



United Nations Global Compact

Communication on Progress 2015

lisi AUTOMOTIVE

www.lisi-automotive.com

Dear Readers



François LIOTARD

Since 2007, LISI AUTOMOTIVE has been a member of the United Nations, Global Compact Program. This year once again, we reaffirm our support to the 10 principles. We will therefore continue to put our strategic and operations plans into a sustainable management.

LISI AUTOMOTIVE is completely involved to have and develop through its multiple plants a strong business practice.

Again this year LISI AUTOMOTIVE has successfully combine a high level of performance and a human approach of its management.


LIOTARD François
Managing Director
LISI AUTOMOTIVE

**I hope you will enjoy
your reading.**

About Us

LISI AUTOMOTIVE is the Automotive Division of the LISI Group, a World Leader in the design and manufacturing of Fasteners and Assembly Solutions for Automotive, Aerospace and Medical sectors.

LISI AUTOMOTIVE has several certifications and it engage in a progressive way to develop better products which meet the suppliers' requirements. Those certifications ISO/TS 16949, ISO 14001, ISO 9001, OHSAS 18001 and the AEO certification show the implication of LISI AUTOMOTIVE to create high quality product and to insure a responsible Human & Environment resource management.

The know-how and the expertise of LISI AUTOMOTIVE come from successful integration of experienced companies as FORMER, MECANO, MOHR & FRIEDRICH, NOMEL, KNIPPING and RAPID.

Our vision

LISI AUTOMOTIVE works to ensure that, worldwide, human resources management focuses on common principles that comply with the Group's values. Our Human Resources policy, which is structured and offers high performance, is based on two main orientations:

- A single human resources management model for all sites in all countries.
- Each employee must feel that he or she belongs to the same group, and to the same team.

Human Right

LISI AUTOMOTIVE recognizes that Human Rights are a value fully integrated into the corporate management, and we respect and support the Universal Declaration of Human Rights. This policy goes for all sites of LISI AUTOMOTIVE around the world without any discrimination.

The first two principles of the UN Global Compact, which are resulting from the Universal Declaration of Human Rights, are:

- Principle 1: "Businesses should support and respect the protection of internationally proclaimed human rights." and
- Principle 2: "Businesses should make sure they are not complicit in human rights abuses."



LISI AUTOMOTIVE BEIJING AND SHANGHAI TEAM



Celebration of the 10th LISI AUTOMOTIVE anniversary

the Chinese plants themselves, we promote the LISI GROUP Human Resource policies and the Business Ethic program through procedures in line with the Global Compact Program.

To federate as team the entire staff of LISI AUTOMOTIVE. We organize regularly meetings as on the February the 20th 2014. In order to improve the relation and cooperation between our plants in Beijing and Shanghai, we organized a meeting with managers of both factories in Shanghai plant. It was a very good start for LISI AUTOMOTIVE Beijing and LISI AUTOMOTIVE Shanghai to work more closely.

Last June 14th, LISI AUTOMOTIVE's factory in Cecj celebrated its 10th anniversary of integration in the group. To commemorate this event, the Czech plant organized an Open House day, to which families, former colleagues and local authorities were invited. More than 300 persons gathered in the premises to celebrate this anniversary.

LISI AUTOMOTIVE in order to protect Human Right ant to respect the protection of our employees works with the French data protection authority Commission Nationale de l'Informatique et des Libertés "CNIL" to protect the personal information of employees.

To fight against discrimination, LISI AUTOMOTIVE abides to local labour laws moreover LISI AUTOMOTIVE promote its values to the respect of Human Right all around its plants. In China, we have been operating two plants, one in Beijing and one in Shanghai for many years. In

Labour

The following chapter will express efforts that LISI AUTOMOTIVE put in order to develop the labour protection all of employees following the local labour laws and the LISI AUTOMOTIVE values. Those principles protect all employees and are based on the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work:

- Principle 3: businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- Principle 4: the elimination of all forms of forced and compulsory labour;
- Principle 5: the effective abolition of child labour; and
- Principle 6: the elimination of discrimination in respect of employment and occupation

Welcoming young talents

LISI is engage to the integration of youth on the market labour that allows to a lot of students to come and discover the company and the different departments through an internship or apprenticeship. Moreover, LISI AUTOMOTIVE in a proactive way goes to the university meeting day to meet a large panel of students which come from different formations.



