



**United Nations** Global Compact

## COMMUNICATION ON PROGRESS

**lisi** AUTOMOTIVE

[www.lisi-automotive.com](http://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 a strong business practice through its multiple plants.

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



## About us

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LISI AUTOMOTIVE is the automotive division of the **LISI Group**, a world leader in the design and manufacture of fasteners and assembly solutions for automotive, aerospace and medical sectors.

As an ISO/TS 16949 and ISO 9001 certified corporation, LISI AUTOMOTIVE features a wide range of automotive fasteners and assembly solutions (threaded fasteners, clipped solutions and safety mechanical components). Whenever needed, custom fastener and assembly solutions can be designed and manufactured to meet supplier.



*Threaded fasteners*



*Clipped solutions*



*Safety mechanical components*

LISI AUTOMOTIVE's expertise is the result of the successful integration of the experience and know-how of the following companies: FORMER, MECANO, MOHR & FRIEDRICH, NOMEL, KNIPPING and RAPID.

LISI AUTOMOTIVE is now ISO 50 001 certified in Kierspe, Gummersbach and Mellrichstadt (Germany). This certification supports organizations in all sectors to use energy more efficiently, through the development of an energy management system (EnMS). The objective is to be certified ISO 50001 on every plant sites.

### **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 rights

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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."

Principle 2: "Businesses should make sure they are not complicit in human rights abuses."

## Offering trainings

### **250,654 hours of training delivered to the Group employees**

The LISI Group attaches particular importance to the training of its employees and considers that the strengthening of employees' skills is a major factor for the improvement of quality, efficiency and competitiveness. The significant increase in the workforce in 2014 has made this effort even more essential in order to facilitate integration and to develop common methods and skills. Every employee, regardless of his age or position, can access the training programs implemented at the company. The budget devoted by LISI for this mission reached €5.6 million in 2015, i.e. 1.5 % of its payroll. It helped deliver 250,654 hours of internal and external training on all sites.

## Welcoming young people

The international standards ISO 14001 and OHSAS 18001 included in their basic principles **dialogue with stakeholders**. Moreover, LISI AUTOMOTIVE encourages exchanges and local partnerships, including the development of close relationships with high schools, universities and colleges (engineers, management) to anticipate, in each division, the future needs for jobs and skills. Currently, LISI AUTOMOTIVE is welcoming a PhD student, engineering trainees and student-apprentices in research and development.

### Breakdown of training and integration actions in 2015

TOTAL	LISI
Total hours of training (internal & external)	250,654
of which training entitlement (France only)	798
Number of employees trained (at least 3.5 hours of training over the year)	8,327
Number of interns recruited in 2015	637
Number of apprentices recruited in 2015	241
Number of work experience contracts signed in 2015	83

Here are the main figures of young people recruitment within LISI Group in 2015. 637 interns and 241 young apprentices have been recruited during the year.

## Sharing with families

In October 2015, following the official inauguration of the new plant of Dasle, all the employees of the site were invited to enjoy a doors open day with their families. People of LISI AUTOMOTIVE were glad to share this particular moment with their relatives.

# Labour

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The following chapter will express efforts that LISI AUTOMOTIVE set up in order to develop the labor protection of all employees following local labor laws and the LISI AUTOMOTIVE values. Those principles protect all employees and are based on the International Labor Organization (ILO) and the 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 labor;  
Principle 5: the effective abolition of child labor;  
Principle 6: the elimination of discrimination in respect of employment and occupation

For several years, LISI AUTOMOTIVE is developing specific career paths, oriented on strategic occupations:

- Cold-heading on production sites of Dasle, Delle, La Ferté-Fresnel, Mélisey, Saint-Florent
- Thermal treatment in Delle, Puisieux and Saint-Florent
- Machining operator in Mélisey and Dasle
- Regulator of manufacturing cell in Mélisey
- Rolling operator/regulator in Delle and St-Florent
- Rolling process in La Ferté-Fresnel
- Supervisor in every French sites

## **Equal opportunities within LISI AUTOMOTIVE**

More and more women are working for LISI AUTOMOTIVE as well as in production as in management. The plant of La Ferté Fresnel also signed an agreement on professional gender equality. LISI AUTOMOTIVE FORMER ensures that the following commitments are respected in terms of professional equality between men and women:

- Receive, as part of recruitments made annually, the same percentage of female candidates than male candidates relative to the number of CVs received for each sex
- Ensure that there are no significant differences (above 4%) in wages between men and women and, within each status: workers, employees, technicians and supervisors
- Carry out a particular examination of the situation of employees for which there exist discrepancies in terms of average basic wage by category and skill level
- Review all applications for part-time working or all request for adapted working hours and respond favorably and motivated as possible

