, calculated on a rolling six-month basis, indicate the accident incidence rates approved as of the end of each fiscal year. For 2014, the results for the first and second half of the year are shown separately.

In 2014, the Faurecia group achieved its objectives in terms of accidents with lost time (FR0t of 0.8), with indicators reduced by two-thirds since 2009. This result shows Faurecia to be among the best industrial companies worldwide.

NUMBER OF ACCIDENTS WITH, OR WITHOUT LOST TIME PER MILLION HOURS WORKED (FR1T)



An FR1t of 2.3 was obtained in 2014, representing an improvement of more than 70% since 2009.

The rates shown above, calculated on a rolling six-month basis, indicate the accident incidence rates approved as of the end of each fiscal year. For 2014, the results for the first and second half of the year are shown separately.

- In its plants, Faurecia also monitors the FR2t indicator. This indicator measures the number of first aid procedures performed following an incident per million hours worked. This monitoring enables plants that have few accidents, with or without lost time, to identify their prevention priorities and to focus on accident prevention.
- Plants also monitor the severity of accidents that result in accident-related lost time.
- First aid procedures are now monitored in all autonomous production units using the Faurecia Quick Response Continuous Improvement (QRCI) method of problem resolution. This has enabled production managers to take greater responsibility for accident investigations and to increase their responsiveness.

4.1.2. BREAKTHROUGH SAFETY PLAN INITIATIVES

The purpose of the Breakthrough Safety Plan is to reduce the number of work-related accidents and serious Health, Safety, Environment (HSE) alerts following work-related accidents by providing training in the Group's various mandatory HSE rules as well as in monitoring the application of these rules.

Faurecia has defined 13 mandatory personal safety-related HSE rules. These rules have been deployed at all Faurecia sites.

Any plant reporting a serious HSE alert or an abnormally high work-related accident rate was audited by the Group's Quality department. An unsatisfactory audit result (level D) systematically results in a report being sent to the Chairman. No site has been on level D since the end of 2011. Faurecia ensures that these rules are applied at all the other sites by means of FES production audits.

Applying these 13 rules has made it possible to significantly reduce the number of serious HSE alerts and to achieve our FR0t objective.

In addition to the 13 mandatory HSE rules, Faurecia defined three rules on personal protection equipment (3PPE) for all Group sites. The application of these rules and their monitoring via FES production audits is speeding up the rate of reduction of work-related accidents not resulting in lost time (FR1t).

A film has been made about the 13 mandatory HSE and the three PPE rules so as to raise their profile among Faurecia employees. This film, with the help of practical scenarios demonstrating the different rules, is also intended for FES training for managers and was notably used in Europe, North and South America and Asia in 2014. In particular, these training courses focused on learning about HSE QRCI.

Three mandatory HSE rules apply to the control of non-production operational risks. The first two cover consignment operations (stopping processes, locking and draining energy and blocking gravitational energy), the third requires the application of a "Personal ID" label when working with equipment. This prevents machines being restarted by others, the owner of the

personal ID label being the only person entitled to remove it from the machine.

Four rules apply to the protection of personnel during production operations. They cover protection against access to moving parts of machines through the establishment of protective devices such as light curtains, safety mats, radars and fixed barriers. The plant must ensure that the failure of one component of the safety loop will stop the machine automatically. Protective equipment is tested before production begins. If the protective equipment has any faults, the machine must not be used.

The other rules focus on the prevention of falls, finger pinch point injuries, traffic accidents, the bursting of hydraulic circuits, and fires and explosions.

The three rules related to protective equipment require the wearing of helmets during maintenance operations, gloves and cut-resistant sleeves when using cutting elements or handling metal, and thermal protection when working with hot materials. These rules also make it mandatory to wear ear protectors in noisy environments.

Furthermore, each Faurecia plant defines, on an individual basis, the personal protection equipment to be used by its employees or visitors. Faurecia safety footwear and clothing is mandatory in nearly all the plants. Ear protectors are mandatory in plants with high noise levels, as well as, in most cases, safety glasses.

Faurecia further pursues its fire safety initiatives, particularly with the installation of sprinklers. In doing that, the Group not only ensures the safety of its staff, but also reduces the risk of production downtime due to fire.

The analysis of accidents has shown that many are related to work outside the standard production process. For this reason, the plants now systematically review potential risks for this type of work.

The analysis has also shown a relative weakness in logistics. As a result, Faurecia developed 13 strict HSE rules. Five of these relate to plant safety, four to the safety of machine operators, two to vehicles and the last two relate to pedestrians. The Faurecia group has been monitoring the application of these 13 rules in all of its plants.

4.1.3. ERGONOMICS AND WORKING CONDITIONS

Most occupational illnesses reported by employees involve musculoskeletal disorders. To reduce this, Faurecia has taken steps for several years to take the strain caused by workstations into greater consideration and to remedy the situation as much as possible.

Ergonomic reviews of workstations form part of the Faurecia Excellence System and the Group systematically carries out audits at each of its manufacturing sites on an annual basis.

As a result of these analyses, a variety of solutions have been implemented for manufacturing workstations. The analyses are also used to prepare a list of recommendations that are systematically taken into account during the design of products and manufacturing tools. A number of recommendations from professional ergonomists and Group HSE coordinators are being factored into the Program Management System (PMS).

All of the Group's operations managers and plant managers have been given training in ergonomics as part of the acceleration of the deployment of the Faurecia Excellence System, which was launched by the Chairman during the second half of 2009 and continued in subsequent years. The goal of this program is to ensure that these managers play a real leadership role in the continuous improvement process, notably for ergonomics-related issues.

An "Ergonomics" memorandum is available to all Group process engineers and managers in charge of efficiency in manufacturing systems, to provide additional information on analyzing workloads and how to take into consideration the ergonomic constraints of workstations. This memorandum is aimed at providing basic training in this area for people such as members of Health and Safety Committees, who are involved in organizing work schedules or designing workstations.

Since 2012, Faurecia Automotive Exteriors has developed and implemented a new production standard known as NewTech, a bumper manufacturing process which incorporates all the different manufacturing stages from injection molding to assembly of the finished product.

Particular attention was paid to occupational ergonomics within the context of the implementation of this process, from three specific perspectives:

- optimization of parts loading/unloading stations with conveyer height adjusted in accordance with ergonomic ranges;
- optimization of paint drum handling processes, introduction of roller benches, compliance with working heights, compliance with storage heights;
- optimization of design of inspection and touch up workstations.

4.2. Skills development

Faurecia's employees progress within a meritocratic environment where their advancement is dependent on their potential and performance. The Group's growth and development is directly dependent on the commitment levels and skills of its teams and its capacity to set up the best teams of managers and experts, on a global level. Effective management of human resources is, therefore, right at the heart of Faurecia group strategy and is based on three principles: involvement, performance and development. Internal promotion is a key priority. It is based on individual development and makes it possible to capitalize on automotive know-how, expertise and a high level of customer insight.

4.2.1. BEING FAURECIA

Faurecia has inherited a long tradition of technological innovation and manufacturing excellence, although it was created in 1997. Since then, the Group has grown rapidly both organically and through major acquisitions. It is now one of the top global automotive suppliers and employs nearly 100,000 people in 34 countries.

During this first phase of its history, the Group has focused on developing systems and processes necessary to ensure that it provides the same level of quality and operating performance to all of its customers around the world.

The Group has now entered a new phase of development, characterized by steadier growth and a strengthened focus on value creation.

In this new context, the Faurecia group launched a cultural transformation program known as "Being Faurecia", which aims to redefine the corporate culture and management model. The program seeks to create an environment that promotes an entrepreneurial spirit and autonomous operating teams.

Faurecia is positioning itself as a company that is focused on creating value, is customer-oriented, innovative and has management principles based on self-control, the pursuit of excellence and entrepreneurship.

In this context, the corporate values were redefined. They are now broken down into managerial values (entrepreneurship, autonomy and accountability) and behavioral values (respect, exemplarity and energy). The Group developed a Code of Management to encourage exemplary behavior within the organization. Relying on practical situations that managers face during their daily activities, this management guide defines the exemplary behavior that is expected from managers. The Group has also updated its current Code of Ethics and reinforced decentralized organizational principles. In addition, it has systematically reviewed the decision-making processes, significantly reduced their number and simplified their content in order to effectively increase the teams' self-sufficiency at various levels of the organization.

Furthermore, Faurecia has redefined its Human Resources development strategy, by revising and improving most of the HR development processes, while continuing to give priority to internal mobility. This component of the Being Faurecia initiative is developed later in this section.

4.2.2. TRAINING POLICY

4.2.2.1. Principles

Within the Group, training is considered a strategic investment.

It is a key tool in the implementation of genuine continuous improvement, backed by the Faurecia Excellence System (FES).

Training plans are focused on improving results. Training actions are favored, as is internal training.

Training is a development tool. Specific actions are implemented to encourage individual development and to increase team effectiveness.

Training is also a tool that facilitates the development of the organizational structure and operational principles prevailing within the Group. In this context, the changes induced by the "Being Faurecia" strategy are gradually incorporated into the Group's training programs.

Lastly, training is a management tool. It is the responsibility of supervisors (identification of needs, communication with interested parties) and is implemented with the support of the human resources network.

4.2.2.2. Priorities

The priorities identified in training plans are used to achieve the goals set for different business units. They are structured around the following themes:

- improving plant performance (safety, quality, costs and deadlines) and ensuring optimal production start-up;
- enhancing the attractiveness of customer offerings;
- increasing technological expertise in products and processes;
- increasing the professional qualifications of staff, fostering their career development and enhancing their employability;
- developing managerial skills in line with Faurecia's Leadership Competency Model;
- anticipating and managing identified skills requirements over the medium term;
- strengthening a shared culture focusing on value creation and entrepreneurial spirit;
- ensuring the use of common working methods to increase efficiency;
- developing people's ability to work in an international context.

4.2.2.3. 2014 Key figure

In 2014, the Group's training effort numbered more than 1.7 million hours, an increase of nearly 2.0% compared with the previous year.

4.2.2.4. Focus on Faurecia University

2014 was marked by a step up in Corporate Training. The Group redefined the goals of Faurecia University, strengthened its governance and established two regional universities in North America and Asia.

1. Role and responsibilities of Faurecia University
    - support the professional development of managers;
    - be a preferred vehicle for the cultural transformation undertaken by the Company as part of the "Being Faurecia" program.

    To this effect, Faurecia University assists managers throughout their careers by:
    - ensuring their integration within the Group;
    - providing a management training program that is customized to specific stages in their career;
    - helping them to acquire functional skills necessary for their professional growth;
    - preparing them for key positions (plant manager, program manager, R&D manager);
    - encouraging them to develop their potential.
2. Mode of governance

    Faurecia University has been equipped with a governing body, the Advisory Board, made up of members of the Executive Committee. The Advisory Board met twice in 2014. In addition to these plenary meetings, the members of the Advisory Board have been closely involved in the development of the new programs.

    During 2014, they validated three key projects:
    - a new Leadership Development modular program: a tool for managing talent and individual skills, it helps managers acquire the skills required at each level of management. This customizable program is personalized to meet the needs expressed in the individual development plans. It will be gradually deployed in 2015 and 2016;
    - the PC&L School Master Class Program: this program combines external qualification, plant workshops and individual coaching. It targets key logistics personnel. In 2015, the program will be deployed in Europe, North America and Asia;
    - further integration of engineers and managers within the Group: this program is now supported by a real-time, online monitoring tool that allows management to track development and implement corrective actions when necessary. The selected tool also collects data about the level of satisfaction of new hires going through the program. It was successfully tested in the United States in the first half of 2014 and is currently being rolled out in all countries.
3. Two regional universities

    Faurecia University North America and Faurecia University Asia are now fully operational. They have dedicated teams and premises in Auburn Hills (Michigan) and Shanghai (China). The creation of regional governing bodies has enabled the Group to put down local roots and reinforce the involvement

of management. In 2014, a first group of corporate training programs was decentralized thereby increasing the overall training effort in these two regions.

4. Enhanced training offer

   Three new corporate programs were developed in 2014:

   - « Interviewing Talent for Faurecia » concerns all participants (HR, line managers) in the recruitment process. It aims to strengthen their interviewing technique,
   - « STAR e-learning »: an e-learning module was developed to assist in the deployment of the new format for the annual performance appraisals (STAR: Setting Targets, Achieving Results). It is available online to all 16,300 engineers and managers,
   - « Competition Regulation Compliance »: this e-learning module was developed to strengthen Faurecia's approach to knowledge of and compliance with competition rules. It provides an individual diagnostic tool, and based on the diagnosis, it proposes a suitable learning path.

In 2014, Faurecia University delivered 298 training sessions compared to 163 in 2013. In total, 4,562 people benefited from these programs in 2014, compared with 2,487 in 2013.

Faurecia Automotive Seating, Faurecia Interior Systems and Faurecia Emissions Control Technologies have rolled out training courses in technical academies dedicated to their specific products and processes.

4.2.3. EMPLOYEE EMPOWERMENT

The Group's success is closely bound up with its capacity to actively involve all its employees in their work on a day-to-day basis and to create effective and autonomous teams. Employee accountability is one of Faurecia's key performance levers and is also one of the mainstays of the Faurecia Excellence System.

Group employees follow development programs so as to be able to fully meet their responsibilities. Staff benefit from development opportunities enabling them to increase their level of responsibility, the aim being to constantly improve team skills.

Employees are also encouraged to make an active contribution to continuous improvement. Managers are trained in team leadership (listening, communication skills, etc.) so as to be able to effectively support and coach their teams.

Plant Management Committees are key participants in industrial progress. On this basis, they help to make employee empowerment an operational reality and to assist in the deployment of FES tools in plants.

In 2014, Faurecia continued to support the deployment of employee empowerment by continuing to offer the training programs launched in 2013:

- the seven basic principles of employee empowerment: this module is designed for Plant Management Committees. It aims to develop their role in the day-to-day management of teams using the FES and the seven basic principles. More than 500 people benefited from this training this year;
- employee empowerment for human resources managers: this module aims to support human resources managers to develop their operational role and to implement the Faurecia Excellence System. In 2014, 52 human resources managers benefited from the training.

In 2014, Faurecia also reviewed some of its basic tools for implementing and evaluating employee empowerment in order to streamline them and more closely link them to the business priorities of the plants.

32.1% of supervisors within Faurecia have a level of education equivalent to a bachelor's degree or higher, compared with a target set to 37.8%. This indicator is a priority in recruitment to secure long-term pools of autonomous production unit and plant managers.

It should be noted that in 2014 the number of ideas for improvement suggested by Group employees amounted to 13.9 per employee.

4.2.4. DEVELOPING THE POTENTIAL OF ENGINEERS AND MANAGERS

Faurecia integrates and develops the potential of its engineers and managers so as to improve their performance and skills and offer them attractive career paths. The effective development of engineers' and managers' potential is at the core of the Being Faurecia program. The Group seeks to continuously improve the performance of its managers and ensure their professional development so that they can realize their potential.

At the same time, the Group constantly adapts its allocation of human resources to meet short-term business demands and prepares for the medium-term to ensure that the Group always has best-in-class in terms of managers and technical experts, driven by the pursuit of excellent customer service.

Recruiting and retaining the employees of tomorrow

Over the last five years, Faurecia has grown very significantly and it had over 99,000 employees, 16,300 of whom are engineers and managers at the end of 2014.

For the last two years, external recruitment was stable with 2,133 engineers and managers hired in 2014, compared with 2,063 in 2013. Recruitment mainly took place in areas of growth such as China (467), the United States (432), Mexico (252) and India (114). Proportionally, hiring continued at a slower pace in France (249) and Germany (148).

38% of new employees were assigned to production, 33% to sales, R&D and program functions, and 29% to support functions.

In 2014, Faurecia put particular emphasis on the quality of recruitment to ensure that the Group recruits and retains the employees of tomorrow. To achieve this, the HR teams and managers received extensive training in recruitment techniques in order to select the best candidates.

To ensure the success of newly recruited employees, Faurecia offers all new hires a personal induction program enabling them to find out more about the Company, its values, strategy and organization, and to become acquainted with its culture and operating systems.

In 2014, the Group deployed an online tool to help new employees and their line manager throughout the integration period.

The Group's policy consists of recruiting new graduates whose profile and aspirations are in line with the Being Faurecia program and who have the potential to build a career within the Group.

In line with this ambition, 2014 offered an opportunity to establish new partnerships with renowned higher education institutions in the main countries where the Group has operations. Throughout the year, the Group participated in many events ranging from school forums to car shows (North America International Auto Show in Detroit, Paris Auto Show).

Young graduates accounted for 21% of hires, a part of which were from the panels of target schools in the ten major countries.

In 2014, the number of international corporate volunteer (Volontariat International en Entreprise, VIE) contracts continued to grow, with 201 signed, compared with 167 in 2013. It is noteworthy that 60% of the young engineers and managers who completed their VIE period in 2014 were subsequently hired by Faurecia at the end of this period. VIE contracts mainly concerned Germany, the United States and Central Europe.

Developing and promoting international exposure is essential for a Group that employs 61% of its engineers and managers outside Western Europe and carries out 77% of its recruitments outside this region. Within this framework, Faurecia can offer its people many international assignments as well as the opportunity to take part in international projects.

The Group also places great importance on the international dimension of its Senior Management team, while taking steps to attract, develop and retain local talent across the globe. In keeping with this strategy, 55% of the Group's Senior Management team is now non-French, and 53% of the engineers and managers identified as high-potential are from non-Western European countries. 45% of the potential senior managers come from those same countries.

Lastly, a stable employee base is essential for safeguarding our investment in human capital. In 2014, the resignation rate for engineers and managers was 8%, up 1.1% on 2013 (6.9%). This rate increased to 11.6% in North America and remained relatively flat at 5.6% in Europe. In China, it remained at 6.9%, well below the market average. The rate dropped to 6.8% in South America.

Consolidating the Group's performance culture and having exemplary leaders

As part of the Being Faurecia program and to enhance the consistency of assessments, the Group transformed its annual performance appraisal process and adopted a comprehensive approach combining three components:

- "management by objective" component that aligns individual performance with business objectives;
- the evaluation of behavior enables the measurement of commitment to the Group's values. During 2014, these values were redefined in line with the Being Faurecia program. They now consist of three managerial values (entrepreneurship,

autonomy and accountability) and three individual values (respect, exemplarity and energy). A Code of Management was developed to illustrate the behavior expected from managers in the main situations they might face. This Code is intended to be a practical guide for managers to develop exemplary behavior;

- lastly, the managerial skills assessment makes it possible to identify each individual's strengths as well as areas where there is room for improvement so as to construct practical and effective individual development plans. The Code, which describes the managerial skills that must be mastered at each level of the organization, is at the center of performance management and the identification of the potential and development of future leaders.

Developing skills and optimizing career management

The Group's internal promotion policy revolves around offering career opportunities to employees who succeed and demonstrate their potential.

Despite a high recruitment rate, the rate of vacancies filled internally amounted to 58% overall in 2014, compared with 53.2% in 2013. This percentage is considerably higher for senior management positions (81.5%). These results were achieved through the implementation of robust succession planning and individual development plans, based on individual reviews made at least once a year at all levels of the Company (sites, divisions, Business Groups, Group) and on a rigorous use of Faurecia's managerial skills model.

In 2014, 17.3% of engineers and managers benefited from internal mobility, 37% as a result of a promotion.

In this same year, cross-function mobility represented 25% of the Group's total mobility assignments for over 740 engineers and managers.

In line with the Group's expertise management policy, Faurecia particularly rewards performance in technical and technological areas. The Group offers its experts a specific career program, which has the added advantage of allowing it to enhance business-specific skills within each product line. In 2014, 37 experts, 9 senior experts and 1 master expert were appointed in the product and process engineering businesses. At the end of 2014, Faurecia employed 332 experts.

Preparing for the medium term

The Group's priority is to make sure that it always has best-in-class teams of managers and technical experts. To do this, it is essential to anticipate future requirements in terms of staffing, skills and expertise.

In addition to the process of anticipating medium-term needs in these areas, the Group has an initiative to implement and monitor plans to strengthen the key population of plant managers, program managers and technical experts.

The Executive Committee strengthened its involvement in managing talent. It now assesses the Group's high-potential staff twice a year, with a particular focus on potential executives. In addition to People Reviews generally organized at Business Group/Division/functional level, Key Reservoir Reviews were carried out in North America, Asia and South America in order to optimize talent management locally.