Welcoming young talents

It is end up that in 2014 LISI Group welcomed 594 interns, 257 apprentices and 62 work experience contracts. Professionalization and apprenticeship contracts allow the strengthening in adequacy between the training content and the company needs.

Ensure a safety workplace

In 2014, 100% of the production sites were OHSAS 18 001 (Occupational Health and Safety Management Systems).

To ensure a safety workplace to all of these employees, LISI AUTOMOTIVE has invested in machine safeness, ergonomic layout and suction system.

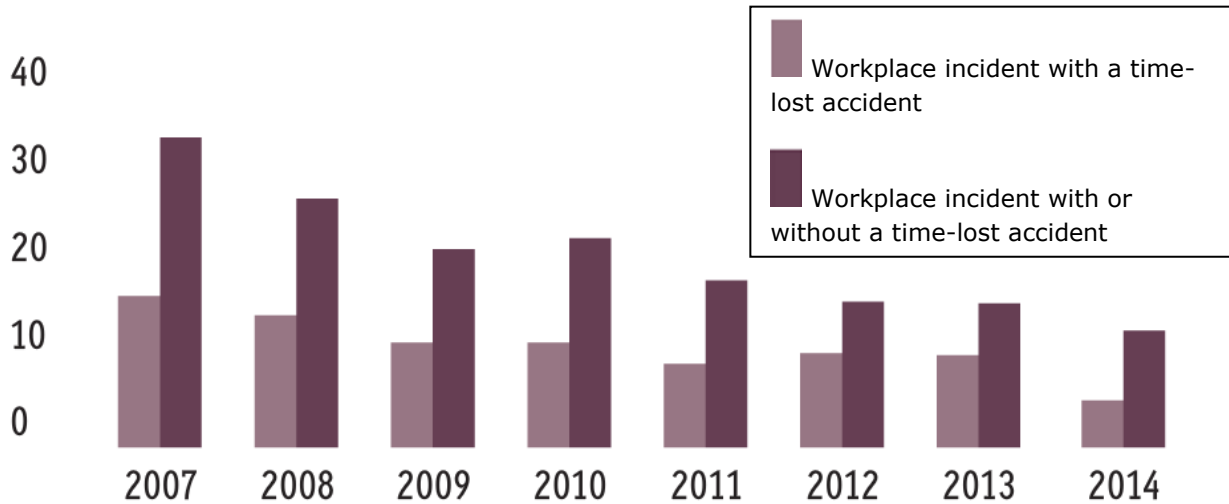
With the intention of a safety workplace, LISI AUTOMOTIVE has hired in all of its plants a HSE manager who made a monthly report to a regional HSE manager. So a review is made to ensure and improve the workplace safeness.



Safety equipment

In 2015, LISI AUTOMOTIVE will set up another tool, the Safety Culture program in order to suppress workplace accident sources. In this way, LISI AUTOMOTIVE will develop a common culture and knowledge about the risks and the good behaviour to take by all kind of employees.

The efforts to maintain and to develop a safety environment at LISI AUTOMOTIVE’s plants have shown its results. The lost-time accidents have decrease to 29%, the workplace incident with or without time-lost accident have seen its frequency decrease by 24%. In its entirety, its result to 63% work day saved per 1.000 hours.



Incidence frequency

Diversity of LISI AUTOMOTIVE

LISI AUTOMOTIVE is proud to have a human resource multi-cultural approach. As a worldwide company established in many countries as France, Republic Czech, Spain, Germany and China this brings with the meeting between all the plants an opened-mined spirit of the world around us.

The LISI AUTOMOTIVE middle-aged is around 41 and 45. No distinction are made between the different plants and countries, the same general rules apply for the entire LISI AUTOMOTIVE employees.

	2014	2013	Gap
LISI AUTOMOTIVE	3186	3143	+1%

Number of employees

Environment

The UN Global Compact's environment principles are resulting from the Rio Declaration on Environment and Development.

The three principles are:

- Principle 7: Businesses should support a precautionary approach to environmental challenges;
- Principle 8: undertake initiatives to promote greater environmental responsibility; and
- Principle 9: encourage the development and diffusion of environmentally friendly technologies.