## **Improve the working conditions**

The LISI AUTOMOTIVE factory at Grandvillars implemented in 2015 a model-overall improvement project. Dubbed Goldwire, this project was first supported by the accelerated deployment of the group's standards with the strong mobilization of the core teams. Only eight months were needed to transform the material preparation site. Alongside the introduction of the LEAP tools (WSM, 5S, SMED, 8D...), the teams have applied the standards of the LISI Excellence HSE program, quality, HR, technical. They have also worked on improving the working conditions posted and on the visual transformation of the factory by putting in evidence the areas of flow, risks... These actions have streamlined the operating performance of the site in various areas such as safety, customer deliveries, machines' operating rate, the quality level... This project will be continued in 2016.

## Environment (*HSE*)

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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;  
Principle 9: encourage the development and diffusion of environmentally friendly technologies.

The involvement of all the LISI Group's employees is the basis for its HSE strategy. This search for commitment today structures the human relations management policy implemented within the company. The programs it implements focus its action on a two-fold objective: supporting its employees and optimizing the impact of its business on health and the environment.

### Adapting to technological requirements

LISI conducted an ambitious and coherent investment policy in order to design and develop ever more innovative solutions and to adapt its industrial facilities to new technologies. The Group can thus continually meet the organization's optimization requirements and adapt it to its growth rate internationally.

111.6 €M  
IN INDUSTRIAL CAPEX IN 2015

+ 21 €M  
VERSUS 2014



## Energy consumption

LISI AUTOMOTIVE must decrease its industrial impact by reducing its energy consumption by 10% compared to 2014 figures. LISI AUTOMOTIVE is indeed a large producer of waste. This is due to the large amounts of materials used and produced. But it is also the division that best sorts its waste: 96.8% of waste is sorted. Note that the energy consumption of all sites was reduced by 3.4% compared to 2014. LISI AUTOMOTIVE has provided the bulk of the contribution of water consumption reduction by optimizing the cooling system of Dreux. The reduction was 60 000 m<sup>3</sup> or 20% in total.

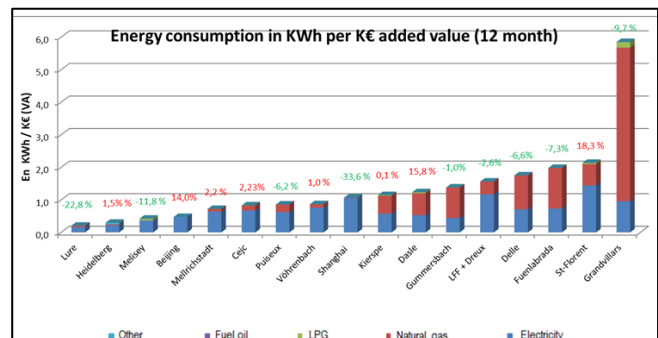
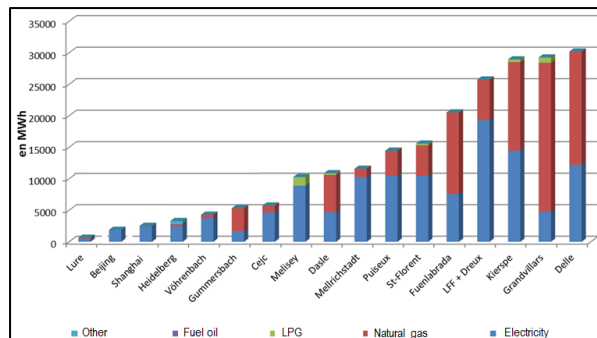


Globally, the initiatives taken by the production sites of LISI Group have reduced water consumption by 15.5% (compared to the added value), between 2014 and 2015. LISI AUTOMOTIVE is the largest contributor to this decline, thanks in particular to the work done at Dreux on the cooling water. The group invested 6,8M€ in environmental protection in 2015, devoting 0,23% of hours worked to the HSE training.

## Health & Safety Executive

LISI AUTOMOTIVE wishes to entrench a corporate HSE culture. These objectives will be achieved through the establishment of an HSE

Excellence program and a Safety Culture Program. The Safety Culture Program (SCP) is already deployed on Dasle sites, Puisieux, Gummersbach, factory and headquarters of Grandvillars. It aims to be deployed on all sites by the end of 2016.



This program must:

- Deal with the root causes of occupational accidents
- Provide to management (from director to team leaders) the keys to understanding the behaviors and levers to act on them
- Develop Culture of Security of teams through the deployment of a structured communication campaign

Every employee (whether operator or manager) built this safety culture. Everyone should participate in creating a work environment where risks are controlled. Each employee must also pay attention to their own safety as well as that of his colleagues. Thanks to a shared culture of prudence, encouraging each employee to make his job environment safer, Dasle sites and Puiseux recorded significant improvements in security.