Alongside these internal activities, a reinforcement plan was rolled out in France, Germany, the United States and China to recruit high-potential applicants for whom an accelerated career path is defined and implemented.

To prepare the managers of tomorrow, talent identification should start as early as possible. The applicants are offered diverse career paths to realize their potential. These paths include inter-functions/inter-divisions mobility, project work or short-term assignments. The plan aims to help employees step out of their comfort zone and provide them with general management skills.

External assessments are also proposed for current and future leaders, so that each individual may better understand their development potential and make the best career choice. Personal development plans are defined as part of this process. A total of 38 assessments were completed in 2014.

4.3. Strengthening economic and social dialog

4.3.1. AN ENVIRONMENT OF CONTRASTING BUSINESS ACTIVITY BY REGION

In 2014, the level of Faurecia's overall activity improved, with growth still strong in Asia and a recovery in automotive production in Europe.

This trend was reflected by continued growth in the workforce which rose from 81,995 at the end of 2013 to 82,382 at the end of 2014 (up 0.5%).

Industrial redeployment initiatives affected 23 sites and 1,582 employees in 9 countries in 2014, mainly in Europe, South America and North America.

In this context, Europe has seen the number of employees rise slightly, by 1.3%, despite the restructuring plans implemented in western European countries.

In North America, the number of registered employees dropped by 1.8%.

In South America, after registering significant growth in recent years, the number of employees fell 15.3%, confirming the decline in automotive production and the difficulties encountered in this region.

Lastly, Faurecia continued to grow in Asia, where the number of employees rose by 11.1%, consolidating the growth potential of this market and the good business momentum gained with automakers in this region.

4.3.2. GREATER SOCIAL DIALOG AND CONSULTATION WITH EMPLOYEE REPRESENTATIVES

Pursuant to the component on the development of economic and social dialog of the Code of Ethics in force since 2007, complemented in 2014 by the Being Faurecia program, the Group's various entities continued an active policy of dialog and negotiation with employee representatives.

This policy led in 2014 to the signing of 383 establishment or company agreements in 20 countries, including 174 in France, 101 in Germany, 29 in Brazil, 11 in Mexico, 9 in Thailand, and 8 in Tunisia and Uruguay.

19% of these agreements related to wages and benefits, 17% to statutory profit-sharing and incentive plans, 40% to working conditions and 5% to the quest for increased competitiveness and/or performance.

On this last topic in particular, in 2014, successful negotiations were held at a number of sites where remaining competitive was crucial to keeping the business going or to winning new programs, thereby avoiding any new plans for industrial redeployment. Thus, 20 competition agreements were finalized by the Group's businesses: 9 in France, 6 in Germany, 2 in Spain and 1 in Romania, the Czech Republic and Brazil. With these new agreements and those entered into in financial years 2012 and 2013, nearly 40 sites are now covered by competition agreements.

In addition, in all the countries in which it operates, the Group is keen to implement existing plans so as to reduce the impact on jobs arising from a slowdown in business. By way of illustration, these plans amounted to the equivalent of 1,018,538 hours in 2014, 518,524 hours of which involved reduced working hours programs in France, the European country that benefited the least from the rebound in the European economy. At the same time, in the event of any industrial redeployments, the Group prefers to make use of internal mobility, both on a geographical and cross-divisional level, as well as voluntary redundancy plans. In the event that a site closure is required, the Group endeavors, where this is possible, to put in place re-industrialization projects by providing financial and/or operational assistance to industrial players that are likely to propose redeployment solutions to its employees. In cases where compulsory redundancies cannot be avoided, providing support for those employees seeking redeployment is a priority.

The European Works Council, a key body in the Group's economic and social dialog, is the preferred forum for exchanges with

employee representatives on the Group's strategy, results and outlook.

The twenty-five seats on the Council are allocated in proportion to the numbers of employees in each of the fifteen European countries where the Group has operations. Set up in 2003, this body is now governed by the agreement signed unanimously on January 10, 2012. The European Works Council met in plenary session on April 17 and 18, 2014; the Council Board, comprising representatives of the six biggest countries in terms of workforce (i.e. France, Germany, Spain, Portugal, Czech Republic and Poland), met three times during the year.

Pursuant to the terms of the agreement, the last meeting of the year was held at a site on November 12, 2014. On this occasion, the members of the Council visited the research and development center in Bavans and the "NewTech" industrial facilities of the Audincourt plant in the Montbéliard region.

4.3.3. RESPECT OF FUNDAMENTAL RIGHTS

Faurecia adhered to the UN Global Compact in 2004. By doing so, it committed to abiding by and promoting, in its business practices, a set of values and principles drawn from texts and international conventions relating to human rights, labor standards and the environment. Changes within the Group, the new requirements of customers and new guidelines bearing on corporate social responsibility and sustainable development prompted Faurecia in 2007 to prepare a new version of its Code of Ethics mirroring the International Labour Organization's (ILO) Core Conventions. This Code of Ethics was updated in 2014 as part of the roll out of the Being Faurecia program, intended to strengthen the Group's culture and contribute to the creation of long-term value. The Code of Management, which was established at that time to guide the day-to-day management of teams, customers, suppliers, etc., translated many of the principles set out in the Code of Ethics into operations.

4.3.3.1. Prohibition of child labor

Faurecia complies with national laws and regulations relating to child labor. It will not employ children under the age of 16, under any circumstances, and complies with the provisions of the ILO regarding the health, safety and morality of young people aged between 15 and 18. The Faurecia group ensures that its suppliers and/or partners adhere to the same principles.

4.3.3.2. Elimination of all forms of forced labor

Faurecia is committed to the free choice of employment and the elimination of all forms of forced and compulsory labor. It ensures that its suppliers and/or partners adhere to the same principles.

4.3.3.3. Freedom of association and the effective recognition of the right to collective bargaining

Faurecia recognizes the existence of trade unions worldwide and the right of workers to form the union organization of their choice and/or to organize workers' representation in accordance with the laws and regulations in force. It undertakes to protect union members and leaders and not to make any discrimination based on the offices held.

The Group is also committed to promoting a policy of dialog and negotiation. Given its decentralized legal and managerial structure, this policy is implemented through collective bargaining agreements signed with the sites, on the one hand, and companies, on the other.

4.3.3.4. The elimination of discrimination in terms of hiring and occupation

The Group is committed not to discriminate against anyone, notably on the basis of age, sex, skin color, nationality, religion, health status or disability, sexual orientation, political, philosophical or union-related opinion in its recruitment and career development initiatives. Every employee has the right to work in a healthy environment, free from any form of hostility or harassment qualified as unlawful under the regulations and practices in force in the countries where the Faurecia group operates.

In particular, Faurecia forbids any unlawful conduct construed as sexual or moral harassment, including in the absence of any hierarchical or subordination relationship.

4.3.4. CHANGES IN COMPENSATION AND BENEFITS

The total amount of compensation paid, including social contributions, increased by 3.9% across the Group as a whole: €3,101.7 million in 2014, compared with €2,986.1 million in 2013.

Meanwhile, the number of employees at the end of the year increased by 0.5% (+6% for engineers and managers).

The Group adheres to current minimum wage legislation in each country. Wage negotiations are held in the majority of countries. In 2014, 74 agreements were concluded on wage/bonus/compensation packages and 65 on profit-sharing/non-discretionary profit-sharing.

A system of variable compensation, based essentially on operating unit performance, applies in a uniform manner in all countries in which Faurecia operates. At the end of 2014, approximately 3,850 out of a total of 16,300 managers benefited from this system.

Compensation practices were analyzed for engineers and managers in key countries to support the practice of annual compensation reviews.

4.4. Company savings, incentive and profit-sharing bonuses in the development of the Group

4.4.1. EMPLOYEE SAVINGS PLANS IN FRANCE

In France, the Group has over the past few years implemented several mechanisms to allow employees to accumulate savings.

Since 2004, employees have had access to a Group employee savings plan (PEG) open to amounts distributed under profit-sharing and incentive plans, as well as voluntary contributions.

Thirteen funds are available, including Faurecia Actionnariat, a mutual fund investing exclusively in Faurecia stock. At end-2014, total funds managed in the employee savings plan (PEG) stood at €36.5 million, of which 26.6% were invested in Faurecia Actionnariat (2,603 employees).

Employees also have access to the Group retirement savings plan (PERCO), set up in late 2012. Like the employee savings plan, payments into the Group pension savings plan can be made from discretionary and non-discretionary profit-sharing plans as well as voluntary employee contributions.

A defined-contribution pension plan was also introduced in 2006 for Group executives and was opened up to voluntary contributions from employees in 2013. The various retirement savings plans have more than €72.4 million under management.

4.4.2. INCENTIVE PLANS IN FRANCE

The incentive agreements entered into by the Group's various French companies mostly establish how voluntary incentive payouts are calculated based on two sets of indicators:

- financial indicators at Company level. This part accounts for about 40% of the overall payout and is calculated annually;
- operational performance indicators calculated at site level and selected from among Faurecia Excellence System indicators. This part accounts for about 60% of the overall payout and is calculated half-yearly.

Under these agreements, the payout is capped at 5%-6% of payroll – although in exceptional cases it may be raised to 6.7-8% if objectives are exceeded – and is allocated partly in proportion to salary and partly applied on a uniform basis depending on hours worked.

In 2014, €14.6 million was paid out to employees under the incentive plan, of which €2.8 million were invested in Group Employee Savings Plans in France (PEG or PERCO).

4.4.3. PROFIT-SHARING IN FRANCE

The mandatory profit-sharing agreements of the various Group companies stipulate, for the most part, that employee profit-sharing calculated in accordance with the legal formula must be allocated among employees prorated on the basis of their compensation for the year in question, subject to compliance with regulatory limits.

The amounts allocated to the profit-sharing reserve may be held in a no-access account or invested in the corporate mutual funds set up in connection with the Group employee savings plan (PEG) or retirement savings plan (PERCO).

In 2014, €1.3 million was paid out to employees under the profit-sharing plan, of which €0.6 million was invested in Group Employee Savings Plans in France (PEG or PERCO).

4.4.4. STOCK OPTION PLANS AND PERFORMANCE SHARE PLANS

Faurecia has set up a performance share plan for its senior management, with a view to promoting motivation and fostering loyalty. It follows a procedure established by the Board of Directors at its meeting of December 17, 2009. The Combined General Meeting of May 30, 2013 authorized the Board of Directors to grant a maximum of 2,500,000 performance shares. Based on this authorization, on July 28, 2014, the Board granted 957,125 performance shares to 289 beneficiaries. These shares are subject to a continued employment requirement and two performance requirements. The latter include an internal requirement relating to the Group's pre-tax net income in 2016 and an external requirement comparing net earnings per Faurecia share between 2013 and 2016 with a reference share of a group of leading global automotive suppliers. It should be noted that the last five plans made grants in the same period of the year.

As of December 31, 2014, stock options granted but not yet exercised totalled 931,025, with a further 2,252,350 performance shares liable to be granted by July 2016, subject to the associated performance requirements.

4.5. Administrative efficiency of Human Resources

The rationalization of the human resources IT system begun in 2007 reached another milestone in 2014. GlobalView, the SAP-based payroll platform and employee management platform, was rolled out in Mexico (8,000 people) during the first half of the year. At the end of 2014, over 60,000 employees (in 12 countries) were being paid by GlobalView, 73% of the Group's workforce. New projects include the rollout in Brazil in 2015, as well as the launch of future implementations in Argentina, South Africa and Thailand, also in 2015, then in Romania in 2016. At the end of 2016, 85% of the Group's workforce will be paid via this platform.

Payroll processes were also optimized with a focus on two areas: full outsourcing in the new countries covered by GlobalView (China, Mexico and soon Brazil) and the continued deployment of shared service centers. At the end of the planned deployment, 75% of employees will be paid through an internal platform and 25% through an external platform. Eighteen countries will be managed by payroll shared service centers, covering 93% of the workforce.

At the same time as rolling out the payroll system, automatic interfaces continued to be set up with the Group's social reporting system, executive database and accounting system to improve administrative efficacy and make data more reliable.

The optimization of administrative procedures also took another step forward as a result of the implementation of a talent management tool and a tool for managerial assessment of individual performance (Taleo). The latter helps in assessing employees' skills in relation to a Group managerial skills model, Group values and the achievement of assigned targets. Human Resources is thus equipped with a modern tool for managing its employees' individual development online. Transparency with regard to employees and their managers is a key factor when it comes to improving managerial processes and information system quality.

4.6. Other employee-related data

TOTAL WORKFORCE AS AT DECEMBER 31, 2014 VS. DECEMBER 31, 2013

	2014				2013				2014 vs. 2013			
	Registered employees	Temporary employees	Total headcount	Of which % open-ended contracts (CDI)	Registered employees	Temporary employees	Total headcount	Of which % open-ended contracts (CDI)	Registered employees	Temporary employees	Total headcount	Of which open-ended contracts (CDI) *(as points)*
Europe	45,540	7,747	53,287	78.4%	44,974	6,706	51,680	80.2%	1.3%	15.5%	3.1%	-1.8
North America	17,836	2,525	20,361	80.6%	18,172	2,812	20,984	78.3%	-1.8%	-10.2%	-3.0%	2.4
South America	5,122	86	5,208	91.4%	6,049	105	6,154	91.6%	-15.3%	-18.1%	-15.4%	-0.2
Asia	9,160	5,922	15,082	58.4%	8,243	5,314	13,557	57.2%	11.1%	11.4%	11.2%	1.2
Other	4,724	619	5,343	73.1%	4,557	487	5,044	77.2%	3.7%	27.1%	5.9%	-4.1
FAURECIA	**82,382**	**16,899**	**99,281**	**76.2%**	**81,995**	**15,424**	**97,419**	**77.1%**	**0.5%**	**9.6%**	**1.9%**	**-0.9**

Total employees

The Group's total workforce grew by 1,862 people in 2014, up +1.9%.

The proportion of staff employed on open-ended contracts increased from 77.1% to 76.2%.

The proportion of staff on fixed-term contracts decreased from 7.1% to 6.8%, and the proportion of temporary staff rose from 15.8% to 17.0%.

In 2014, the total workforce rose mainly in Europe (+1,607 people) and Asia (+1,525 people).

Registered employees

The Group's registered employees increased by 387 people (+0.5%) in 2014. This increase was particularly significant in Asia (+917 people or +11.1%) and Europe (+566 people or +1.3%) due to business growth in both regions. Employee numbers dropped by 1.8% (-336 people) in North America and by more than 15% (-927 people) in South America.

Temporary employees

The number of temporary staff rose by 1,475 people (+9.6%) in 2014. As of end-December 2014, the percentage of temporary staff was 17.0%, 1.2 points higher than in 2013.

In Europe, the rate rose from 13.0% to 14.5%. Growth in the use of temporary labor was most marked in Portugal and in the Czech Republic due to the launch of new projects.

The number of temporary staff also rose in France, although only accounting for 11.0% of the total number of employees.

In North America, this percentage fell from 13.4% to 12.4% as a result of shedding 415 temporary workers in Mexico over the period.

Finally, this rate was unchanged in Asia (39.2%), the percentage of temporary labor being structurally high in China.

REGISTERED EMPLOYEES AS AT DECEMBER 31, 2014 VS. DECEMBER 31, 2013

	2014 Registered employees				2013 Registered employees				
	Operators & workers	Technicians, foremen & administrative staff	Managers & professionals	Total	Operators & workers	Technicians, foremen & administrative staff	Managers & professionals	Total	Change 2014 vs. 2013
Europe	29,805	7,453	8,282	45,540	29,329	7,702	7,943	44,974	1.3%
North America	12,815	1,307	3,714	17,836	13,269	1,403	3,500	18,172	-1.8%
South America	3,332	1,169	621	5,122	4,125	1,291	633	6,049	-15.3%
Asia	4,532	1,079	3,549	9,160	3,999	1,061	3,183	8,243	11.1%
Other	3,577	611	536	4,724	3,474	590	493	4,557	3.7%
FAURECIA	**54,061**	**11,619**	**16,702**	**82,382**	**54,196**	**12,047**	**15,752**	**81,995**	**0.5%**

Registered employees increased by 0.5% in 2014.

In Europe, the number of registered employees grew by 1.3% overall, with a 1.6% increase in operators and workers, a 3.2% decrease in technicians, foremen and administrative staff and a 4.3% rise in managers.

In Western Europe, the number of registered employees fell by 2.2%, in particular in France (-4.1%), Germany (-1.9%) and Spain (-3.2%).

In Central Europe, the number of registered employees increased by 10.4%, mainly in Poland, Romania and the Czech Republic. This increase mainly related to operators and workers.

In North America, the number of registered employees decreased by 1.8% due to a significant decline in Canada (-392 people).

The number of operators and workers dropped by 3.4%, the number of technicians, foremen and administrative staff fell by 6.8%, while the number of managers grew by 6.1%.

In South America, the number of registered employees decreased by 15.3%, mainly in Brazil (-743 people) and Argentina (-185 people). Numbers were down 19.2% for operators and workers, 9.5% for technicians, foremen and administrative staff, and 1.9% for managers.

In Asia, registered employee numbers were up 11.1%, mainly in China (+15.4%) and South Korea (+7.9%). Numbers were up 13.3% for operators and workers and 11.5% for managers.

Other countries recorded a rise in their registered employees of 3.7%, mainly in Tunisia (+301 people).

REGISTERED EMPLOYEES BY TYPE OF CONTRACT AS AT DECEMBER 31, 2014 VS. DECEMBER 31, 2013

	2014			2013			2014 vs. 2013		
	Open-ended contracts (CDI)	Fixed-term contracts (CDD)	Total	Open-ended contracts (CDI)	Fixed-term contracts (CDD)	Total	Open-ended contracts (CDI)	Fixed-term contracts (CDD)	Total
Europe	41,789	3,751	45,540	41,448	3,526	44,974	0.8%	6.4%	1.3%
North America	16,417	1,419	17,836	16,421	1,751	18,172	0.0%	-19.0%	-1.8%
South America	4,761	361	5,122	5,639	410	6,049	-15.6%	-12.0%	-15.3%
Asia	8,807	353	9,160	7,752	491	8,243	13.6%	-28.1%	11.1%
Other	3,906	818	4,724	3,895	662	4,557	0.3%	23.6%	3.7%
FAURECIA	**75,680**	**6,702**	**82,382**	**75,155**	**6,840**	**81,995**	**0.7%**	**-2.0%**	**0.5%**

Open-ended contracts rose by 0.7% (+525 people). Over the same period, staff employed under fixed-term contracts fell by 2.0% (-138 people).

Breakdown by contract type swung by 0.3 points in favor of open-ended contracts. In 2014, they accounted for 91.9% of the registered workforce, as opposed to 91.6% in 2013.

The number of open-ended contracts rose by 341 in Europe (+0.8%), mainly in Poland (+633) and the Czech Republic (+342).

In contrast, this type of contract decreased in Western Europe with 793 less open-ended contracts (CDI) over the period across all countries.

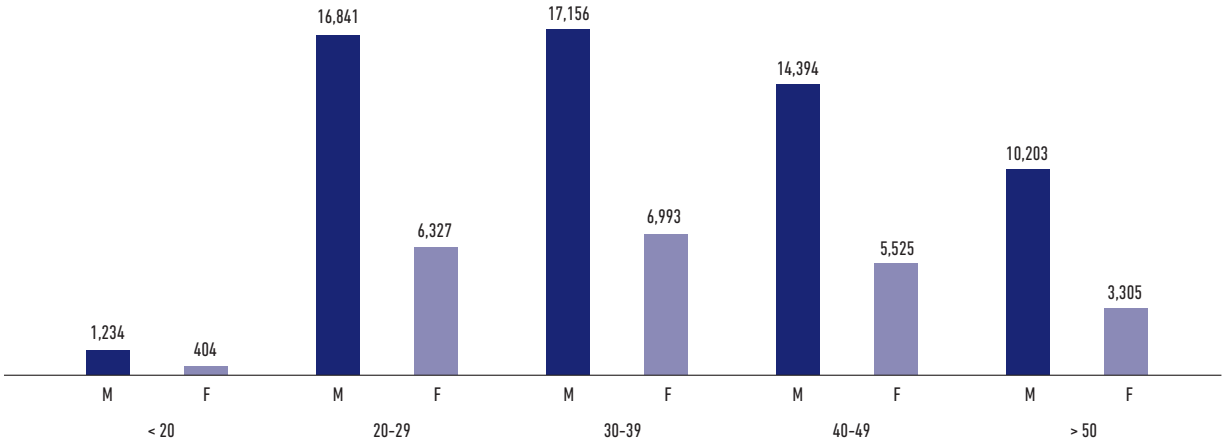
Changes were also noted in other regions. Open-ended contracts remained unchanged in North America, fell in South America (-878, mainly in Brazil and Argentina) and grew in Asia (+1,055, mainly in China) in line with the business developments in these regions.

