



Plan-les-Ouates, 15 January 2016

To our Stakeholders:

For 2016, we are pleased to confirm that LEM fully supports the Ten Principles of the United Nations Global Compact.

In 2015, we consolidated 2014 key progresses in terms of:

- Code of Conduct, by reminding LEM principles to all employees (via our compliance newsletter), by training new employees, and by asking our suppliers commitment (explained in our Supplier General Requirement Manual and formalized by their signing LEM Code of Conduct)
- Environment, Health and Safety, by confirming the 65% water saving introduced in Geneva thanks to a close water circuit, and monitoring 42% of our electricity consumption (via LEM smart grid).

Also, we worked on a new ERP, with more standard and simple processes worldwide. This will result in higher integrity and transparency of transactions, and a more interesting work, hence well-being, for employees.

For 2016, in addition to recurring actions on the Ten Principles of the United Nations Global Compact:

- in Environment, Health and Safety, we just took a strong commitment to reduce our consumption of 20% over the next years, by a) monitoring the electricity consumption of all LEM production sites (via Smart grid), b) introducing indicators of natural resources consumption, c) creating workgroups to develop new ideas
- as far as labour and employees are concerned, we launched a project to enhance employee well-being, and we will communicate internally via a newsletter ("INside LEM")

Finally, LEM is a team-player in environment. We stepped up the production of transducers for solar applications, and we are participating in new projects for hybrid and green cars. Our Geneva production site and Head-office subscribed to a more expensive electricity contract which relies on more sustainable energy sources.

As usual, we will make this statement available to our employees and business partners through our website.

On this strong basis, we look forward to further reinforcing our adherence to the Ten Principles of the United Nations Global Compact in 2016 and contributing to a better LEM in a better world.

Sincerely yours,



François Gabella
Chief Executive Officer