HSE investments are significant, namely:

- Improving grinding machines aspirations in Puiseux - € 28k
- Installation of Volatile Organic Compounds (VOC) treatment in St-Florent / Cher - € 304k



- Optimization of energy consumption in Mellrichstadt - € 98k

For example: the **ONI Frequenz converter**. The Frequenz converter regulates the electric power of the hydraulic oil pump during running of the injection molding machine with an energy saving rate of about 30 %. It costs about 15 000 € for each SGM including installation.

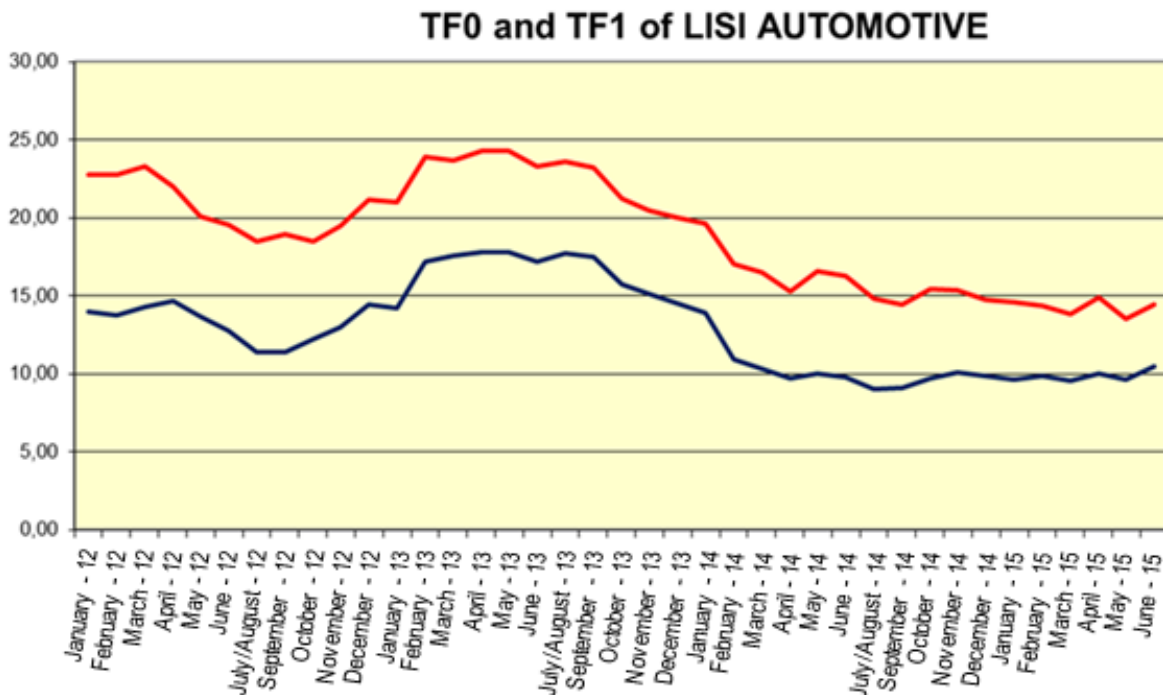
### Clean-up of Thiant site

Huge clean-up works have been realized following the closure of the plant of Thiant (59). Despite its closure, it kept the ISO 14001 certification. More than 5900 tons of soils have been cleared.



**Safety at work**

In terms of safety, every site will display an accident frequency rate (with and without work stoppage = TF1) under 10% by integrating temporary workers who are working for the company. With these measures, LISI AUTOMOTIVE counts fewer accidents. Monterrey and Shanghai sites spent 12 months without any work-related accidents, while Čejč just reached 2 years without any accident. In 5 years, LISI Group improved its safety rate by 30%.



The new logistics center of Mellrichstadt

The success of the German clipped activities has necessitated the construction of a new modern logistics center, equipped with a fire sprinkler system. This helps protect the parts that are there against the risk of fire. The commissioning of this new tool which improves working conditions and customer service provided was completed mid-2015.

### Renovation of the Dasle plant

The reconstruction of more than 50% of the Dasle site in Franche-Comté was carried out **without any production downtimes**, which is a real achievement in terms of organization. The site, transformed into a modern and highly functional plant, had to be completely redesigned to optimize and streamline all flows. This colossal project, started in October 2012, has increased the production level of 30%. Conducted over two years, it ends in 2015 without breaking thanks to the organization of the equipment relocations. The renovation of the Delle plant is ongoing. As a result, they are the best plants in terms of cleanness and energy consumption.