The number of fixed-term contracts was down 2.0% from 2013.

They accounted for 8.1% of employees at the end of 2014, compared with 8.3% at the end of 2013.

2014 AGE PYRAMID BY GENDER

	< 20		20-29		30-39		40-49		> 50		Total	
Registered employees	**M**	**F**	**M**	**F**	**M**	**F**	**M**	**F**	**M**	**F**	**M**	**F**
Operators & workers	1,105	313	11,871	4,271	10,405	4,646	8,558	4,006	6,358	2,528	38,297	15,764
Technicians, foremen & administrative staff	129	91	2,224	1,053	2,437	865	2,082	682	1,588	468	8,460	3,159
Managers & professionals	0	0	2,746	1,003	4,314	1,482	3,754	837	2,257	309	13,071	3,631
TOTAL	**1,234**	**404**	**16,841**	**6,327**	**17,156**	**6,993**	**14,394**	**5,525**	**10,203**	**3,305**	**59,828**	**22,554**



Women accounted for 27.4% of the Group's registered employees, an increase of 0.6 point compared with 2013.

Faurecia is a relatively young group with 59.4% of employees under the age of 40 and 30.1% under 30.

13,535 registered employees are aged over 50 (16.4%), up 0.5 point from 2013.

For all age brackets, the breakdown by staff category was stable year-on-year, with 66% of registered employees among operators and workers, 14% among technicians, foremen and administrative staff, and 20% among managers and professionals.

EXTERNAL HIRES AS AT DECEMBER 31, 2014 VS. DECEMBER 31, 2013

	2014			2013			2014 vs. 2013		
Registered employees	**Hires on open-ended contracts (CDI)**	**Hires on fixed-term contracts (CDD)**	**Total**	**Hires on open-ended contracts (CDI)**	**Hires on fixed-term contracts (CDD)**	**Total**	**Hires on open-ended contracts (CDI)**	**Hires on fixed-term contracts (CDD)**	**Total**
Europe	3,085	3,674	6,759	2,501	3,454	5,955	23.4%	6.4%	13.5%
North America	2,364	3,299	5,663	2,758	3,382	6,140	-14.3%	-2.5%	-7.8%
South America	597	278	875	1,642	394	2,036	-63.6%	-29.4%	-57.0%
Asia	2,566	367	2,933	2,630	479	3,109	-2.4%	-23.4%	-5.7%
Other	763	612	1,375	1,117	492	1,609	-31.7%	24.4%	-14.5%
TOTAL	**9,375**	**8,230**	**17,605**	**10,648**	**8,201**	**18,849**	**-12.0%**	**0.4%**	**-6.6%**

This table shows year-on-year changes in hiring, excluding the impact of transfers from fixed-term to open-ended contracts.

The number of hires as a whole fell by 6.6% compared with 2013. A decline of 12% was recorded for open-ended contracts. On the other hand, hires on fixed-term contracts increased by 0.4%.

In Europe, hires on open-ended contracts were made primarily in Poland (41.5%), the Czech Republic (25.0%) and France (9.7%), with other countries in the region recording hiring volumes similar to 2013.

Hires on fixed-term contracts were mainly in Spain (20.3%) and Romania (19.3%) to respond to fluctuations in business activity.

In North America, 2,364 hires were made on open-ended contracts, compared with 2,758 in 2013 (-14.3%). Hires on fixed-term contracts fell too, from 3,382 in 2013 to 3,299 in 2014, notably in Mexico, so as to ensure a quick response to fluctuations in business activity.

In South America, the volume of new hires fell sharply from 2013 (-57% across all types of contracts), confirming the economic slowdown in this region, particularly in Brazil.

In Asia, hires on open-ended contracts were slightly down 2.4% on 2013 but remained strong, mainly in China with over 2,000 hires, as a result of regional business growth.

In other countries, hires on open-ended contracts decreased from 2013. These were mainly in Russia.

Hires on fixed-term contracts rose (+24.4%) as a result of fluctuations in business activity this region, particularly in Tunisia.

EXTERNAL HIRES AS AT DECEMBER 31, 2014 VS. DECEMBER 31, 2013

	2014				2013			
	Operators & workers	Technicians, foremen & administrative staff	Managers & professionals	Total	Operators & workers	Technicians, foremen & administrative staff	Managers & professionals	Total
Europe	5,046	1,123	590	6,759	4,485	987	483	5,955
North America	4,538	411	714	5,663	5,024	391	725	6,140
South America	372	432	71	875	1,439	525	72	2,036
Asia	1,955	283	695	2,933	2,080	419	610	3,109
Other	1,120	141	114	1,375	1,307	154	148	1,609
TOTAL	**13,031**	**2,390**	**2,184**	**17,605**	**14,335**	**2,476**	**2,038**	**18,849**

Operators and workers represented 74% of external hires in 2014, compared with 13.6% for technicians, foremen and administrative staff, and 12.4% for managers and professionals, compared with 76%, 13.1% and 10.8% respectively in 2013.

The 6.6% drop in external hires in 2014 can be broken down into a drop of 9.1% for operators and workers, 3.5% for technicians, foremen and administrative staff, and an increase of 7.2% for managers across all types of contracts.

In Europe, hires of operators and workers rose by nearly 12.5%, mainly in Poland and the Czech Republic as a result of the upturn in business in these countries. Hires of technicians, foremen and administrative staff grew by 13.8% (mainly in Poland) and hires of managers by 22.2% (mainly in France).

In North America, hires of operators and workers fell by nearly 10%. The number of hires of structural and managerial staff remained flat in the United States.

In South America, as a result of the sharp downturn, the hiring of workers dropped by 74.1%.

In Asia, hires of operators and workers decreased by 6% overall, mainly in Thailand and India. However, they continued to rise in China (+10.7%) as a result of business growth.

TRANSFERS FROM FIXED-TERM TO OPEN-ENDED CONTRACTS AS AT DECEMBER 31, 2014 VS. DECEMBER 31, 2013

	2014				2013			
Registered employees	Operators & workers	Technicians, foremen & administrative staff	Managers & professionals	Total	Operators & workers	Technicians, foremen & administrative staff	Managers & professionals	Total
Europe	981	248	86	1,315	1,106	213	106	1,425
North America	1,552	112	116	1,780	1,710	106	115	1,931
South America	0	16	0	16	9	22	0	31
Asia	118	23	4	145	274	35	5	314
Other	115	8	1	124	241	6	1	248
TOTAL	**2,766**	**407**	**207**	**3,380**	**3,340**	**382**	**227**	**3,949**

The number of transfers from fixed-term contracts to open-ended contracts fell by 14.4% in 2014. This drop mainly impacted North America (Mexico), Asia (India) and Morocco, following significant numbers of transfers in 2013. These transfers almost exclusively involved operators and workers.

DEPARTURES (BROKEN DOWN BY REASON) AS AT DECEMBER 31, 2014 VS. DECEMBER 31, 2013

	2014					2013				
Registered employees	Resignations (open-ended contracts)	Individual layoffs	Group layoffs	Other	Total	Resignations (open-ended contracts)	Individual layoffs	Group layoffs	Other	Total
Europe	1,601	1,784	446	2,146	5,977	1,383	1,583	1,007	2,348	6,321
North America	1,721	2,533	416	1,370	6,040	1,505	3,183	74	1,437	6,199
South America	137	1,171	257	231	1,796	265	871	220	360	1,716
Asia	1,218	411	0	346	1,975	855	373	3	415	1,646
Other	622	235	51	305	1,213	672	484	32	539	1,727
TOTAL	**5,299**	**6,134**	**1,170**	**4,398(*)**	**17,001**	**4,680**	**6,494**	**1,336**	**5,099**	**17,609**

* *Of which: end of fixed-term contracts (2,350), resignations on fixed-term contracts (1,603), retirement or death (445).*

The number of employees who left the Group totalled 17,001 in 2014, compared with 17,609 in 2013, a decrease of 3.4%. Of these departures, 14% corresponded to the expiration of fixed-term contracts.

Resignations on open-ended contracts accounted for 31.2% of departures in 2014, compared with 26.6% in 2013. 65% of these were operators and workers (mainly in Mexico, China and Russia), 10.9% were technicians, foremen and administrative staff, and 24.1% managers and professionals.

The highest rises were recorded in Asia, Central Europe and North America, which had stronger labor markets in 2014 than in 2013.

The percentage of individual and collective layoffs remained almost unchanged, falling from 44.4% to 43% of total departures.

TRAINING HOURS AS AT DECEMBER 31, 2014 VS. DECEMBER 31, 2013

	2014		2013	
	Training hours	Training hours per employee	Training hours	Training hours per employee
Europe	854,805	20	852,512	20
North America	369,579	21	347,756	19
South America	103,423	21	79,438	14
Asia	317,784	37	321,317	42
Other	81,620	18	92,599	20
TOTAL	**1,727,211**	**22**	**1,693,622**	**22**

The average number of training hours was unchanged at 22 hours per employee Group-wide in 2014.

The total number of training hours in 2014 increased by nearly 2% over the period, positively impacted by sustained training programs in Asia (China), North America (USA and Mexico) and South America (Brazil).

EXPATRIATES BY DESTINATION AS AT DECEMBER 31, 2014 VS. DECEMBER 31, 2013

	2014	2013
Europe	86	77
North America	92	98
South America	30	31
Asia	73	74
Other	44	41
TOTAL	**325**	**321**

The number of expatriates changed little in 2014 (+1.2%).

Growth in the number of expatriates and the wide diversity of their nationalities supported the Group's international growth.

EMPLOYEES WITH DISABILITIES AS AT DECEMBER 31, 2014 VS. DECEMBER 31, 2013

	2014	2013
Europe	1,181	1,186
North America	6	13
South America	39	32
Asia	11	8
Other	42	28
TOTAL	**1,279**	**1,267**

Faurecia employs nearly 1,300 disabled people, mainly in Europe. This figure was up 0.9% on 2013.

The criteria used to define disabled employees are those set down in the legislation of each country. In Europe - particularly France and Germany - such legislation tends to favor a more proactive approach than in other countries.

In France and Germany, the proportion of disabled employees was unchanged at nearly 5% of registered employees.

WORK SCHEDULES AS AT DECEMBER 31, 2014

Registered employees	Two 8-hr shifts (1)	Three 8-hr shifts (2)	Weekend (3)	Other	Total
Europe	10,883	16,550	578	17,529	45,540
North America	2,593	7,450	14	7,779	17,836
South America	1,213	884	0	3,025	5,122
Asia	3,088	1,522	0	4,550	9,160
Other	1,420	2,198	0	1,106	4,724
TOTAL	**19,197**	**28,604**	**592**	**33,989**	**82,382**

(1) Two shifts.
(2) Three shifts.
(3) Reduced weekend hours.

Staff work schedules within the Group are aimed at meeting customer needs, based on production capacity at Group sites. Shift work and weekend work ((1), (2) and (3)) mainly concern the production sites, and together account for nearly 59% of the Group's registered employees.

PART-TIME STAFF AS AT DECEMBER 31, 2014 VS. DECEMBER 31, 2013

	2014	2013
Europe	842	776
North America	0	0
South America	0	0
Asia	0	0
Other	0	0
TOTAL	**842**	**776**

Practically all of the Group's part-time employment contracts are in Europe, particularly France, Germany and Spain.

In 2014, part-time staff accounted for 2.5% of the Group's registered employees in France (2.4% in 2013), 2,6% in Germany (2,1% in 2013) and 3.9% in Spain (3.6% in 2013).

OVERTIME AS AT DECEMBER 31, 2014 VS. DECEMBER 31, 2013 (NOT INCLUDING TEMPORARY STAFF)

	2014		2013	
	Overtime (in hours)	% hours worked	Overtime (in hours)	% hours worked
Europe	2,344,561	3.2%	2,107,100	2.8%
North America	3,870,465	10.7%	4,173,715	11.0%
South America	350,008	3.5%	689,365	6.1%
Asia	3,193,782	19.0%	2,430,403	16.2%
Other	642,168	7.4%	704,145	7.4%
TOTAL	**10,400,984**	**7.2%**	**10,104,728**	**6.8%**

Overtime hours are determined in accordance with the legislation of each country.

The volume of overtime hours was up 0.4 point on 2013, representing 7.2% of hours worked Group-wide in 2014.

Use of overtime rose in Central Europe (mainly in Poland, the Czech Republic and Romania) as well as in Asia (China) to respond to temporary increases in volumes.

ABSENTEEISM AS AT DECEMBER 31, 2014 VS. DECEMBER 31, 2013 (NOT INCLUDING TEMPORARY STAFF)

	2014					2013
	Sick leave (in hours)	Absence as a result of workplace accidents (in hours)	Other absences (in hours)	Total	Abs. rate	Abs. rate
Europe	2,298,152	53,288	192,247	2,543,687	3.5%	3.5%
North America	193,097	34,061	382,053	609,211	1.7%	1.6%
South America	137,598	3,969	78,127	219,694	2.2%	2.3%
Asia	67,102	400	63,753	131,255	0.8%	0.3%
Other	198,235	1,643	61,709	261,587	3.0%	3.4%
TOTAL	**2,894,184**	**93,361**	**777,889**	**3,765,434**	**2.6%**	**2.6%**

Absenteeism reported was due to illness, workplace accidents and various unauthorized absences.

The number of hours of employee absence was down 0.6% in 2014 compared with 2013, to reach nearly 3.8 million hours in total.

Over the period, the number of hours worked decreased by 2.5% from 148 million to 144.2 million hours.

This resulted in a rate of 2.6% in 2014, unchanged from 2013.

Sick leave accounted for nearly 77% of absences recorded Group-wide. This percentage was over 90% in Europe.

MATERNITY/PATERNITY/PARENTAL LEAVE AS AT DECEMBER 31, 2014

	Maternity leave				Paternity leave			
	Operators and workers	Technicians, foremen & administrative staff	Managers & Professionals	Total	Operators and workers	Technicians, foremen & administrative staff	Managers & Professionals	Total
Europe	350	137	166	653	452	110	256	818
North America	201	6	29	236	115	9	17	141
South America	57	15	6	78	114	16	16	146
Asia	25	11	77	113	85	29	94	208
Other	104	17	14	135	41	4	4	49
TOTAL	**737**	**186**	**292**	**1,215**	**807**	**168**	**387**	**1,362**

	Parental leave				Total			
	Operators and workers	Technicians, foremen & administrative staff	Managers & Professionals	Total	Operators and workers	Technicians, foremen & administrative staff	Managers & Professionals	Total
Europe	297	174	113	584	1,099	421	535	2,055
North America	14	0	0	14	330	15	46	391
South America	1	0	0	1	172	31	22	225
Asia	6	3	5	14	116	43	176	335
Other	31	4	1	36	176	25	19	220
TOTAL	**349**	**181**	**119**	**649**	**1,893**	**535**	**798**	**3,226**

Employees taking maternity leave rose by 12% in 2014. Those taking paternity and parental leave rose 9% over the period, mainly in Europe (Germany).

Terms and durations of maternity/paternity and parental leave are governed by legislation in each individual country.

OCCUPATIONAL ILLNESSES BY TYPE AS AT DECEMBER 31, 2014

	2014					
	Musculoskeletal disorders of the arms	Musculoskeletal back disorders	Exposure to asbestos	Deafness or hearing impairments	Other	Total
Europe	153	12	1	3	35	204
North America	36	6	0	2	13	57
South America	13	17	0	0	0	30
Asia	0	0	0	0	0	0
Other	2	0	0	0	0	2
TOTAL	**204**	**35**	**1**	**5**	**48**	**293**

0.4% of the Group's registered employees contracted an occupational illness in 2014, a percentage that remains stable compared with 2013.

Musculoskeletal disorders of the arms accounted for nearly 70% of the occupational illnesses recorded within the Group.

The requirements for recognition of these different pathologies are governed by legislation in each individual country.

56% of these disorders were recorded in France and recognized by the appropriate authorities.

SUBCONTRACTING AS AT DECEMBER 31, 2014

	2014			2013		
	One-off subcontracting projects	Ongoing subcontracting	Total	One-off subcontracting projects	Ongoing subcontracting	Total
Europe	754	1,374	2,128	619	1,495	2,114
North America	146	533	679	89	402	491
South America	394	424	818	267	472	739
Asia	53	679	732	49	669	718
Other	70	237	307	45	198	243
TOTAL	**1,417**	**3,247**	**4,664**	**1,069**	**3,236**	**4,305**

The use of subcontractors increased by 8.3% in 2014.

This change was mainly due to a greater use of occasional subcontractors in North and South America.

SOCIAL AND CULTURAL ACTIVITIES IN 2014 (FOR REGISTERED EMPLOYEES)

	Accommodation	Transportation	Catering	Medical care	Supplementary health and personal risk insurance	Subsidies	Total
Europe	2,835	11,057	9,252	4,704	19,624	4,274	51,745
North America	4,675	10,520	1,722	15,695	6,243	319	39,174
South America	1,150	4,157	4,708	5,060	543	269	15,888
Asia	8,185	8,631	8,497	12,423	9,098	731	47,565
Other	855	2,939	1,274	312	1,249	40	6,669
TOTAL	**17,700**	**37,305**	**25,453**	**38,194**	**36,757**	**5,633**	**161,041**

The total was up by more than 12% in 2014 compared to 2013.

The implementation of supplementary protective measures (medical/mutual and personal risk insurance) was accelerated in 2014, notably in Asia and North America, in line with growth and in order to support the Group workforce in these regions.

6

Research and development

CONTENTS

Innovation and product development represent a strategic challenge for Faurecia. These activities are structured around two main divisions:

- the Research and Innovation Unit, which covers upstream activities prior to program acquisitions. This Unit is critical to enabling the Group to provide an appealing and competitive offering to its customers, which it achieves by designing new products and technologies, as well as researching and developing generic products and processes;
- the Program Engineering Unit, which covers vehicle applications. It is a downstream unit responsible for ensuring that programs are completed within the required timeframes, cost and quality levels.

Gross research and development expenditure accounted for €955.9 million of total expenses in 2014, representing 5.1% of revenue (see Note 5.4 to the consolidated financial statements). €100 million of this was spent on innovation over the same period.

Some 6,000 engineers and technicians based in 30 centers represent the Group's global R&D community. 505 patents were filed in 2014.

Technological development and innovation are key priorities for Faurecia. In support of this priority, Faurecia confirms year after year its policy of cooperation with the academic world, research laboratories and start-ups. To date, five industrial chairs involving universities in France and Germany and a partnership with Fraunhofer ICT constitute the core of Faurecia's applied research in fields as varied as mechatronics, composites, production processes for metal parts, the chemistry of plastic materials including biomass, and assembly lines. Furthermore, the Group is very involved in the Instituts de Recherche Technologique (IRT) [Technological Research Institutes] in France such as the IRT Jules Verne in Nantes where it represents the French automotive industry and the IRT M2P in Metz. Lastly, the Company developed a structure in 2014 to detect start-ups that correspond to its area of competence. This will serve as a basis for extending this business in 2015.

In recent years Faurecia has developed innovation partnerships with most major global automakers. These partnerships indicate the Company's intention to build close relationships with automakers by offering them the latest innovations, providing potential exclusive arrangements, and better meeting their demands, in particular as regards new functions or new architectures which may require products to be adjusted to meet their needs. From the start, these innovations have been associated with target vehicle programs.

Faurecia has also implemented an ambitious deployment and monitoring plan in respect of internal expertise. More than 300 experts are now skilled in the Group's 67 different areas of expertise. Skills sharing, wherever relevant, ensures optimal use of such expertise.

Executive Management's involvement in monitoring innovation plans via Technology Leadership Seminars, Technology Sessions and participation in the Experts' Forum, shows that the Company is committed to technology and innovation, believing these to be key drivers of its success.