All the plants of LISI AUTOMOTIVE have the ISO 14001. To obtain this certification in particular, 93.9% of wastes are sorted out and the water consumption water has been reduced by 11%.

The efforts from LISI AUTOMOTIVE teams have shown their results and allow a stabilization of the electricity consumption at 0.762 MWH for 1000€ added value. However it is necessary to tell apart the production consumption and the process consumption which is an independent fix part of the production (heating...).

From then, a production decrease is not directly related to a reduction of the energy consumption.

LISI Excellence HSE

In 2014, LISI AUTOMOTIVE put a program in order to reach the HSE industry excellence. It is made to federate entire teams to the same purpose. Another part of this program is to reduce by 10% at the end of 2016 the energy's consumption.



**LISI AUTOMOTIVE HSE
logo**

HSE action at LISI AUTOMOTIVE CECJ

In May 2015 at the Cecj Plant, it was the "Month of HSE". Several actions took place to promote and federate our team into our HSE policy.

A "No-car day" was organized with using facilities as public transport, walking and biking. And more a "No smoke day" was also launch to help smoker to quit cigarettes.

Employees received badges to show their commitment to the promotion of HSE.



Translation: "Support our safety regulation and protect our environment"



Green spaces were reorganized with new trees and plants

Pollution and Managing Wastes

LISI AUTOMOTIVE is looking carefully to its managing wastes. Air and aqueous emissions are handled to reduce the impact on the environment. Hazardous wastes which represent 30% of total wastes are sort out via approved industry.

VOC retreatment at Saint Florent

The plant of Saint Florent uses for its parts a process called Zinc Flack Plating (ZFP). This process is necessary to recover materials with Zinc like paint. But this practice emits gas rejection in the atmosphere the Volatile Organic Compounds (VOC).

In order to solve this issue, to progress in the environment's protection and according to our HSE goals, in 2014 and Regenerative Thermal Oxidizer (RTO) plant were added.

From now, the entire emissions of ZFP process are reprocessed by a RTO procedure. The RTO process uses a high-temperature furnace with four rooms rising above 1000°C to reprocess the emission by self-combustion. This self-combustion rejects only CO₂ and O₂ in the atmosphere.



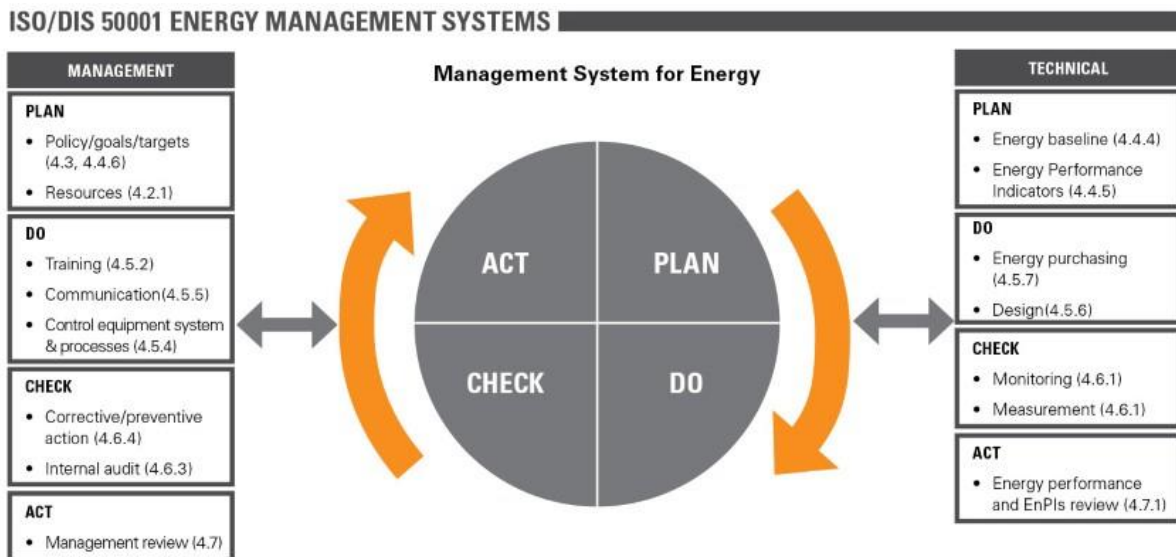
Regenerative Thermal Oxidizer Plant

Preparation for the ISO 50001 at Lure

ISA 50001 is an energy management. It is made to help companies to reduce their energies consumption and to face the global warming. By the creation of an energies management system for any sector of activity which allow to have a better use of energies.