6.1. Market expectations

Market trends

Consumer expectations and societal changes are the two main drivers of change within the market. Regulatory change, which mirrors societal change, aims to reduce the impact of automobiles on the environment across all major automotive markets. The globalization of the automotive markets and swift change in consumption patterns and tools, particularly in the field of electronics, have prompted automakers to look for new solutions enabling them to offer diverse, customizable and financially attractive product ranges.

Reduced fuel consumption, a growing imperative

In 2013, the European Commission adopted average CO_2 targets of 95 g/km (equivalent to approximately 4 l/100 km) for the automotive industry in Europe, effective from the end of 2020, with a planned level of 130 g for 2015. This 95 g target will lead automakers to work to dramatically improve parameters such as vehicle weight, efficiency of powertrains (engines and transmissions), rolling resistance and aerodynamics. Substantial progress has already been made in all these fields but still more will be required, and Faurecia makes a major contribution in the fields of vehicle weight reduction and optimizing powertrain operation.

In segment B, weight has fallen from approximately 1,250 kg to 1,100 kg in the latest vehicles produced. The target now is to go below the 900 kg mark, and even to reach 800 kg for the most ambitious CO_2 emission targets. This objective will require breakthroughs in design and materials. Characterized by an excellent ratio of weight to resistance, plastic composites have the added advantage of integrating related functions, and will therefore play an increasingly important role in the next generation of vehicles. A technological breakthrough will nevertheless be necessary to meet the economic constraints of mass production. Faurecia is already very active in the various

areas that help reduce vehicle weight: it offers new products and architectures, optimized design, and is working to develop alternative materials and new manufacturing processes. These innovations already enable Faurecia to offer weight reductions of up to 60 kg with conventional materials.

By adding to its expertise in the field of vehicle interiors and exteriors through the integration of structural composite technologies, Faurecia is equipped to make an additional contribution of up to 50 kg to vehicle weight reduction targets.

Powertrain hybridization enables CO_2 emissions to be substantially reduced by authorizing an entirely electric mode of propulsion under certain conditions of use. However, discontinuous use of the internal combustion engine generates new constraints, particularly maintaining its temperature in order to limit excess fuel consumption and emission of pollution each time it restarts. Faurecia has developed specific systems enabling heat transiting through the exhaust system to be used, either by re-injecting it directly into the motor cooling system, or, in the medium term, by converting it directly into electric power, which can be used by the powertrain.

Fuel consumption savings may be up to 7% for thermal energy recovery and up to 10% for electric power generation.

Environmental performance

Emissions of all combustion-related pollutants are subject to standards that, while specific to each market, are converging towards a drastic reduction. And while reducing fuel consumption has the direct effect of reducing emissions, the use of smaller turbocharged engines results in increased levels of pressure and higher temperatures in combustion chambers, which is damaging in terms of emissions of gas, pollutants and particulates.

Increasingly widespread in gasoline engines, direct fuel injection allows the engine to work leanly and to limit consumption, but generates particulates that may require treatment in the exhaust system. Since 2014, Faurecia has supplied the world's first particulate filters for gasoline engines as standard equipment.

For diesel engines, regulatory change combined with high temperatures generating nitrogen oxides will result in the widespread adoption of post-treatment in the exhaust system for such emissions by 2018 in most markets.

Through their high cylinder capacity and their intensive use, the engines of commercial and public works vehicles (Off-Road) are major sources of pollution emission. Thus, in China, although they only represent 5% of total vehicles, they are responsible for 80% of pollution emission. Thanks in particular to the expertise developed through its partnership with Cummins, Faurecia has developed solutions dedicated to these specific markets. The proprietary technology for reducing nitrogen oxides in the gaseous phase (Ammonia Storage and Delivery System - ASDS) combined with the existing expertise in particulate capture can already meet the increasingly demanding global emission standards.

By mastering all aspects of the design and production of exhaust systems, Faurecia is able to provide systems integrating the most efficient pollutant and particulate treatment technologies in an optimized volume.

Sustainable development and use of raw materials

In addition to their contribution to reducing vehicle weight and cutting fuel consumption, materials are increasingly chosen and designed to satisfy regulatory constraints and societal expectations, in respect of both the end of vehicle lives and the environmental footprint.

At the forefront of the end-of-life vehicle processing, Europe will require, from 2015, that over 95% of a vehicle by weight is reusable and recoverable, with a reuse and recycling rate of over 85%: recyclability of synthetic materials such as plastics, a field in which Faurecia is already very active, and, in the longer term, composite materials constitute, for the automotive industry and thus for Faurecia, one of the key features for the vehicle of the future.

As with alternative energy sources, the development of biosourced resins associated with natural fiber reinforcements will ultimately allow the car to survive the depletion of oil resources. Faurecia is already making a contribution by developing technology strategies and innovative partnerships in these two areas. Thus in 2013, the Company signed a strategic partnership with Mitsubishi Chemicals for the development of biosourced resins.

Attractiveness

With more than half the global population now living in urban areas, average travel distances are decreasing, while time spent driving is on the rise. Vehicles are becoming living spaces in which users expect comfort, quality and seamless connectivity with their personal and professional environments. In all segments, users are looking for consistency between the look, feel and functionality of equipment. Accordingly, while the use of wood, aluminum and leather is indispensable for interiors in the upper segments, alternative technologies can increasingly provide a premium touch in the intermediate segments.

Connectivity is where the need for seamlessness is greatest: the cabin must naturally accommodate portable devices and use the information they provide within the constraints imposed by driving.

The pursuit of well-being also involves seats with extended functions: optimal positioning aids, temperature control and multi-zone massages.

From the body to the cockpit and the seats, the products supplied by Faurecia represent the main interfaces between the vehicle and the user. Continuous technological innovation helps us meet the expectations of automakers in terms of style, attractiveness, comfort, connectivity, perceived quality and durability.

Competitiveness

Development cost overruns and increased diversity are the downsides of the increase in embedded equipment and the rising number of versions of bodywork, trims and equipment. The standardization of components not specific to the various versions and their spread to all production sites in the context of platform strategies can help automakers offset these additional costs. For suppliers, the ability to adapt to the platform strategy and offer cross-cutting solutions for several automakers can help reduce costs and lead times, without sacrificing quality.

By offering pre-developed generic products, rolled out globally, Faurecia is making a contribution to the strategy of streamlining costs imposed by automakers, while continuing to provide the highest level of technical performance.

6.2. Research and innovation

In 2014, investment in innovation was supported around the following five objectives: reduction of fuel consumption, environmental performance, use of renewable materials, usability and competitiveness. Overall research and innovation performance rests on two pillars: a systems approach and an optimized product and process design.

6.2.1. DESIGN APPROACH

Systems approach

Faurecia develops and supplies complete modules such as seats, front-end modules, cockpits and exhaust systems. It develops its own product architectures for each module. Each time new architectures interact with the car's superior system, Faurecia works with the automakers to confirm the validity of its proposals.

Faurecia develops systems engineering in each of the areas covered by the modules it designs. Since 2012, Faurecia has increased its expertise in mechatronics, with the creation of an electronics laboratory in Brières (France) and an industrial chair of automobile mechatronics with Supélec and ESIGELEC (France), devoted to mechatronics.

Faurecia also reinforced its expertise in the optimization of assembly lines and logistics through the creation of an industrial chair with ECP (France) and the *Technische Universität München* (TUM, Germany).

Product design and process

Product and process design is central to the activity of the Group's engineering teams. Faurecia develops its own rules and design standards. This guarantees a high level of robustness and a competitive advantage.

Its design rules are part of knowledge management, and result in technical training.

Faurecia's systematic search of the best production technologies appropriate to its product portfolio and their adaptation to its requirements represent a second aspect of the product/process performance.

These approaches have allowed the Group to develop lighter, more standardized and more modular products than the competition and given it benchmark price/performance ratios.

The industrial chair of composites with the *École Centrale de Nantes* (France), the chair of processing methods for metal materials with the *Technische Universität Dortmund* (TUD, Germany), as well as a chair in polymer chemistry and renewable materials with the University of Freiburg (FMF) and SKZ Würzburg are part of this process.

6.2.2. ENVIRONMENTAL PERFORMANCE

Weight reduction

Automakers have two main levers for significantly reducing vehicle fuel consumption and CO_2 emissions: powertrain optimization and weight reduction. The target is to reduce the vehicle's total weight by 200 to 300 kg, which corresponds to a reduction of 20 to 30 g of CO_2 per kilometer.

Faurecia, through the extent of its product scope, research into new materials and manufacturing processes and its expertise in optimizing product/process design, has made weight reduction a priority, as shown by a product range of the highest standard.

Our multi-criteria approach allows us to combine the effects of a systems approach to product design with the development of new shaping or assembly technologies.

This has resulted in weight reductions in the order of 20% to 30% in new products currently being developed. This corresponds to gains of approximately 60 kg out of the 200 kg represented by the scope of Faurecia products. Some of the following products and processes were introduced in 2012, others have been rolled out since 2013 and started to become standard across the Group in 2014.

Work by successive approaches from an efficient concept in respect of seat structures has allowed weights to be brought down to roughly 10 kg, compared with approximately 14 kg and then 12 kg for previous generations. Laser welding was a key factor in achieving this. The mechanisms of these frames have currently been reduced in weight by approximately 30% to 40%, setting a new benchmark.

Induction brazing developed to assemble the various parts of the components of exhaust systems is now in mass production, resulting in a gain of 20% to 25% by allowing the use of thinner materials. The proprietary application of this technology in exhaust systems will be gradually extended to numerous other projects. The hydroforming technology developed by Faurecia to reduce the number of parts and optimize thickness can be combined with induction brazing to provide gains of more than 30%. The development of acoustic valves is also a means of reducing the size and weight of mufflers.

Moreover, Lignolight technology (a Faurecia patent), using compressed fibers for between 50% and 90% of the resin, applied to door panels, improves density by 40% compared with traditional components.

New technologies currently under development will allow further progress. Strategic partnerships with research laboratories, internal knowledge and the acquisition of Sora's automotive composites business will enable Faurecia to become a key player in the development of composites for the automotive industry. Faurecia in this way has mastered all the technologies currently used in mass production, is working on their optimization and is investing in future technologies including thermoplastic resins with reduced cycle times. The industrial chair with *École Centrale de Nantes*, the involvement with the Jules Verne IRT and the partnership with Fraunhofer ICT allow us to combine the results of academic research with Faurecia's own innovations. Mastery of these technologies opens up a new field of business development for Faurecia, with the potential use of composite materials for the structural parts of a scope representing weight of approximately 100 kg. The target reduction is of the order of 40%.

Investigations in the field of weight reduction were focused in 2014 on the 2 l/100 km vehicle project developed by the PFA (*Plateforme de la Filière Automobile* [Automotive Industry Platform]) through participation in the PSA prototype (a hatchback in carbon composite and a lighter exhaust system with a savings of over 10 kg) and the Renault prototype (a fiberglass composite floor, a multi-materials seat with an architecture allowing the thickness of the seat-back to be reduced by 3 cm and a short exhaust system including a resonator in fiberglass-loaded plastic instead of a standard steel muffler, saving a total of 30 kg).

Many other advanced studies are underway with other automakers throughout the world, demonstrating the relevance of Faurecia's proposals in this field.

Furthermore, Faurecia initiated the launch in France of an economic carbon fiber project, which will ultimately make it possible to offer carbon composite parts for mass-produced vehicles.

Size reduction

Reducing product size optimizes passenger space and helps reduce vehicle size. This translates directly or indirectly into a decrease in mass.

In Faurecia Automotive Seating, lighter and less bulky mechanisms mass-produced as from 2013, the use of composites for the back of the front seat and the compliant shell back provide significant space gains in spaciousness of up to 50 mm.

In Faurecia Emissions Control Technologies, the grouping of oxidation, selective catalytic reduction and particulate filtering functions into a module capable of being integrated into the engine environment represents a breakthrough in design and frees up space under the floor. Studies on reducing the length of exhaust systems are underway, allowing the vehicle floor to be made compatible with the additional batteries needed for motor hybridization.

For Faurecia Automotive Exteriors the aim in particular is to optimize the size of the shock absorbers in order, for example, to reduce the front overhang and give the designer greater freedom while reducing vehicle weight.

Energy recovery

Faurecia develops technologies for the recycling of thermal energy available in exhaust systems to be recycled, either directly, in order to heat the cabin or heat up the powertrain or transmission faster, or indirectly, by converting the heat into electricity to power the accessories and potentially hybrid powertrains or into mechanical energy to move the vehicle.

The direct application (known as thermal recycling) resulted in the launch of two new products in 2012: Generation 2 of the underfloor Exhaust Heat Recovery System (EHRS), more compact than Generation 1, and the Exhaust Heat Recovery Manifold (EHRM) which has been fitted in particular to the latest version of the Ford Fusion. These products, applied to conventional and hybrid vehicles, reduce CO_2 consumption by 2 to 8 g/km of carbon dioxide on the EU test cycle.

For the indirect application with conversion of thermal energy into electric power, two technologies have been considered: thermoelectricity, which uses a semiconducting material crossed by a heat flow to generate electricity, and the generation of mechanical energy from the "Rankine" cycle, which uses vaporized fluid to power a turbine. This mechanical energy is then converted by the turbine into electricity. These two principles can potentially reduce CO_2 emissions by 4 to 10 g/km.

Emissions control

Faurecia works with the full range of technologies used to reduce emissions of nitrogen oxides and particulates for diesel engines, regardless of the vehicle (passenger and/or commercial). Principles are of two types:

- recycling of gases through the low-pressure loop. The gases burned are re-injected into the cylinders to lower the combustion temperature. This loop, known as the EGR (Exhaust Gas Recirculation), requires an electric valve that opens on demand. Faurecia has developed its own valve to meet growing market demand;
- direct treatment of gas through selective catalytic reduction (SCR). Using this process, Faurecia has developed a system for mixing gases using either a liquid catalyst known as AdBlue® or a gaseous catalyst. Faurecia is developing its own gaseous catalytic system to reduce emissions of nitrogen oxides. The Ammonia Storage and Delivery System (ASDS) process stores ammonia in a compact gaseous form, delivering an improved performance compared with a traditional liquid-form storage system.

Faurecia also develops a system that incorporates an oxidation catalyst, a gas mixer with a liquid or gas catalyst (BlueBox), and particulate filters. It moves all of these components closer to the engine leading to more efficient treatment of exhaust gases and superior size and weight ratios.

EGR and SCR technologies are increasingly being used for passenger and utility vehicles (less than five metric tons) in Europe and North America. The most stringent regulations make particulate filters and SCR or EGR systems mandatory for commercial vehicles. In addition, some applications require innovations such as the Thermal Regenerator™. These NOx treatment technologies have already been incorporated into Faurecia's product offering, and are already included in several models that are looking ahead to the Euro 6 standard or similar regulations.

Furthermore, in 2014, Faurecia supplied the world's first particulate filters for gasoline direct injection engines. This technology will become standard in the upcoming years.

Renewable materials

Faurecia develops and incorporates bio-based materials and this is also an effective way of taking up positions that span the entire product life cycle.

In addition to the Lignolight technology mentioned above, natural fibers are a focus for Faurecia. NAFILean technology (NAtural Fiber Injection), which combines natural hemp fibers with polypropylene resin, reduces weight by 25% compared with talc-loaded polypropylene. This technology, now in production on the door panels for the new Peugeot 308, received the 2014 innovation prize in the green innovation category from CLEPA (European Association of Automotive Suppliers). In 2014, an APM (Automotive Performance Material) joint-venture was established with the Interval company in order to produce granules of this material. Faurecia's portfolio includes natural fibers combined with polypropylene fibers. Already in production on the Smart instrument panel, this technology is set to be extended to the door panels, providing a weight reduction of 20% compared with the best alternative technologies. The "Lignolight" technology, applied to a full door panel, uses wood chips compressed with resin which, combined with a molding operation, reduces weight by approximately 30% compared with standard technologies.

The final step is the generation of 100% natural materials for the mass production of semi-structural automotive applications. This was the purpose of the partnership launched in 2012 with Mitsubishi Chemicals. This joint work is based on the modification of polybutylene succinate (PBS), derived from biomass and patented by Mitsubishi Chemicals, allowing it to be made entirely from natural materials. BioAmber provides biosourced succinic acid to both partners. This resin is combined with natural reinforcing fibers to make parts using the injection molding process.

6.2.3. USABILITY

Ergonomics of seat adjustments, fit and finish of bumpers, harmony of the instrument panel, compatibility with mobile electronic devices and filtering of external noise: Faurecia products are located at the interface between the user and the vehicle and are major factors in its appeal. Striking the right balance for each vehicle and automaker requires the implementation of scenarios based on the resources of industrial design, using a range of technologies that provide comfort, decoration, and integrate electronics. In parallel, the safety of occupants remains a priority for Faurecia in the vehicle interior.

Comfort

Faurecia has always positioned itself as a key partner of automotive manufacturers in the area of seating comfort. The development of postural comfort software, optimization of the pressure at the occupant-seat interface, and filtration of vibrations from the vehicle floor are all areas upon which Faurecia has built its reputation. The latest innovations relate to the development of multi-hardness foams, which filter the various types of vibrations and optimize seat thickness in order

to reduce its height, but they also propose a set of pneumatic systems that adjust the shape of the seat to the occupant and use inflation/deflation cycles to generate a massage with characteristics that can be adapted as needed.

In addition, Faurecia has developed a "compliant shell" seat (based on a deformable plastic shell and a foam whose thickness has been significantly reduced) which offers a different kind of comfort, especially at the level of the back, while achieving a size reduction in the order of 40 to 50 mm. This innovation, which was included in Renault's EOLAB concept car in 2014, is a major change in the seat system approach and could soon be used in middle- or lower-segment vehicles.

Ergonomics is also at the heart of Faurecia's concerns, as is shown by new approaches, for example, to seat adjustment and the various interfaces between the occupant and the various functions controlled from the center console.

Safety

Usability and safety go hand in hand. Faurecia is a supplier of components that play an important role in passive safety and thus help save lives or limit injuries to drivers or passengers. Seats are emblematic in this respect: they provide about 80% of rear impact protection, about 30% to 40% for frontal impacts and, depending on the automaker, between 30% and 80% for side impacts. Dashboards are also worthy of mention, especially for the protection of front passengers, including all the issues relating to the deployment of airbags. In the area of pedestrian impacts, bumpers make a decisive contribution in efforts to limit injuries, by devoting attention both to their intrinsic characteristics and to the kinematics of the impact sequence.

Over the years, Faurecia has taken position as a key partner for automakers in this area, initially by emphasizing the importance of safety and then by developing products and expertise that allow the Group to devote research efforts, in a measured and confident manner, to all anticipated changes. Each link in the "safety chain" is associated with design rules that guarantee the system's performance and its longevity.

Interior and external environments

From the instrument panel to the seats, consoles and door panels, Faurecia is responsible for all the surfaces constituting the visual atmosphere inside the vehicle.

The painting of parts on the instrument panel can ensure continuity with the body color or provide a counterpoint, using piano black or high gloss finishes. Films deposited directly on molded parts allow an infinite variety of patterns and colors. In high-end segments, three-dimensional Ligneos technology allows large and complex wood surfaces to be covered in an industrial and repeatable process, which can be supplemented by skins with visible stitching and highlighted by brushed or polished aluminum parts.

The use of these materials can be further enhanced by lighting. The inclusion of fiber optics in the instrument panel can be used to create patterns and illuminate door linings.

By providing a wide range of materials and technologies, Faurecia allows the creation of varied interior environments for all market segments.

In addition, Faurecia develops decoration technologies for exterior parts. Particular emphasis is placed on the modular design of the front bumpers, based on optimized architectures that must accommodate many finishes for a given vehicle while reducing tooling costs. Similarly, bright decoration technologies are being developed to meet the growing market demand.

Lastly, Faurecia, a partner known for its mastery of vehicle interior noise reduction solutions, is also developing advanced exhaust noise reduction and coloration solutions. "Active Noise Cancellation" allows exhaust noise to be considerably reduced by generating a sound wave contrary to the wave generated by the motor and "Active Sound Design" (ASD) allows a harmonious sound to be generated from any motor noise. ASD becomes necessary for top-of-the-range vehicles as the motors gradually lose displacement and cylinders in order to reduce fuel consumption. With ASD, for example, it is possible to generate the sound of an eight-cylinder engine from a four-cylinder engine.

Industrial design

Faurecia is relying on advanced design teams to materialize most of its breakthrough innovations focused on the occupant. Thus, the "performance" cockpit prototype was followed by "performance 2.0" in 2013. The latter incorporates the latest innovations in human-machine interface with a retractable screen, connectivity, air distribution with reduced vent sizes, kinematics and decoration.

On the seat side, the approach has remained unchanged. OASIS, the latest demonstrator that is designed for rear passengers, offers ergonomic kinematics that allow the switching from a standard position to a first-class relaxation position and includes advanced massage functions and audio systems, all of which are activated via an innovative control interface.

In addition, in 2011, Faurecia launched the "Collections By Faurecia" concept which provides tables setting out trends in the materials, styles and technologies available for the vehicle interior. These collections draw on the creative expertise (trend monitoring, colors, graphics, grain, special effects, etc.), and the latest technological developments mastered by Faurecia. In 2014, the group of collections was extended to seat lining technologies.

Electronics solutions

Many new car features stem from the integration of electronics. Faurecia products are no exception to the rule. Moreover, the trend towards the decentralization of electronics into modules requires that technology be integrated into products rather than being commanded by a centralized electronics system. Different approaches are used:

- develop partnerships to provide innovative products and optimize integration. In 2012, Faurecia signed a partnership with Philips & Lite-On Digital Solutions (PLDS) to develop an onboard charging system for wireless phones. In 2013, an agreement was signed with Magneti Marelli for the joint development of human-machine interfaces for center consoles with retractable or fixed screens, command buttons and decoration;
- manage product development and integration, and partner with industrial groups for production. This was the approach used for the latest developments of the SmartFit seat concept, which allows dynamic change in shape in keeping with the morphology of the driver, but also taking into account driving style and road type, in a predictive manner. Other examples are the reduction in noise in exhaust systems or changes in sound to simulate an engine with a larger number of cylinders by a counter-acoustic system driven electronically.

Faurecia's efforts in electronics resulted in the opening of an electronics laboratory in Brières (France) in 2012. The center, equipped with the best resources for testing and validating electronic components and systems, is used as a base for the development of electronic functions. Products that incorporate electronics and are developed by Faurecia are already mass-produced, but the signing of significant contracts in the last months of 2013 will position Faurecia as a renowned provider of this type of product.

In 2014, Faurecia marketed two innovative mechatronic products as standard: automatic seat-back folding of the two rows of rear seating in the new Renault Espace and Ford S Max.

In addition, the creation of an industrial chair in mechatronics with Supélec and ESIGELEC demonstrates the Company's medium- to long-term commitment in this field.

6.2.4. COMPETITIVENESS

Generic platforms and products

To reduce the cost of products and the developments and investments needed to manufacture vehicles, automakers have rolled out global platforms, which are generally used for different vehicles and brands. Automakers contribute to these strategies as part of their activities.

Faurecia is among the equipment manufacturers which took this approach very early on, and makes it a competitive advantage under three aspects:

- develop standard or generic products that will be used by different automakers: our seat mechanisms are global standard-setters with a market share of approximately 20%. The number of parts manufactured and their standardization make them robust and competitive, with lifetimes lasting beyond vehicle renewal cycles;
- develop standard and modular concepts tailored to the needs of the customer, in accordance with specifications. In such cases, the product must take into account the greatest number of specifications (performance, size, cost) and be sufficiently flexible to adapt to basic needs and specific requirements. This is the case of seat frames developed by Faurecia, which contain standard areas aimed at reducing development costs and allowing the use of generic means of production (assembly lines and technological equipment), while at the same time allowing different functions from one application to another (mechanical or electric versions, for instance). This approach requires a thorough knowledge of the market and a high level of control of the product and manufacturing processes. Other products, such as exhaust system components or equipment for the vehicle interior, use the same logic;
- develop the same products for different geographic areas, with the virtually simultaneous start of mass production. This requires a global footprint and control of global programs, taking local realities into account. Faurecia has acquired expertise making it one of the best automotive suppliers worldwide. The recent experience of the Ford Focus instrument panel, produced on 13 Faurecia sites for shipment to 7 Ford plants, is a striking example.

Faurecia is a front-ranking partner for automakers developing modular products worldwide, ensuring high levels of robustness and optimizing economic performance.

Production technologies

Faurecia must master the best technologies applied to its products to be competitive. Some technologies have a significant impact on product performance. For Faurecia Automotive Seating, the use of laser welding for mass assembly, starting several years ago, has drastically reduced the size of seat structures while maintaining their modular nature. Use of induction brazing in the mass production of exhaust systems began on the Ford Fiesta in 2012 and has continued since. It provides an overall reduction of between 20% and 30% in size, by reducing thickness, while increasing the quality of assemblies. Regarding the shaping of parts, hydroforming of exhaust components and cold or hot forging of mechanical parts provide reductions of 20% to 30% in size. Slush molding technology, which can produce components in three dimensions and which Faurecia is one of the few automotive equipment manufacturers to have mastered, delivers a 20% reduction in the thickness of skins for instrument panels and other adjacent technologies will enable reductions of 40%. Lastly, Microject technology applied to molded parts of the vehicle interior also provides a 20% weight savings. This molding procedure combines the injection of resin and a foaming agent, which causes the formation of air bubbles in the material during the production cycle.

In addition, an agreement was signed in 2012 with the University of Dortmund in Germany for the creation of an industrial chair on innovative molding of parts from metal tubes or sheets. It is helping to consolidate Faurecia's leading position in this field.

Materials development

The development of specific plastics can allow changes in molding, creating materials that meet market expectations with a higher level of performance. The non-exhaustive list of target criteria includes durability, strength, resilience and improved conditions for use. A significant example is the development of biosourced materials (discussed previously).

The search for metallic materials that meet increasingly advanced requirements and optimize weight is also a focal point for new product development.

Simulation

More than 300 engineers are dedicated to the development or use of simulation tools, and more than 100,000 calculations are performed every year. Product simulations cover a wide field, ranging from safety calculations on seats and instrument panels, pedestrian impact on the front end, and calculations of gas and acoustic flows for exhaust systems. The simulation process is being phased in for all activities. This is the case for the injection molding of thermoplastics or the foaming of instrument panels, stamping and hydroforming. The simulation process generally involves combining phenomena that become multi-physical, which increases the complexity. The chair with the École Centrale de Nantes on the simulation of composite manufacturing processes is part of this drive and today enables Faurecia to be predictive about phenomena that are not yet mastered. Lastly, strategic partnerships with code editors are part of the essential additions to simulation development.

Production processes/assembly lines

To show its willingness to adopt a long-term approach, in 2012 Faurecia signed a contract for the creation of an industrial chair on the optimization of assembly lines and logistics with ECP (France) and *Technische Universität München* (TUM, Germany).

6.2.5. ORGANIZATION OF INNOVATION

The innovation process

Faurecia develops its products and technologies within a structured approach known as process innovation. This process sets out the different stages in maturation from the initial idea to final validation. At each step, a validation committee rules on the transition to the next step.

Monitoring this process makes our innovation more robust, and allows it subsequently to be integrated into vehicle projects with limited risk.

Management of expertise

Faurecia's expertise is structured around skills in 67 areas. In 2014, the expert network was made up of over 300 experts, divided into three levels: expert, senior expert and master expert. The experts have a career path parallel to that of management and are recognized in the same way in the Company. Experts are primarily responsible for innovation and knowledge structuring, but are also involved in all stages of product and process development so as to ensure technical excellence at all levels.

Partnerships

To expand and enhance its expertise, Faurecia is actively developing new partnerships with suppliers and research institutes.

This is demonstrated by the creation of a chair in composites with the École Centrale de Nantes in 2011, followed by an additional three chairs in 2012 (automotive mechatronics with Supélec and ESIGELEC; assembly lines and logistics with the École Centrale de Paris (ECP, France) and the *Technische Universität München* (TUM, Germany); metal materials and innovative processing with the *Technische Universität Dortmund* (TUD, Germany)) and the most recent chair in 2013 with the University of Freiburg (FMF) and SKZ Würzburg, both located in Germany, for the chemistry of plastics and biomaterials.

In addition, a master agreement was signed in 2012 with Fraunhofer ICT (Germany) on composite production technologies, which further confirmed Faurecia's determination to work with academic institutions to achieve greater mastery of the phenomena encountered and to open other avenues of innovation.

Faurecia is also strongly involved in France in the IRTs (*Instituts de Recherche Technologique* [Technological Research Institutes]) Jules Verne and M2P in order to develop innovative production processes in the field of composite and metal materials, as well as in start-up research through incubators in France and abroad. Specific cooperative actions are also implemented on a case-by-case basis for innovation projects that require technologies related to Faurecia's core business lines. Thus, in 2013, Faurecia signed an agreement with Magneti Marelli to develop human-machine interface modules incorporating electronics, command systems and decoration.

Investments

In 2014, the Group's continuous innovation work resulted in filing some 505 new patents. This result was stable compared with 2013 and it confirms Faurecia's commitment to innovation. These patents pertain to products, materials, and manufacturing processes, demonstrating the efforts made by Faurecia to optimize the entire product value chain.

This commitment to research and development is demonstrated regularly by the opening of new research and development centers in various geographic areas and the modernization of historic centers for which technologies have changed.

Thus in 2014, two new research and development centers were opened for the Automotive Seating business, one in North America, in Auburn Hills (USA), and the other in South America, in Quatro Barras (Brazil).

6.3. Engineering and program management

Carrying out innovation and vehicle application projects calls for highly reliable and effective organization of engineering and programs. Faurecia is organized in a way that meets both these requirements.

Engineering

Faurecia currently operates 30 R&D centers worldwide. Each Business Group's research and development is spread across our three main geographic areas: Europe, America and Asia. Since it is structured as a network, it can run global programs and commit as many of its resources as are needed through its worldwide workforce (quantity), or commit the right experts, particularly for innovation or vehicle application projects (quality).

Project Management

Vehicle application programs follow a unique process, bringing together all the participants needed to develop and launch a new, mass-produced product. The Program Management System (PMS) process, describes all the requirements at each phase of the program. Every program is given periodic interim reviews, first by specialists and then at the close of each phase by management, so that its progress can be seen.

The PMS consists of five phases:

- obtain and validate customer needs;
- develop the product;
- test the product and develop the manufacturing process;
- plan and validate production machinery;
- ramp up line speeds and launch mass production.

To track performance throughout the development process and steer it towards excellence, Faurecia has introduced the idea of program management excellence. This new approach involves the foregoing elements plus:

- system audits of the program requirements to ensure disciplined implementation;
- performance indicators, reviewed monthly, to signal future risks.

These various tools have made it possible to significantly improve such programs' performance financially and in terms of quality, lead times and launches of mass production.

495 programs run by 420 program managers were in development at the end of 2014.

7

Faurecia and sustainable development

CONTENTS

The information contained in this chapter aims in particular to meet the requirements of Article L. 225-102-1 of the French Commercial Code, as amended by French Law No. 2010-788 of July 12, 2010 and Decree No. 2012-557 of April 24, 2012.

Workforce-related disclosures are provided contained in Chapter 4 of this Registration Document.

7.1. Faurecia and the environment

7.1.1. FAURECIA'S PRODUCTS AND THE ENVIRONMENT

Many different approaches are used by Faurecia to help reduce its environmental footprint, ranging from reducing vehicle mass, limiting emissions of noxious gases, and lowering noise levels to energy recovery, the development of products made from biosourced materials, and recycling.

Faurecia and its companies are leading players in efforts to produce lighter-weight vehicles, thus lowering their fuel consumption, and to reduce greenhouse gas emissions (depending on the type of engine and the driving cycle, decreasing an average vehicle's total mass by 100 kg lowers CO_2 emissions by 8-10 g per kilometer). As Faurecia's products can represent up to 25% of this total mass, the Group has made limiting the use of raw materials required in vehicle manufacturing one of its strategic priorities. This objective is pursued for all of the Group's products.

In addition, through the activities of Faurecia Emissions Control Technologies, the Group is making a significant contribution to lowering emissions and reducing noise pollution by using state-of-the-art technologies to develop innovative solutions. This Business Group has also expanded its range of energy recovery solutions for exhaust systems which, depending on the application, can offer savings of between 3 and 10 grams of CO_2 per kilometer. Lastly, the Group has been and remains a trailblazer in the use of biosourced materials, particularly in connection with the activities of Faurecia Interior Systems, which recently began mass production of a polypropylene composite reinforced with hemp fibers and is currently developing biosourced resins. In order to grow sustainably and in recognition of the ways it can contribute to the production of lighter and cleaner vehicles, Faurecia takes environmental factors into account at all stages in the product life cycle, from the initial design to end-of-life management, including the environmental impact of its production sites and the potential for collaboration with suppliers.

Substance management systems are put in place across the entire supply chain, from suppliers to manufacturing customers, for all products delivered by Faurecia. Among other benefits, this approach gives the Group access to complete information on the substances entering into its products, in order to ensure that all actors in the supply chain comply with chemical regulations such as REACH.

Thanks to this approach, Faurecia also keeps a close watch on new developments in its supply chain in order to investigate substitutes for certain substances when necessary.

Faurecia Interior Systems is currently mapping out an anticipatory approach to the identification and sharing of information within the supply chain on chemicals or constituents of concern, based on a list of chemicals or constituents considered as potentially of concern for its products and their use.

Faurecia also takes part in working groups alongside automobile manufacturers in order to anticipate possible restrictions on the use of substances in the coming years.

7.1.1.1. Product approach

From product design to the technical expertise provided to automakers, Faurecia's process spans six areas:

- reducing the weight of the components and sub-assemblies;
- reducing the space taken up by products;
- recycling, including anticipation of the end-of-life phase, optimization of production waste recovery and the use of recycled materials;
- increasing the use of biosourced materials;
- reviewing and enhancing environmental performance based on life cycle analysis;
- lowering emissions of greenhouse gases and other airborne pollutants and improving energy efficiency through the use of energy recovery techniques.

DESIGN AND ENGINEERING

Subsection 6.2.2 of this Registration Document specifically contains a description of the actions taken by Faurecia to reduce weight and size.

MATERIALS

Recycling initiatives

Recyclability

European Directive 2000/53/EC of September 18, 2000 on end-of-life vehicles stipulates inter alia that vehicles will have to be 95% recoverable by weight, of which 85% will have to be actually reusable or recyclable, by January 1, 2015.

Given such onerous regulatory requirements, automakers are placing ever-greater demands on their suppliers in terms of end-of-life product recycling.

All of Faurecia's businesses are affected by these obligations and, depending on the characteristics of the component in question, have implemented plans and solutions to ensure that end-of-life products are processed as efficiently as possible in the future.

As regards current solutions, an innovative product must be measurable both in terms of improved technical and economic performance and its carbon footprint. Faurecia is committed to a process of forecasting and recovering future end-of-life products. Selective trials overseen by Faurecia comprise the first phase of a comprehensive approach by the automotive sector in partnership with industrial firms, academia and auto "clusters", to forecasting volumes of materials available for recycling in the future.

Faurecia Interior Systems, after performing tests on the recycling and recovery of complex products via disassembly, has begun similar operations after shredding vehicles. Industrial-scale recyclability studies and tests have been undertaken with certain car-shredding plants, both on existing products and materials being developed, including agro-composites. The NAFCORECY (NAtural Fiber COmposites RECYcling) project was able to demonstrate, with the help of European companies specialized in recycling, that parts made of NAFILean (polypropylene with natural fibers) can be processed with post-shredding technologies for end-of-life vehicles or recycling technologies used for industrial waste.

All possibilities for recycling end-of-life products are studied with a view to integrating the best solutions, ensuring reduced environmental impact and taking into account all utilization cycles at the design stage. Faurecia also uses life-cycle analyses to "eco-design" its products, integrating all of the above criteria as early as possible into the innovation and development processes.

Recycling

Faurecia offers an increasing number of recycled plastic parts.

In Faurecia Automotive Seating business, depending on the type and category of vehicle, various components are now partly made of recycled polypropylene. Taking all these components together, recycled plastics can now account for 15-20% of the materials comprising the seats manufactured by Faurecia.

In Faurecia Interior Systems business, the incorporation of recycled material is taken into account and validated in new product development, with the same constraints and specifications as virgin materials.

In addition, Faurecia maximizes the incorporation of recycled natural fibres (mainly cotton) in its vehicle soundproofing systems.

The integration of recycled materials in various applications by Faurecia Automotive Exteriors is taken into consideration and validated from the project development phase, by way of the same process as that used for virgin materials. The cross-functional organization put in place allows for heightened controls at various stages, from the sourcing of the material to its use at the plant.

In particular, this organization is made possible through the collaborative efforts of Faurecia's research centers and an industrial research chair established in 2013. The objective is twofold: better coordination between sourcing and the formulas developed for targeted applications as well as achieving a quality of materials allowing for greater use of recycled plastic as well as a wider range of applications. The level of mechanical and aesthetic results attained by today's recycling processes make it possible to meet expectations in relation to these two factors for bumpers, one of the most critical automotive parts contributing to the final product's attractiveness.

As an outcome of the BOREVE project launched in 2008, with the aim of introducing recycled automotive materials in a wider range of applications, pilot testing of formulas and related processes is currently underway.

Life-cycle analyzes show that the use of recycled materials can reduce the environmental impact of manufactured products. Faurecia, like its automaker customers, has considerably extended its panel of suppliers of recycled materials. This allows us today to offer increasingly technical applications with increasingly wide material grades.

Action in the field of biosourced materials

Subsection 6.2.2 of this Registration Document contains information on the use of renewable materials.

EMISSIONS

Subsection 6.2.2 of this Registration Document describes action taken by the Group with regard to control of emissions.

7.1.1.2. Life-cycle analysis

Faurecia is increasingly using life cycle assessment (LCA) as an engineering tool at various levels to steer its strategic decisions and those of automakers. These studies are carried out on its products, on the entire vehicle (from the extraction of materials to delivery to automakers), and on the entire vehicle life cycle (including customer use and recycling).

Framed by international standards ISO 14040 and ISO 14044, this methodology consists of assessing the environmental impact of products designed and manufactured by Faurecia for use in automobiles. It involves the fullest possible impact assessment, including climate change (including CO_2), the consumption of non-renewable resources (oil and coal) and eutrophication.

These life cycle analyses allow both Faurecia and automakers to:

- make the right design choices for current vehicles (with gasoline or diesel internal combustion engines) and for those of the future using alternative fuels and with more environmentally-friendly emission control systems;
- assess and avoid impact transfer by focusing on alternative solutions (e.g. by developing a lighter but non-recyclable product).

This is an especially useful innovation tool for evaluating benefits as well as any impact transfers as far upstream as possible through a comprehensive overview of the environmental impacts that paves the way for future innovations.

It also provides a more in-depth understanding of the environmental choices of an entire industry. Faurecia is therefore heavily committed to developing and using life cycle analyses in liaison with automakers and auto sector partners as the means of gaining a shared understanding of environmental challenges.

Whether in the short term with conventional engine power or in the medium term with the growth of hybrid engines and the emergence of "electric" engines, Faurecia's customers are keenly looking for groundbreaking solutions. This is the only way in which they can reduce their energy consumption and environmental footprint while at the same time ensuring autonomy, comfort, safety and driving pleasure.

Moreover, in an increasingly competitive environment, automakers must meet increasingly diverse local and global demand, while complying with existing regulations and anticipating future changes to the regulatory framework.

However, while the reduction in vehicle mass and the ensuing reduction of CO_2 emissions have a direct impact on the development of automakers' product line-ups, their focus on sustainability during this process is itself attracting more public attention, which is especially significant from the perspective of Tier 1 equipment manufacturers.

The broad scope of its customer portfolio allows Faurecia to achieve a better overview of the market and a better understanding of customer expectations, resulting in a more appropriate structuring of its offers.

Anticipating regulations and the changing nature of demand continues to inform Faurecia's innovation plan and its research and development budget. This also matched specific demands from manufacturers in respect of the integration of green materials (recycled or renewable) and the reuse of automotive materials.

For most of the parts that Faurecia produces and for most vehicles currently on the market, reducing mass is a clear priority and life cycle analyses help to quantify and validate such objectives.

7.1.2. FAURECIA'S INDUSTRIAL SITES AND THE ENVIRONMENT

METHODOLOGICAL NOTE

Faurecia has been reporting its annual results of its sites' environmental responsibility since 2001 and the publication of the law on New Economic Regulations. Since 2012, the Group has also been subject to the application of the decree implementing Article 225 of the law known as the Grenelle 2 Law of July 12th, 2010, which requires the reporting of 17 environmental issues with an aim to compare sectorial data.