The goals are:

- Helping companies to use more responsibly their energies already existing
- Promoting the best practices of energy management and to reinforce the good behaviours.
- Helping companies to estimate and to favour the application of new green technologies energy-efficient.
- Provide an environment to favour the energetic efficiency.



The ISO 50001 process

The Lure plant has launched some changing to cope in the goal of the reduction by 10% of energy consumption in 2016. Ameliorations start by reducing, controlling and perform the energy efficiency with multiple steps.

For the stages already completed:

The first stage was to realise a diagnostic of the energy consumption (electricity, water, and heating, cooling ...) of the entire plant.

The second was to establish baseline consumption based on a 3 years period. This will allow the creation of a gold standard and goals to reach. Moreover the diagnostic and the baseline establish a historic to prove the ameliorations.

A written letter officialises the engagement and the goals, adapting them to the ISO 50001 requirements.

For the 4th stage, Lure has created a review categorizing the actual energies used and the repartition of using.

The review is the fundamental for enhancing, its target is to:

- Identify the energies consumption (electricity, water, heating, cooling ...)
- Determine the significant energy uses, according to the analysis of energies consumption
- Rank potential of improvement of the energy performance.

For the moment after this a 4th step, Lure has highlighted six actions to launch:

Description	Concerned energy	Gains energy	
		kWh/an	%
Treatment of leaks compressed air	Electricity	11 895	1,38
Network modification of compressed air to isolate factory (Off EEE)	Electricity	27 456	3,19
Organized regulation on existing lighting	Electricity	21 188	2,46
Reducing the T° out of hours of using the changing room	Electricity	5 542	0,64
Reducing the T° out of hours of using the administrative offices	Electricity	6 387	0,74
Reducing the T° of the workplace at 19°	Gas	38 431	4,46

Actions taken

Anti-corruption

The Global Compact Anti-Corruption principle comes from the United Nations Convention against Corruption.

- Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

Since our adhesion to the Global Compact Program we had promoted the 10 principles by our suppliers and they have been invited to sign this charter.

To prevent any business deviations in such as corruption LISI AUTOMOTIVE has implemented a strict purchasing and finance policy. LISI AUTOMOTIVE has multiple steps and procedures to allow free and transparent partnerships with its suppliers.

Suppliers who wish to work with LISI AUTOMOTIVE must respect the purchasing charter, take part in the selection procedure and plus a supplier auditing. The financial procedures as sequencing's operations and spending's commitment itself are transparent. They follow the double signatures process in intern which allows a strong control before any purchasing act. The double signature process works with a requester and a specialised person to validate the request.

The supplier charter defines the good behaviours that LISI AUTOMOTIVE and a supplier must have. A supplier should have at minimum the both certification ISO 9001 and ISO/TS16949.

Selected suppliers should have introduced a continuous improvement process in any domains which is key success factor for LISI AUTOMOTIVE.

Suppliers are selected on the base of their competences and knowledge especially in business areas where LISI AUTOMOTIVE operates. The domains as R&D, Quality, Economic, Logistic and Locations are the keys to select a supplier.

Moreover LISI AUTOMOTIVE's suppliers shall respect also the ISO 14001 principle and aim at being certificated. They shall also apply

to the ten basic principles of "Global Compact" from the United Nations program to become a LISI AUTOMOTIVE's supplier.

LISI AUTOMOTIVE aims to create a long term relation with their suppliers in order to have jointly competitive advantages.

In the selection process of a supplier, audits are engaged, checking every process and verify that commitments of the suppliers are respected.

The entire process is made to eliminate any kind of favouritism from LISI AUTOMOTIVE and the certification required insure especially the participation to "Global Compact" from suppliers a good faith of partnership.

By fulfilling all the condition above, LISI AUTOMOTIVE commits to develop with its selected suppliers a sustainable and win-win relationship which should ensure a long-term common success.