ENVIRONMENTAL REPORTING FRAMEWORK

The environmental reporting process of the Faurecia sites is based on a set of reporting obligations provided for by the French Commercial Code and the principles established by Global Compact of which Faurecia is a signatory.

SCOPE

The reporting scope covers 251 sites. Compared with 2013, 18 sites have opened and 15 were out of scope (including 1 merger and 1 site transfer).

Except as noted, all the quantitative indicators were consolidated on 100% of the aforementioned scope.

DATA ANALYSIS METHODOLOGY

For transparency and consistency, the data analysis is first carried out on a constant scope with 2013 to enable comparability with the 2014 data (excluding data on waste and raw materials as these collection indicators were different to those in 2013, preventing any comparability of information). Graphical analysis is carried out on actual scope (i.e. all sites participating in the reporting in 2011, 2012, 2013, 2014) to reflect the reality of the environmental information.

7.1.2.1. The scope of Faurecia's sites contributing to environmental reporting

In 2014, as part of environmental reporting related to the Grenelle 2 Law, the Faurecia sites fall into three distinct types: production sites, semi-finished products assembly sites, called Just In Time, and R&D sites.

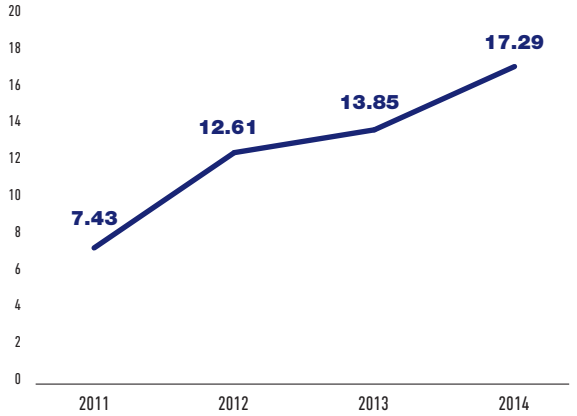
52% of the production sites are located on the European continent, 22.3% are located in Asia, 12.8% in South America, 9.5% in North America and 3.4% in the rest of world. The main countries where European factories are concentrated are France (30%), Spain (18%), Germany (13%) and Poland (10.8%).

7.1.2.2. Environmental protection improvement actions

In 2014, the Faurecia sites dedicated a total of €16.49 million to the protection of the environment and equipment compliancy, an increase of 20% compared to 2013 (see examples under the section on energy consumption).

Reporting year 2014 Scope by consistency	Equipment compliancy *(M€)*	Environmental Protection *(M€)*	Sum of environment-related investments *(M€)*
2011	5,31	2,12	7,43
2012	9,69	2,92	12,61
2013	9,24	4,61	13,85
2014	12,35	4,94	17,29

AMOUNT OF INVESTMENT RELATED TO COMPLIANCE AND PROTECTION OF ENVIRONMENT IN MILLION EUROS (2014 SCOPE)



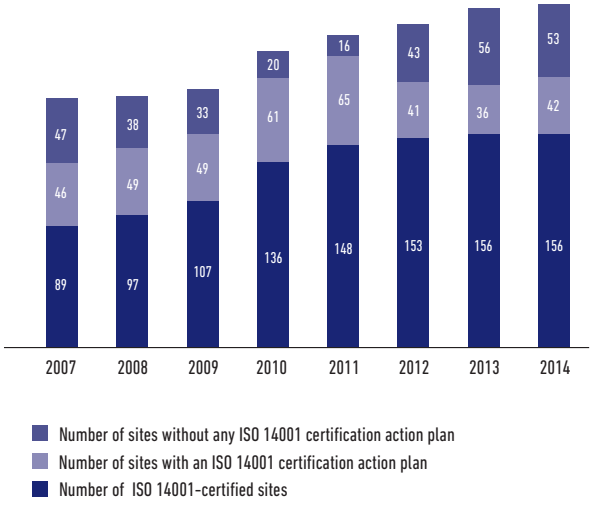
7.1.2.3. Environmental certification and training

Based on a voluntary approach, 198 Faurecia business establishments implement environmental management systems based on the international standard ISO 14001. The ISO 14001 certification also enables Faurecia to meet its clients' requirements.

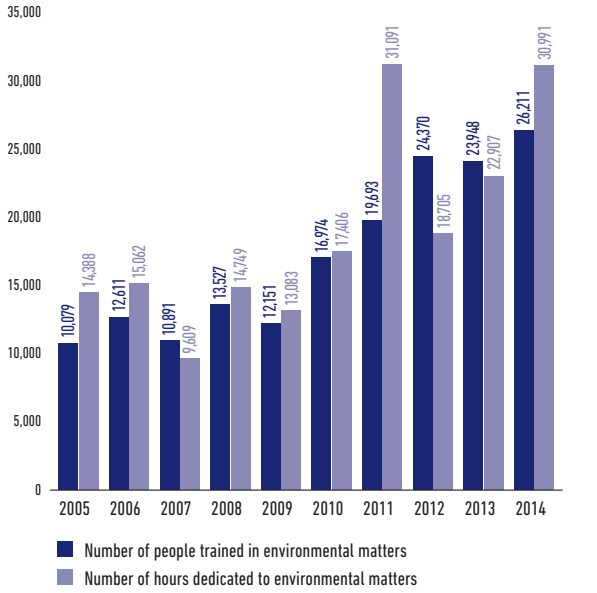
Compared to 2013, there were a stable number of certified sites or sites engaged in an environmental management approach. 65.5% of the Faurecia sites were concerned of which five production plants achieved certification in 2014. 41.2% of the non-certified sites in 2013, have decided to launch an action program to enable them to gradually fulfill the requirements of an environmental management system.

Faurecia's implementation of the ISO 14001 management systems was accompanied by training and awareness in the environmental field. In 2014, investment was increased and reached, for the sites present in 2013, 156K€, some 17% more than the previous year. Thus, the number of training hours focusing on enhancing environmental management skills reached 28,783 hours (up by 28% compared to 2013) and were delivered to 33.5% (2.7% more than in 2013) of the workforce, excluding temporary workers.

NUMBERS OF SITES WHICH ARE ISO 14001 CERTIFIED OR HAVE AN ACTION PLAN FOR ISO 14001 CERTIFICATION (2014 SCOPE)



NUMBER OF PERSONS TRAINED ANNUALLY IN ENVIRONMENTAL MATTERS AND THE NUMBER OF TRAINING HOURS CONCERNED (100% OF THE 2014 SCOPE)



7.1.2.4. Environmental Indicators

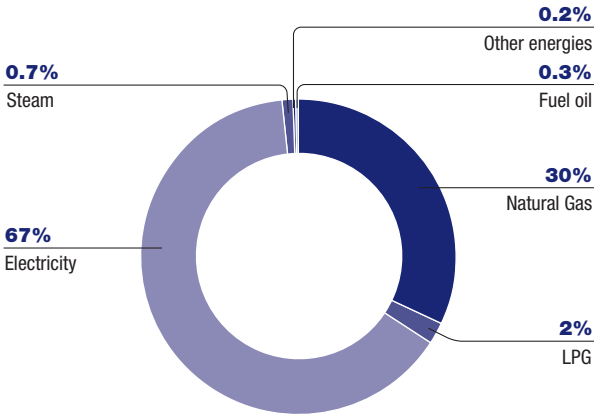
ENERGY CONSUMPTION

Consumption of energy, liquid refrigerants and greenhouse gas emissions

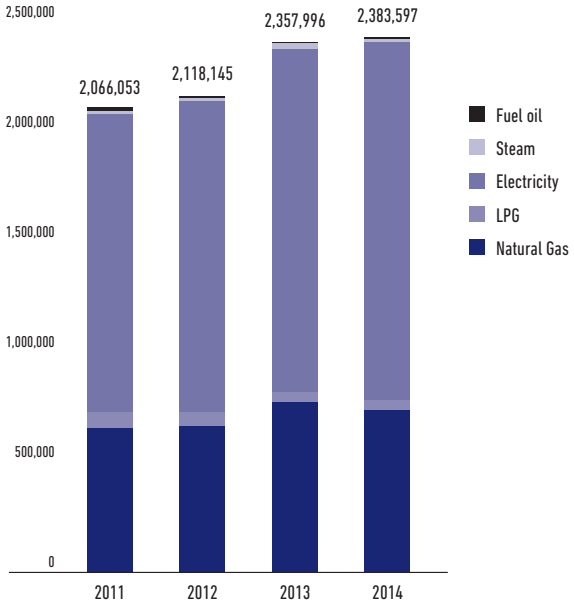
1. Energy consumption

In 2014, the energy consumed reached 2.4 million MWh (+0.33% compared to 2013). Electricity remains the energy source that is used the most by the Faurecia sites; nearly 10% comes from renewable sources.

BREAKDOWN OF ENERGY CONSUMPTION IN % (98.39% OF THE 2014 SCOPE)



ENERGY CONSUMPTION, IN MWH, BOTH GLOBAL AND BY SUPPLY SOURCE (98.39% OF THE 2014 SCOPE)



a) Actions for better energy efficiency within Faurecia Automotive Exteriors production sites

The Automotive Exteriors activity is largely based on the manufacture of painted parts such as bumpers, tailgates, wings or spoilers. These plants are major energy consumers. Injection molding operations require a high consumption of electricity while the flaming process in paint lines generates significant natural gas consumption. In 2014, 75% of sites continued to implement specific actions to reduce their energy consumption and, at the same time, their greenhouse gas emissions.

In 2012, all the Northern Europe Division sites (some 39% of the Automotive Exteriors sites) obtained the ISO 50001 certification to formalize their Energy Management System.

At the beginning of 2013, the Pappenheim site, located in Germany, installed and began running a cogeneration turbine enabling 13% of renewable electricity to be produced. This led to an 11% saving on total electricity consumption compared to the previous year.

The Essen site in Germany, the Group's fourth largest energy consumer, invested €1,175,000 in 2014 to finalize the installation of a cogeneration turbine to have a share of its electricity, measured at 27%, from renewable energy. The investment also enabled the site to continue implementing an intelligent management module for the raw material heating time on five other machines. This time is therefore better streamlined and enables savings in electricity consumption to be made.

The production plant in Hambach, based in France, has set up a free cooling system. This uses the temperature difference between the air leaving computers and that of the outside air to assist the water cooling system, thereby reducing the energy needed for this purpose. The site has also set up a system to recover the calories emitted by the injection presses to heat the paint booths.

b) Actions for better energy efficiency within Faurecia Interior Systems production sites

The plant in Legnica, based in Poland and one of the largest energy-consuming plants of the Group, methodically analyzed simple ways to achieve energy savings. The plant detected an energy loss at its cooling system. This was due to a film of limestone leading to a higher energy consumption to reach the ideal temperature for cooling water (-10°C). The installation of a system to eliminate the limestone enabled a reduction of 30 kW (-11%) of installed capacity at the site.

The Chongqing Guangneng (China) production site invested more than €10,000 in the installation of more energy efficient infrastructures and equipment. The HSE team insulated the injection cylinder to prevent energy loss when the raw material is heated.

More generally, all the production plants have installed intelligent light management systems as well as maximum temperature thresholds triggering the switching on of air conditioners (<25°C).

c) Actions for better energy efficiency within Faurecia Automotive Seating production sites

The industrial site of Quatro Barras, Brazil, has implemented a control system of the potential factors associated with the consumption of Liquefied Petroleum Gas (LPG) such as the temperature of the installations or the pressure of the pumps (burner, degrease tanks). This site uses 10% of the volume of LPG purchased by the Group. After four days of analysis, the site found that the temperature reached during the degreasing phase was largely responsible for the consumption of LPG. Therefore, in line with the technical data sheet and ensuring no negative impact on performance, the paint line manager proposed a 12°C drop in temperature, from 62°C to 50°C. Compared to the previous year, the site reported an 8% decrease in LPG consumption.

On the basis of energy audits in response to European Regulations, the Mechanisms division sites (eight industrial sites representing 5.2% of the total energy consumed by Faurecia) are preparing to obtain ISO 50001 certification. Their goal is to reduce energy consumption by 3% every year by 2016. The sites are working towards improving the energy performance of buildings and refrigeration systems, as well as optimizing the energy consumption of the paint lines and stamping shop. In 2015, two sites aim to obtain ISO 50001 certification.

d) Actions for better energy efficiency within Faurecia Emissions Control Technologies production sites

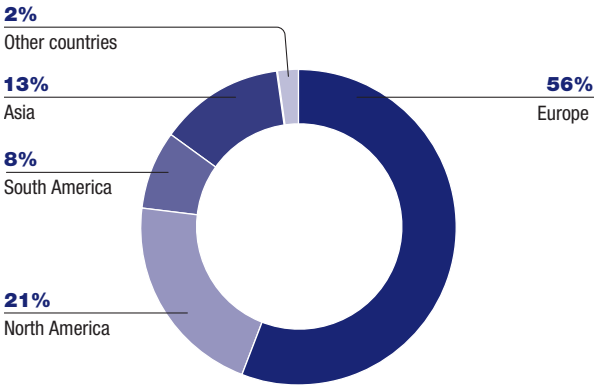
With an aim to reduce energy consumption related to the use of bending machines, BG Emissions Control Technologies has undertaken to renew its bending machines park favoring a new generation of more energy-efficient equipment which doesn't require the use of hydraulic oil.

In an operational management concern for the energy efficiency of its site, the French plant in Bavans has committed itself to ISO 50001 certification.

2. GHG emissions and air quality

For the last three years, the Faurecia sites have measured Scope 1 (direct) and 2 (indirect) emissions as defined by the ISO 14064 standard. This carbon accounting approach was initiated as part of Section 75 of the Grenelle 2 Law that requires every French establishment with more than 500 employees to measure emissions from fossil fuels, refrigerants from stationary and mobile sources (air conditioning), and from the fuel of owned vehicles. On the 2014 scope, 6 sites are required to publish the Greenhouse Gas report.

BREAKDOWN OF CONSOLIDATED GHG EMISSIONS ($TECO_2$) BY CONTINENT (84% OF THE 2014 SCOPE BY UNIFORMITY)



a) Direct GHG emissions

Direct GHG emissions are largely calculated from fossil fuel (natural gas, liquefied petroleum gas and fuel oil) consumption data by applying international emission factors recommended by the French administration (decree of October 31, 2012 and European decision No. 2012/601 for CO_2 and the circular of April 15, 2002 for the other gases). The emission factors to calculate refrigerant-related emissions come from the fourth report of the Intergovernmental Panel on Climate Change (IPCC), "Climate Change 2007".

Direct emissions of Greenhouse Gases (GHG) from the Faurecia sites present in 2013 generated the emission of 159,863 metric tons of CO_2 equivalent in 2014, a decrease of 5.3% compared to 2013. This reduction in emissions is explained by maintenance efforts and the renewal of equipment focusing on reducing the use of high-carbon energy in favor of electricity.

Emissions from leaks of refrigerant gases used in air conditioning and refrigeration systems represent 4.7% of direct emissions measured this year and less than 1% of Scope 1 and 2 emissions of the Group. In compliance with international regulations relating to the Montreal Protocol, Faurecia continued its efforts to decrease the use of the refrigerant gas R22 (-16% gas charged in the installations compared to 2013), which will be permanently banned in Western countries in 2020.

b) Indirect GHG emissions

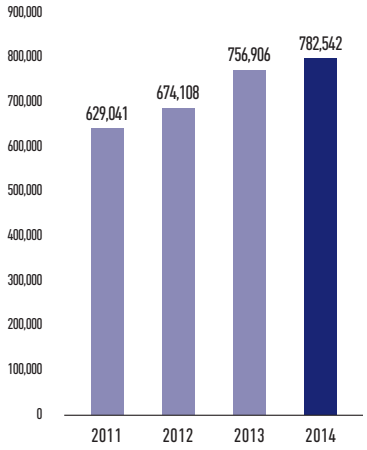
Indirect emissions are calculated from electricity purchases according to emission factors published by the IEA (*International Energy Agency*® – Version 2013).

The increased use of electricity compared to 2013 results in a slight increase in indirect emissions of 3.4% (or the equivalent of 618,894 metric tons of CO_2) by the sites present in 2013.

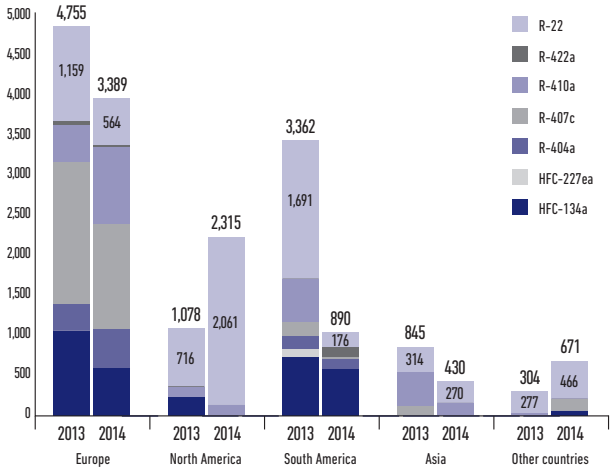
RESULTS OF THE DIRECT AND INDIRECT GREENHOUSE GAS EMISSIONS IN METRIC TONS OF CO_2 EQUIVALENT (100% OF THE 2014 SCOPE)

Total of atmospheric emissions	Reporting year	Europe	North America	South America	Asia	Others countries	Total
Direct emissions ($tCO2_e$)	2011	117,040	21,887	9,782	3,608	323	152,317
	2012	118,428	18,402	8,728	5,028	355	150,586
	2013	118,100	37,401	10,203	4,004	376	169,707
	2014	106,464	38,352	8,475	7,504	319	160,795
Indirect emissions ($tCO2_e$)	2011	306,623	84,561	40,498	45,043	14,811	476,724
	2012	317,683	96,907	49,644	58,614	15,230	522,847
	2013	327,972	129,749	52,731	76,796	15,262	587,248
	2014	339,885	130,941	53,878	97,043	15,722	621,747
Total emissions ($tCO2_e$)	2011	423,662	106,448	50,280	48,650	15,134	629,041
	2012	431,908	119,101	59,481	63,618	16,480	674,108
	2013	446,023	167,150	62,934	80,799	15,638	756,906
	2014	446,350	169,293	62,353	104,547	16,041	782,542
N_2O emissions	2011	5	1	0	0	0	6
	2012	5	1	0	0	0	6
	2013	5	2	0	0	0	7
	2014	5	2	0	0	0	7
CH_4 emissions	2011	8	1	0	0	0	10
	2012	8	1	0	0	0	10
	2013	8	2	1	0	0	11
	2014	7	3	0	0	0	11
SO_2 emissions	2011	5	7	1	2	0	14
	2012	4	3	0	11	0	18
	2013	3	1	0	10	0	15
	2014	3	1	0	6	0	10
NO_2 emissions	2011	123	23	10	4	0	160
	2012	124	19	9	6	0	159
	2013	124	39	10	5	0	179
	2014	112	40	9	8	0	169

RESULTS OF THE TOTAL GREENHOUSE GAS EMISSIONS IN METRIC TONS OF CO_2 EQUIVALENT (100% OF 2014 SCOPE)



DISTRIBUTION OF GREENHOUSE GAS LEAK EMISSIONS RELATED TO COOLING (92% OF 2014 PERIMETER)



c) Emissions of Volatile Organic Compounds (VOCs)

Faurecia is committed to limiting volatile organic compound (VOCs) emissions, which are regulated as they contribute to the formation or accumulation of harmful compounds, such as ozone, in the environment. Each Business Group is committed to making the necessary efforts in 2015 to ensure reliable data on VOC emissions be published in the Group's annual report next year.

Faurecia Automotive Exteriors industrial sites represent the biggest source of VOC emissions in the Group due to its activity requiring a significant use of paints and solvents. The other BGs, especially Faurecia Interior Systems sites, also emit VOCs through the use of paints and adhesives for some of their production lines.

As part of their 2013-2014 Quality policy and in compliance with the Faurecia Excellence System, the Faurecia Automotive Exteriors sites of their Southern division are committed to limiting their VOC emissions. To this end, a New Tech bumper painting line was designed and developed in 2010 at the pilot site in Audincourt (Faurecia's French historical site). Based on a new industrial process for the production of "all-in-one" bumpers, which goes from the plastic injection to the finished assembled product delivered to the customer, NewTech is a flexible, modular and competitive paint tool which is more environmentally friendly.

The latest "process" innovations to be integrated in the procedure have enabled a dramatic reduction in atmospheric emissions of around 95%. Beyond its benefits in terms of reducing emissions, it also reduces energy consumption by 25% since the heat generated to destroy the polluting emissions is used to heat the factory. Compared to last year, the Audincourt site has already saved 12% of its annual energy consumption. In the long term, the objective is to renew every bumper painting line with NewTech technology and implement it within each newly acquired plant. The site based in Marines, one of the biggest Ile de France VOC polluters, will be equipped with this new technology for its paint lines. The goal is to be able to support the business growth while ensuring that VOC emissions related to the running of the production plants do not increase.

Consumption of raw material (1)

Faurecia's production plants have an important role to play in the rational use of raw material. The Group is committed to meeting its customer requirements in terms of reducing the weight of its automotive equipment. Indeed, the weight of the car affects the quantity of emissions produced per kilometer. The techniques and best practices of each site are therefore determined first and foremost by the directions taken in terms of product innovation. Faurecia's strategic directions are clearly stated in the "Less is more" approach, presented publicly by the Group during the Paris Motor Show in October 2014 (see Section 6.2.2. Environmental Performance).

Reducing the amount of materials used in the factories is a key axis for each of the BGs in order to fulfill the objectives that the Group has set.

Metals are mainly used for the manufacture of seats and exhausts representing 52% and 48% respectively of the use of this raw material. Plastics are mainly used for the manufacture of instrument panels and bumpers: Faurecia Interior Systems uses 57% of this raw material while Faurecia Automotive

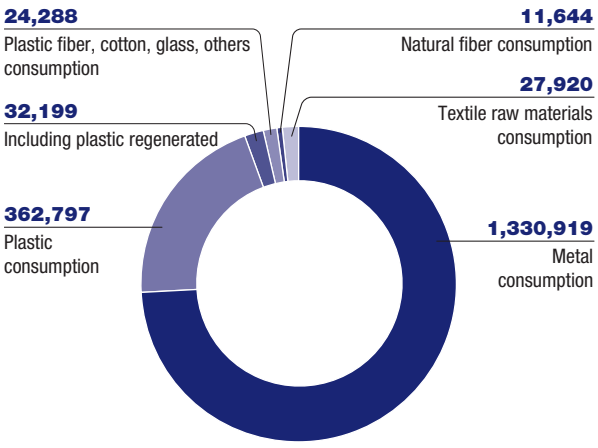
(1) In order to collect reliable information on raw materials, the reporting questionnaire was reworked this year to provide more specific information on the areas concerned and the rules for compiling data. For this reason, comparative information for the past two years is not provided this year.

Exteriors uses 23%. All of the fibers and textiles are mainly used in the design of the interior trim of a vehicle.

The sites pay particular attention to the rational use of raw materials, particularly by in-house recycling whenever possible. The metallic material has to be reworked in a foundry, so it must always leave the Faurecia site and be redirected to an external service provider: this is the only material that cannot be reused internally.

In total, the industrial sites recycled 3% of internal raw materials (excluding metal raw materials). In 2014, 2.9% of plastics, 3.3% of fibers and 5.6% of purchased solvents [1] are recycled internally.

DISTRIBUTION OF RAW MATERIALS PURCHASED IN 2014 BY TYPE OF MATERIAL IN METRIC TONS*



* *Metals, plastics and fibers are the main raw materials of the Group, excluding R & D sites, some 93% of the perimeter in 2014 covered by this data.*

Opt for bio-sourced raw materials

In October 2014, the BG Interior Systems, created a joint-venture with the French agricultural cooperative, Interval, to produce bio-based materials including hemp-based polymer. The NAFILean is a method that was developed to introduce natural elements into high-performance materials for instrument panels, door panels and center consoles manufactured by injection.

Optimize the weight of the parts to reduce material used

The Faurecia Automotive Seating production plants are gradually orientating their production system towards a lighter car seat. The goal is to mass produce seats weighing less than ten kilograms by 2017 with an aim to gain about 3 kg of the total mass of a seat in 4 years.

To do this, Faurecia's manufacturing processes are gradually incorporating new techniques in order to reduce to a minimum the metal and plastic materials used in the design of a seat (use of steel alloys for the seat frame, plastic over-injection techniques).

Faurecia Emissions Control Technologies production sites will follow a similar course of action with a view to lightening the weight of the exhaust pipes. In 2014 Faurecia developed a lighter exhaust system for its customer, Renault. Faurecia reduced the thickness of all the stainless steel elements on this line: 0.4 mm for pipes and muffler elements, to 0.6 mm for the shock absorbers. The exhaust line obtained is 20% lighter than the exhaust line of the current Peugeot 208, a saving of almost 2 kg.

Towards innovative and lighter materials

In 2012, Faurecia announced the acquisition of the automotive activities of Sora Composites, a company with high-quality expertise in composite plastics and the use of glass and carbon fibers in cars. Faurecia's aim is to transpose this innovative know-how on a larger scale to bring down costs. This strategic direction, along with others, should progressively impact the Faurecia Automotive Exteriors production sites by 2020.

Waste production [2]

All of Faurecia's sites, especially the production sites, aim to reduce the waste generated in the production process.

In total in 2014:

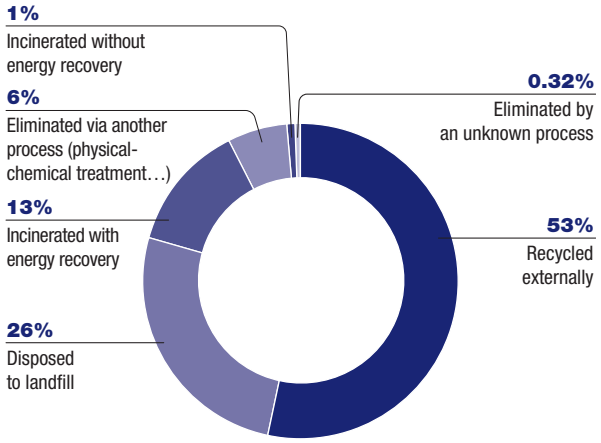
- 53% of waste was recycled ;
- 13% of waste was incinerated and recovered as energy.

In 2014, the sites generated 230,467 metric tons of waste. Non-hazardous waste makes up the biggest part with 147,225 metric tons (excluding metal waste). Furthermore, 100% of metal waste (scrap, cast iron) are recovered and recycled by foundries. This represents about 25% of the waste tonnage generated by Faurecia.

(1) The volume of solvents recycled within the Group was calculated on the basis of solvent consumption in 2014.

(2) In order to collect reliable information on waste, the reporting questionnaire was reworked this year to provide more specific information on the areas concerned and the rules for compiling data. For this reason, comparative information for the past two years is not provided this year.

DISTRIBUTION OF THE QUANTITY OF WASTE GENERATED, IN %, BY TREATMENT SECTOR (84% OF THE 2014 SCOPE)



Treatment process	Color code	Europe	Other countries	North America	Central and South America	Asia
Recycled externally		48%	45%	56%	78%	68%
Disposed to landfill		23%	55%	43%	17%	18%
Incinerated without energy recovery		2%	0%	0%	0%	4%
Incinerated with energy recovery		19%	0%	1%	2%	8%
Eliminated via another process		8%	0%	1%	2%	1%
Eliminated by an unknown process		0%	0%	0%	1%	0%

All of the Faurecia Automotive Seating sites are aiming for "zero waste to landfill" (Landfill Ban) by the end of 2015. To the extent that an alternative treatment sector can be found for each type of waste generated by the plants, each industrial site is challenged to try to find a solution. This year, sites belonging to the Business Group generated 8,350 metric tons of waste which was sent to landfill, some 13% of the total waste generated by the Business Group in 2014.

All the Faurecia Interior Systems plants based in South America (3.5% of the total waste generated by Faurecia) have implemented a new recycling partnership to systematize the recovery and recycling of non-standard pallets that have deteriorated so they can be repaired and reused thus avoiding the need to purchase new pallets.

Since 2007, the plant in Kosice, based in Slovakia, has faced the management of new waste associated with new production techniques: aqueous liquid waste containing adhesives. Until now, the site was storing this waste (some sixty metric tons every month) in 200 liter barrels while waiting to find the right solution to treat it. After analyzing the composition of the waste (97% of water and 3% glue), the factory began, in 2014, to treat it in an onsite wastewater treatment plant. This enabled the mass of waste to be reduced by 90%, about 7 metric tons of sewage sludge.

WATER CONSUMPTION

Water consumption and emissions to water

Water is mainly used in industrial production processes and auto parts cooling processes, as well as in the sanitation. In total, the Faurecia sites present in 2013 consumed 3,954 million m^3 in 2014 some 8% more than the previous year.

Water for the cooling system represents 43% (1,712 million m^3) of the total water consumption. Three production sites are primarily concerned as they alone represent 83% of the amount of water used for this purpose.

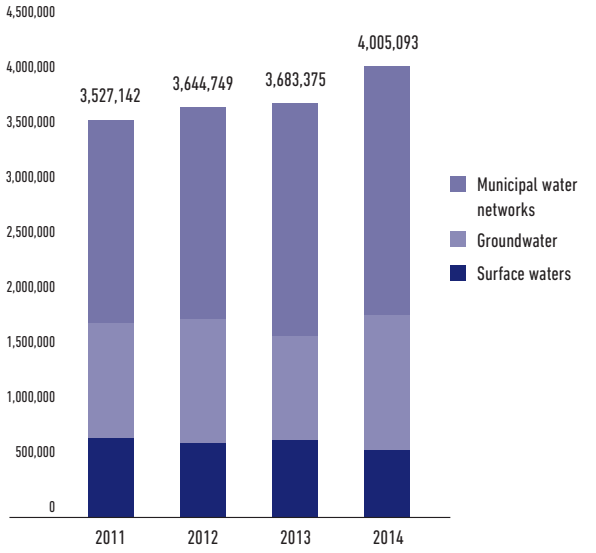
Groundwater extraction is mainly carried out by two industrial sites, one based in Germany and one in France. It concerns open cooling circuits: all of the water extracted is released into the environment after cooling. In both cases, the site checks the temperature before discharge. The environmental impact is low. Meanwhile, when the water is contaminated during the manufacturing process and must be treated before discharge, the sites usually use the collective network.

Some sites commit to water saving actions:

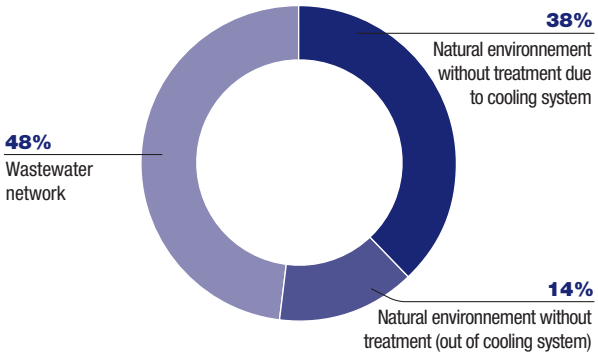
- this year, the French factory of Marckolsheim, responsible for 16% of Faurecia's groundwater consumption (197,247 m^3), set up a closed circuit cooling system for its welders;
- in one year, the Dexter site, based in the US, reduced its water consumption by 61% through the introduction of a closed cooling circuit.

In 2014, 136 institutions (64% of the total workforce excluding temporary workers) were subject to self-monitoring by local authorities for monitoring the quality of wastewater discharges. Of these sites, 88% aqueous discharges comply with the requirements.

TOTAL WATER CONSUMPTION BY SOURCE OF SUPPLY IN M^3 (100% OF THE 2014 SCOPE)



DESTINATION OF WATER RELEASED IN 2014, IN % (91% OF THE 2014 SCOPE)



The protection of natural habitats and biodiversity

The production activity does not inherently present a high risk to the environment. It is however characterized by the size of the sites linked to large-scale mass production.

1. Installation near protected areas

90% of the sites in the reporting scope are located in urban or industrial areas. 27 sites (17 production sites, 8 assembly plants and 2 research and development facilities) are located within 3 kilometers of a protected area. These 27 sites represent 144 hectares.

2. Biodiversity conservation

Faurecia attaches great importance to the quality of its presence in the regions in which the Group operates. The Flers Caligny production plant is a good example of what can be done to preserve the neighborhood from noise. The site has two soil embankments with vegetated slopes that hide the plant and can prevent potential noise generated by industrial activity disturbing the neighborhood.

The production plant based in Hambach (France) is in the "Europôle Sarreguemines" industrial park in Lorraine. This industrial park called "Smartville" was designed to blend into the landscape. To this effect, grassland areas and tree-lined avenues green up the site, a natural pond and aquatic plants bring a balance, the rural landscape (orchards, pastures) coexists with the forest landscape (oak, beech, walnut trees). An independent study has shown that the industrial activity has not deteriorated the biodiversity of the site.

3. Use of ground surfaces (watertight surfaces and total surfaces)

The Faurecia sites worldwide occupy a total area of 1,093 hectares. This figure is slightly up on last year (+ 5%) due to the acquisition of 18 additional sites within the Group. 68,2% of the occupied surface area is rainwater tight. This waterproof surface includes surfaces occupied by buildings, parking lots, roads and other impervious surfaces.

The Group is committed to identifying previous pollution that may be present in the soil of its sites. At the instigation of the government, or on its own initiative, the Group recorded 120 sites, (47% of the sites questioned), which had established a soil and groundwater survey to identify the minimum consequences of previous activities and the environmental impact of the present site.

Soil and groundwater pollution checks are also carried out in accordance with regulatory requirements, and as part of environmental due diligence audits that require further investigation.

Since 2013, to determine the extent and nature of pollution, the Group's procedures provide that all sites which are acquired or sold have been subject to an environmental assessment that has been complemented by a soil and groundwater investigation. If, in case of the sale of a site or ceasing of an activity, the diagnosis identifies pollution which occurred during Faurecia's operation

phase, remediation measures are implemented in accordance with the Group's regulations and guidelines. In the case of a permanent site closure and while waiting for a buyer, all waste, raw materials, products and equipment are removed, and site maintenance continues to be assured.

Pursuant to Decree No. 2012-633 of May 3, 2012, Faurecia identified 4 French sites subject to the obligation to provision of financial guarantees for their safety layout for a total amount of €541,150 as of July 1, 2014. Faurecia has chosen to subscribe to an environmental guarantee from an insurance company.

OTHER ENVIRONMENTAL INDICATORS

Noise pollution

In 2014, four industrial sites had a total of fifteen neighborhood complaints. These mainly concerned odors and noise and the Faurecia teams were able to respond quickly (sealing the openings of the exhaust air duct, emergences measures and plant shutdown during periods of non-use, notably the week-end).

Provisions

In 2014, provisions for environmental risks for the sum of €5,697 thousand have been established.

Fines and litigations

In 2014, Faurecia did not have any significant litigations. The total amount of penalties regarding the environment was €100, a decrease of 93% compared to the previous year.

7.2. Societal action

7.2.1. TERRITORIAL, ECONOMIC AND SOCIAL IMPACT OF THE COMPANY'S BUSINESS

7.2.1.1. Employment and regional development

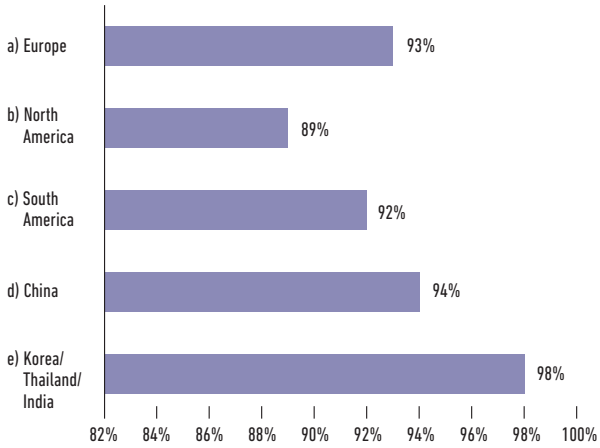
Developing and promoting international exposure is essential for a Group that employs 61% of its engineers and managers outside Western Europe and carries out 77% of its recruitments outside this region. Within this framework, Faurecia can offer its people many international assignments as well as the opportunity to take part in international projects.

The Group also places great importance on the international dimension of its Senior Management team, while taking steps to attract, develop and retain local talent across the globe. Today, in keeping with this strategy, 55% of the Group's senior managers are non-French nationals, and 53% of engineers and managers identified as high-potential employees are from countries outside Western Europe. Among employees considered as having the potential to become senior managers, 45% are natives of these same countries.

7.2.1.2. On neighboring or local populations

Faurecia's ambition is to purchase materials as close as possible to its sites in order to help develop local industry, and minimize the associated logistical costs and impacts.

For purchases of mass-produced parts, the percentage of purchases made locally ranges from 89% to 98% depending on the location of Faurecia's production sites (2014 data).



Virtually all non-production purchases are made locally.

In addition, the Code of Ethics in force within the Group, the operating principles of which are set out in Subsection 7.2.4.1, states that Faurecia is committed to continuously assessing the impact of its products and the activity of its plants on the environment and the communities with which it is in contact, with a view to continuous improvement.

Lastly, Faurecia participates in a number of local initiatives, described in Sections 7.2.2.2 and 7.2.3.1.

7.2.2. RELATIONSHIPS WITH ORGANIZED OR INDIVIDUAL STAKEHOLDERS

7.2.2.1. Conditions for dialog with stakeholders

Faurecia has developed and maintains the conditions and tools for dialog with a number of interested parties or stakeholders in its business.

FAURECIA AND ITS RESEARCH PARTNERS

To expand and enhance its expertise, Faurecia is actively developing new partnerships with suppliers and research institutes.

This is demonstrated by the creation of a chair in composites at École Centrale de Nantes in 2011, followed by an additional three chairs in 2012 (automotive mechatronics with Supélec and ESIGELEC; assembly lines and logistics with *École Centrale de Paris* (ECP, France) and the *Technische Universität München* (TUM, Germany); metallic materials and innovative processing with *Technische Universität Dortmund* (TUD, Germany)) and the most recent chair in 2013 with University of Freiburg (FMF) and SKZ Würzburg, both located in Germany, for the chemistry of plastics and biomaterials.

In addition, a master agreement was signed in 2012 with Fraunhofer ICT (Germany) on composite production technologies, which further confirmed Faurecia's determination to work with academic institutions to achieve greater mastery of the phenomena encountered and to open other avenues of innovation.

Faurecia is also strongly involved in France in the IRTs (*Instituts de Recherche Technologiques* [Technological Research Institutes]) Jules Verne and M2P in order to develop innovative production processes in the field of composite and metal materials, as well as in start-up research through incubators in France and abroad.

In 2013, Faurecia also signed a strategic partnership with Mitsubishi Chemicals for the development of biosourced resins.

FAURECIA AND ITS SUPPLIERS

Faurecia is committed to basing its growth on socially responsible actions and behavior across all of its businesses and all of the countries in which the Group operates.

In view of this, Faurecia is committed to building close, long-term relationships with its suppliers, based on mutual growth and benefit. Faurecia believes that the principles of social, environmental and economic responsibility are critical criteria for the award of contracts to its suppliers.

Great importance is placed on communication and transparency to ensure strategic alignment with partners. Conventions are held, with the official presentation of performance awards in different areas (Logistics, Quality, Innovation, etc.). Faurecia has close relationships with its suppliers and organizes Strategic Supplier meetings, in which it shares and discusses strategies to be pursued to strengthen mutual development, and Tech Days aimed at exploring, identifying, promoting and developing new innovation ideas in a fully transparent way. As described in Section 7.2.3, Faurecia assesses the reliability of its suppliers not only in terms of product quality, but also in terms of meeting corporate social responsibility (CSR) criteria.

Faurecia thus communicates with its suppliers and subcontractors to raise their awareness of sustainability issues. Along these lines, Faurecia's corporate website includes a section entirely devoted to the Group's disclosures and standards with respect to compliance with CSR criteria by its current and potential partners.

FAURECIA AND ITS CUSTOMERS

Faurecia has very close relationships with virtually all major global automakers. It also works closely with its customers to develop the design and functionality of the product range on offer.

Faurecia is involved in all stages of the equipment development process, from defining product specifications to initial marketing. Faurecia designs and manufactures equipment that is generally specific to each new car model or platform, and generally concludes contracts to provide these products throughout the anticipated life of the model or platform (usually between five and ten years). The quality of Faurecia products is widely acknowledged among automakers. It is backed up by the Group's Faurecia Excellence System (FES), a rigorous set of project management procedures and methodologies, and by the expertise of the 6,000 Faurecia engineers and technicians who design products and develop technological solutions.

Vehicle application programs follow a unique process, bringing together all the participants needed to develop and launch a new, mass-produced product. The Program Management System (PMS) process, describes all the requirements at each phase of the program. Every program is given periodic interim reviews, first by specialists and then at the close of each phase by management, so that its progress can be seen.

The PMS consists of five phases:

- obtain and validate customer needs;
- develop the product;
- test the product and develop the manufacturing process;
- plan and validate production machinery;
- ramp up line speeds and launch mass production.

To track performance throughout the development process and steer it towards excellence, Faurecia has introduced the idea of program management excellence. This new approach involves the foregoing elements plus:

- system audits of the program requirements to ensure disciplined implementation;
- performance indicators, reviewed monthly, to signal future risks.

These various tools have made it possible to significantly improve such programs' performance financially and in terms of quality, lead times and launches of mass production.

In 2014, Faurecia received several customer awards for its production sites.

Faurecia Automotive Seating:

- the Siedoubs site (France) was named Best Plant by PSA Peugeot Citroën;
- the Chengdu plant (China) received the Best Quality Supplier Award from FAW-Volkswagen;
- for the tenth consecutive year, the Wuhan plant (China) was honored with a Top 10 Supplier Award by Dongfeng Peugeot Citroën Automotive.

Faurecia Emissions Control Technologies:

The entire Business Group was recognized with a Quality Supplier Relationship Award from Fiat/Chrysler.

Other awards and distinctions:

- the Bakov and Augsburg sites (Czech Republic) each received the Supplier Quality Excellence Award from General Motors;
- the Troy and Columbus sites (United States) also each received the Supplier Quality Excellence Award from General Motors;
- the Wuhan site (China) garnered several prizes:
    - the 0 PPM for 72 months Award from Ford Changan,
    - the General Manager's Special Award from DPCA,
    - the Excellent Supplier Award from Dongfeng;
- the Chongqing site (China) was named Top Supplier of the Year for 2014 by Ford Changan.
- the Anting site (China) received the Positive Response and Contribution Award and the Excellent Service Supplier Award from SGM as well as the Excellent Development Supplier Award and the Best Response Award from SAIC;
- the Changchun site (China) received the Top 10 Supplier Award from FAW together with an award in the same category from FAW-Volkswagen;
- the Chengdu site (China) received the Excellent Quality Award from FAW-VW;
- the Yantai site (China) received the GP8 Continuous Improvement Award from SGM;
- the Bangalore site (India) received the 2014 QCC Award from Toyota.

Faurecia Interior Systems:

- the Legnica site (Poland) and the Hlohovec site (Slovakia) were both named Best Plant winners by PSA Peugeot Citroën;
- the Uitenhage site (South Africa) and the Puebla site (Mexico) received the Supplier Quality Excellence Award from General Motors;
- the Chengdu site (China) received the Best New Supplier Award from Volvo China and the Excellent Supplier Award from Geely;
- the Foshan site (China) received the Quality Service Award from FAW-Volkswagen.

Faurecia Automotive Exteriors:

- the Hlohovec site (Slovakia) was named Best Plant by PSA Peugeot Citroën.

FAURECIA AND ITS INDUSTRIAL OR COMMERCIAL PARTNERS

Faurecia is always looking to develop new partnerships and strengthen existing ones.

For example, 2014 saw the creation of Automotive Performance Materials (APM), a 50/50 joint-venture between the Group and Interval, a major French agricultural cooperative.

This new entity, whose activities are connected with those of Faurecia Interior Systems, aims to develop and produce biosourced raw materials, building on the advances already made by Faurecia to help create more lightweight and eco-friendly vehicles. APM will draw on the strengths of France's manufacturing and agricultural sectors to develop innovative and high-performance products by using natural fibers such as hemp in composite materials. Apart from supplying automotive industry players through Faurecia, the new company will also serve other plastics processors.

FAURECIA AND THE FINANCIAL COMMUNITY

All of Faurecia's shareholders are given full, clear and transparent information which is tailored to their specific needs and provides them with an objective view of the Group's growth strategy and earnings performance. This financial communication policy is aimed at ensuring that all shareholders have access to the information required in accordance with customary market practice.

A wide variety of documents made available to the public, including regulated information, covers all of the Group's business activities, its strategy and financial information, including the annual Registration Document, interim financial reports, the bylaws, and the internal rules of Faurecia's Board of Directors. All these documents are readily accessible on the Group's website www.faurecia.fr, in French and English, and upon request from Faurecia's Investor Relations department. Shareholders can also automatically receive documents, such as the annual report, corporate brochures and press releases, through a free subscription service by e-mailing shareholders@faurecia.com.

Faurecia regularly publishes the annual and period disclosures required by regulations for listed companies in the French legal

gazette, the BALO *(Bulletin des annonces légales obligatoires)*. This information is supplemented by press releases for both the financial community and the general public regarding matters that are of major importance in understanding the Company's strategy. In addition, periodic meetings are held on an interactive basis with financial analysts and business journalists in order to give updates on the Group's goals, products and results.

In 2014, Faurecia organized over 400 large-scale and individual meetings in 15 countries, which allowed for direct dialogue to take place with nearly 1,000 institutional investors and financial analysts. Themed presentations were also organized for analysts, investors and asset managers.

Shareholders also have a dedicated area on the Faurecia intranet where they can find out about the Group's employee savings plan.

Annual reports presented and filed as Registration Documents with the *Autorité des Marchés Financiers* (AMF) and interim financial reports are broadly circulated within the financial community.

FAURECIA AND CERTIFICATION BODIES

Environmental management systems based on ISO 14001 have been implemented and are maintained at 198 Faurecia sites, using a voluntary approach. ISO 14001 certification is often demanded by the Group's customers.

Compared with 2013, the number of sites certified to ISO 14001 or having implemented an environmental management system remained stable in 2014, corresponding to 65.5% of the relevant Faurecia sites. Five production plants obtained ISO 14001 certification during the year. Among sites not yet certified in 2013, 41.2% decided to launch a program of actions with milestones to be met in order to achieve full compliance with the requirements of an environmental management system.

The implementation of ISO 14001 management systems by Faurecia sites is accompanied by training and raising awareness programmes with regard to the environmental domain. Investments were expanded in 2014, reaching €156,000 for sites included in this category the previous year, a 17% increase compared with 2013. A total of 28,783 hours of training (up 28% compared with 2013) were thus completed by 33.5% of the workforce excluding temporary staff (up 2.7% compared with 2013) to enhance their environmental management skills.

The environmental and social requirements (ISO 14001 and OHSA 18000) are part of supplier evaluation criteria.

FAURECIA AND THE EDUCATION SECTOR

In the many countries where it has operations, the Faurecia group maintains close partnerships with preferred schools-universities and other higher education establishments-whose locations and curricula correspond best to its needs. Alumni of these institutions now working for Faurecia play a key role by discussing the Group's professions and possible career paths with future graduates.

Faurecia takes part in numerous events for students around the world every year, including job fairs, presentations of the Group's business activities at schools, and workshops on résumé writing or job interview skills. The Group also organizes a number of visits to its sites each year to introduce its business activities to students.

Lastly, several countries have put in place specific programs to further the integration of young graduates hired to their first job within the Group: the STAR program in Germany, the "Fresh Graduate Program" in China, and the VIE international corporate volunteer program offered to young graduates or professionals from France and other EU countries are just a few examples.

7.2.2.2. Partnership or sponsorship

Around the world, Faurecia's sites and employees frequently take part in many community-based initiatives, depending on local economic, social and cultural needs.

Actions to help vulnerable populations:

- through its FUELS (Faurecia Unites with Employees for Local Service) program, launched in North America in 2010, the Group encourages its employees to participate as volunteers in the collection of non-perishable food items to be donated to local food banks. In five years, food items collected and donated under the FUELS program have provided more than 3.5 million meals to needy families in the United States, Canada and Mexico. In 2014, following upon the success of this initiative in North America, Group sites in a number of countries launched similar campaigns in communities where Faurecia employees live and work. The Group's sites in France thus collected nearly 8 metric tons of food items for donation to the food charity *Restos du Cœur*;
- in India, September was declared "Joy of Giving" month to celebrate and encourage generosity: books, toys, clothing and food items were collected by employees and then redistributed to schools or local charitable organizations. In Spain, toys were collected on behalf of the Spanish Red Cross.

To promote education, Faurecia has participated in the Green IT Classrooms program in China since 2013, an initiative launched by the social enterprise Netspring. The aim is to facilitate access to technology for schoolchildren in underdeveloped rural areas, in particular through donations of refurbished computers. In 2013, Faurecia's support helped widen horizons and increase learning opportunities for two classes in the regions of Shanghai and Suzhou. In June 2014, the Group inaugurated a third campaign in Hubei Province, in partnership with Rexel, one of world's largest distributors of electrical supplies. Powered by a solar array installed by Rexel, the computers donated by Faurecia will be used by young schoolchildren from a dozen different villages. Apart from computers, Faurecia is also donating books and supplies to these same schools.

Many other initiatives are being launched around the world, organized on a country or site basis, in line with local realities.

7.2.3. SUBCONTRACTORS AND SUPPLIERS

7.2.3.1. Consideration of environmental and social issues in procurement policy

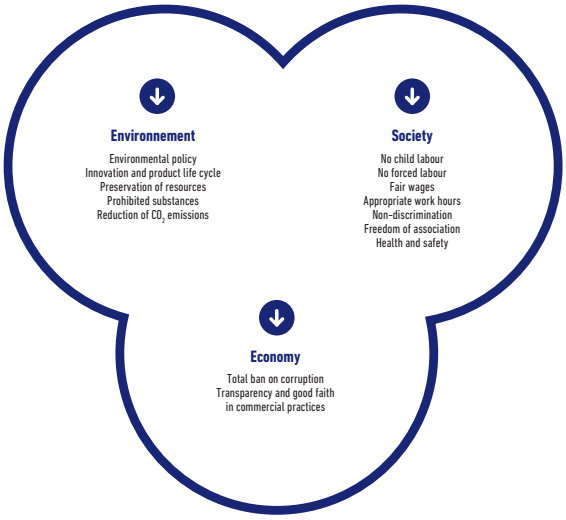
Faurecia's Code of Ethics, the operational principles of which are outlined in Subsection 7.2.4.1, defines the behavioral principles that apply daily to all Faurecia staff in their internal and external relations and to its partners, and sets out the way the Group intends to put into practice its values of respect for customers, shareholders, employees and the environment.

The Group has a real desire to implement a sustainable purchasing policy. Accordingly, as mentioned in Subsection 7.2.2.1, Faurecia is committed to basing its growth on socially responsible actions and behavior across all of its businesses and in all countries where the Group has operations.

In view of this, Faurecia is committed to building close, long-term relationships with its suppliers, based on mutual growth and benefit. Faurecia believes that the principles of social, environmental and economic responsibility are major criteria for the award of contracts to its suppliers. It is essential for Faurecia that its suppliers meet standards of behavior that are consistent with and reflect its own commitments.

Faurecia's Code of Conduct for Suppliers and Subcontractors, introduced in 2013, is a fundamental component of supplier relationship management across the Group. It is included in contract documentation (notably in the purchasing terms and conditions) and in all aspects of Faurecia's procurement process, from tender inquiry documents to supplier quality audits.

The fundamental commitments demanded of Faurecia's suppliers relate to compliance with laws and responsible supply chain management, as illustrated in the diagram below.



Also, at the specifically environmental level, Faurecia is rolling out a policy to avoid or minimize local and/or global problems which could be posed by car use. Via its industrial and human resources management policies, research and development, Faurecia is making an active contribution to reducing greenhouse gases and polluting emissions and improving road safety. Throughout a vehicle's life, Faurecia asks and encourages its suppliers to support it in this progressive approach.

In North America (United States and Canada), Faurecia has integrated diversity management within its procurement policy, thus responding to the growing demand from its customers to expand job opportunities to historically underemployed segments of the population. A Diversity Management department was created in 2011 to reinforce Faurecia North America's efforts in this area. Its main objective is to increase the use of companies certified for their approach to diversity and to offer them genuine opportunities for growth and expansion. In 2014, for the second consecutive year, Faurecia's work in this area was recognized by the Minority Supplier Development Council in Michigan, a state where the Group has a considerable presence.

7.2.3.2. Importance of outsourcing and consideration of social and environmental responsibility in relations with suppliers and subcontractors

Faurecia obviously has the desire to involve its partners in its growth over the long term, but also to manage the risks to which they might expose it. Consequently, the Company requires its suppliers to commit to the respect and compliance of the responsible purchasing policy, through the implementation of the Code of Conduct for Suppliers and Subcontractors in their own organization and global supply chain. Supplier quality audits, which are a prerequisite to joining Faurecia's panel of suppliers also include CSR issues. This Code of Conduct is integrated in the mandatory consultation documents sent to suppliers.

By way of illustration, Faurecia Interior Systems has strengthened its "Buy Beyond" responsible purchasing policy to ensure its wider deployment and promote compliance with the Faurecia Code of Conduct among its suppliers. In 2014, the Group extended this successful initiative to all its Purchasing teams. In order to integrate sustainability into their processes, each team sought the assistance of an external CSR partner in order to better understand, verify and optimize the practices of its suppliers in terms of social, environmental and economic responsibility. Faurecia is also training its Purchasing and Supplier Quality teams, who are tasked with the implementation of the responsible purchasing policy. This program is one of the Group's strategic drivers to accelerate value creation and boost competitiveness. To date, Faurecia Interior Systems has evaluated the performance of more than 290 suppliers with respect to social, environmental and economic responsibility, representing 52% of its purchases.

These assessments are incorporated into the purchasing process, are routinely taken into account in the award of contracts and are also included in the criteria for performance evaluation of suppliers.

Change in subcontracting is quantified by indicators provided in Section 4.6 of this Registration Document.

7.2.4. FAIR PRACTICES

7.2.4.1. Action to prevent corruption

Faurecia is a signatory of the United Nations Global Compact. Consequently, the Group is committed to aligning its operations and strategy with ten universally accepted principles in the areas of human rights, labor standards, the environment, and anti-corruption. This commitment is reaffirmed in Faurecia's Code of Ethics. This Code, created in 2005 and revised in 2007, was updated in 2014 as part of the "Being Faurecia" program intended to reinforce the Group's culture, thus contributing to the creation of long-term value. The Code of Management, which was established at that time to guide the day-to-day management of teams, customers, suppliers, etc., translated many of the principles set out in the Code of Ethics into operations. Each new employee receives a copy of the Code, which is available in the Group's main working languages and may also be accessed on the Group's corporate websites and intranet sites.

It is part of the Faurecia Core Procedures (FCP), and aims to develop the accountability and involvement of Group employees. During Internal Audits, auditors systematically check that everyone working at the plant is familiar with the Code.

The Code of Ethics is structured around four themes: compliance with fundamental rights, fostering economic and social dialogue, building skills, ethics, and rules of conduct. It also includes an alert procedure if the Code of Ethics is breached.

OVERVIEW OF ETHICAL PRINCIPLES AND RULES OF CONDUCT

Use of funds, services or Group assets

Any funding of political activity is forbidden, as are any unlawful payments to public authorities or officials. Assets, liabilities, expenses and other transactions made by Group entities must be recorded in the books and accounts of these entities, and should be kept truthfully and accurately, in accordance with the applicable principles, rules and laws.

Relationships with customers, providers or suppliers

Acceptance of gifts and entertainment from customers and/or suppliers is subject to limits. As such, it is prohibited to accept any gift or gratuity from customers or contractors worth over €100 per year and per business partner, regardless of type.

Furthermore, the payment of any amount in cash, in kind or otherwise to any customer or supplier representative in order to obtain either a contract or a business or financial advantage is prohibited.

The selection of suppliers must be based on quality, need, performance and cost. As stated in the current Purchasing procedures, agreements between the Group and its authorized representatives, agents and consultants or any other contractor

must clearly state the actual products/services to be supplied, the basis for remuneration or price and all other terms and conditions. This rule also prohibits any investment in suppliers and any purchase of property or service from providers or customers for personal use.

Compliance with competition law

Faurecia aims to adhere strictly to the applicable regulations in all the countries where it operates, including the prohibition of reaching agreements, deals, plans, arrangements or coordinated conduct between competitors in respect of prices, territories, market shares or customers.

Confidentiality

This rule covers both the confidentiality of personal information of employees and that of the assets, documents and data of Faurecia.

Loyalty and exclusivity

It is incumbent on employees and executives of the Group to exercise their work contract faithfully.

Conflicts of interest

Employees shall not draw any personal advantage from a transaction carried out on behalf of a Group company, notably with customers and suppliers.

An employee must also not attempt to select or organize the selection of a company, in particular as a supplier, in which either the employee, an associate or a family member has, directly or indirectly, a financial interest.

Safeguarding Group assets

Group employees and managers are responsible for the proper use of the assets and resources of the Group, including those related to intellectual property, technology, equipment and computer media, software, real estate, equipment, machinery and tools, components, raw materials and liquidities.

WHISTLE-BLOWING PROCEDURE

The Code provides a mechanism for the purpose of managing violations.

Any employee who becomes aware of a breach of the rules set out in the Code may use an internal alert procedure; they may refer to their line manager or HR Director verbally or in writing.

Depending on the nature and importance of the events reported, additional investigations may be launched, an inquiry may be set up or an Internal Audit decided upon.

A strengthened alert procedure can also be started if the events relate to serious risks for the Group in terms of accounting, financial auditing and anti-corruption strategy. Events which jeopardize the physical or moral integrity of an employee may also be included in the scope of this procedure, which involves an outside body being brought in which the Group has tasked with gathering data and beginning procedures.

If the alleged conduct falls within the areas defined for this alert procedure and if its importance so warrants, the external body will refer the matter to the Group, in the person of its Chairman and CEO, who may then instruct the Group's Internal Audit department to carry out the necessary investigations.

7.2.4.2. Measures for the health and safety of consumers

Consumer expectations and societal changes are the two main drivers of change within the market. In this context, regulatory change, which mirrors societal change, aims to reduce the impact of automobiles on the environment across all major automotive markets.

In 2014, the Group's innovation policy focused in particular on limiting consumption, increasing environmental performance, greater use of renewable materials, and usability.

In this respect, driver and passenger safety remains a key focus of Faurecia's innovation efforts for vehicle interiors.

Usability and safety go hand in hand. Faurecia is a supplier of components that play an important role in passive safety and thus help save lives or limit injuries to drivers or passengers. Seats are emblematic in this respect: they provide about 80% of rear impact protection, about 30 to 40% for frontal impacts and, depending on the automaker, and between 30 and 80% for side impacts. Dashboards are also worthy of mention, especially for the protection of front passengers, including all the issues relating to the deployment of airbags. In the area of pedestrian impacts, bumpers make a decisive contribution in efforts to limit injuries, by devoting attention both to their intrinsic characteristics and to the kinematics of the impact sequence.

Over the years, Faurecia has taken position as a key partner for automakers in this area, initially by emphasizing the importance of safety and then by developing products and expertise that allow the Group to devote research efforts, in a measured and confident manner, to all anticipated changes. Each link in the safety chain is associated with design rules that guarantee the system's performance and its longevity.

Research and development projects undertaken and the consideration of environmental issues in product design are described at length in Chapter 6 and Subsection 7.1.1 of this Registration Document.

In general, and in accordance with its Code of Ethics relating to fundamental rights, the Group is committed to promoting health and safety at work by implementing policies and methods of active prevention of risks liable to affect the health and safety of employees, to regular monitoring of their proper implementation and to measuring their effectiveness.

In this context, it is particularly committed to empowering its managers and staff in the preservation of health and the prevention of occupational accidents and to organizing the design and development of its products and means of production with a view to achieving the best possible working conditions. All subcontractors working on the premises of Group companies are required to implement these health and safety policies.

7.2.5. OTHER ACTIONS TAKEN IN SUPPORT OF HUMAN RIGHTS

The Code of Ethics contains a number of rules on fundamental rights.

These rules are described in Subsection 4.3.3 of this Registration Document.