### Achieving operational excellence

The commitment of the men and women within the Group is the key to its ability to adapt. The purpose of the LEAP\* program is to guide everyone's actions in order to achieve operational excellence in all areas and in all of the company's businesses. It should allow the Group to continue moving forward, with agility, in order to maintain and strengthen its competitiveness.





# 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.

Each supplier of LISI AUTOMOTIVE has to agree and sign the Suppliers Charter, which imposes the respect of the ISO 14001 principles and even target the certification for their company. They have to approve and apply the 10 principles of “Global Compact”, meaning, amongst others, to struggle against any form of corruption.

**lisi** LINK SOLUTIONS FOR INDUSTRY

## CHARTRE FOURNISSEURS

La CHARTRE FOURNISSEUR du Groupe LISI s'applique indifféremment à ses trois divisions (LISI AEROSPACE, LISI AUTOMOTIVE et LISI MEDICAL) avec un objectif d'une satisfaction optimale de ses clients.

Les fournisseurs choisis doivent avoir engagé un processus d'amélioration continue dans chacun des domaines qui est un facteur clé de succès pour la performance générale de LISI. Cela se réfère particulièrement à la productivité, la qualité, la responsabilité et la fiabilité des livraisons.

LISI attend de ses fournisseurs des progrès de productivité en ligne avec les meilleures sociétés de leur segment de marché, qui à leur tour rempliront les exigences spécifiques de LISI.

D'un point de vue qualité, la certification ISO 9001 est le minimum exigé complété par l'ISO/TS 16949 pour LISI AUTOMOTIVE, l'EN 9100 pour LISI AEROSPACE et l'ISO 13485 pour LISI MEDICAL.

La qualité des fournitures doit correspondre aux plus hauts niveaux exigés par LISI AEROSPACE, LISI AUTOMOTIVE et LISI MEDICAL.

Les fournisseurs doivent avoir souscrit les assurances qui leur permettent de prendre en charge tous les coûts en cas de défaillance de leurs fournitures ainsi que toutes les conséquences financières induites dans l'ensemble de la supply chain jusqu'à l'utilisateur final.

Le Management du Risque doit être un critère clé dans les activités des fournisseurs.

Les fournisseurs doivent s'assurer d'introduire toute mesure adéquate de façon à protéger l'image de LISI à tout moment.

La fiabilité des livraisons est essentielle. Les processus de production de LISI ne peuvent tolérer aucun retard. Le taux de service attendu doit tendre vers 100 %. De plus, LISI demande à ses fournisseurs d'appliquer les outils logistiques modernes tel que "Livraisons en Juste à Temps", appels de livraisons en mode KANBAN et stock consignation.

Les fournisseurs sont sélectionnés sur la base de leurs compétences opérationnelles et organisationnelles et connaissances dans les domaines d'activité où LISI opère. Il est attendu des fournisseurs qu'ils partagent toute innovation avec LISI afin de créer conjointement des avantages concurrentiels.

Les fournisseurs de LISI doivent respecter les principes de l'ISO 14001 et viser cette certification. Ils doivent approuver et appliquer les dix principes de « Global Compact » du programme des Nations Unies (Responsabilité sociale des Entreprises qui regroupe les Droits de l'Homme, les Normes du Travail, l'Environnement et la lutte contre la Corruption notamment).

Les meilleures conditions allouées par les fournisseurs à LISI doivent s'appliquer indifféremment à tout site du groupe quelque soit sa division ou son lieu d'implantation. Les fournisseurs « globaux » doivent être en mesure de consolider leurs ventes mondiales totales à LISI.

Toutes les commandes et/ou contrats de LISI s'inscrivent dans le cadre d'un partenariat durable, « gagnant-gagnant » avec ses fournisseurs, qui doit assurer un succès commun et de long terme.

**Direction générale**

G. Kohler  
LISI

Y. Bonicel  
LISI MEDICAL

E. Viellard  
LISI

JL. Colders  
LISI AEROSPACE

Y. Dreyer  
LISI

P. Favre  
LISI AUTOMOTIVE

**Direction des Achats**

Y. Bonicel  
LISI MEDICAL

P. Coppin  
LISI AEROSPACE

P. Ronot  
LISI AUTOMOTIVE

# Abroad

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## Opening of a new plant in Mexico

LISI AUTOMOTIVE, a world leader in the design and manufacture of assembly solutions for the automotive industry, has just started operations at a new plant in Monterrey, Mexico.

After Asia with sites in Beijing and Shanghai, LISI AUTOMOTIVE now addresses a third continent to better serve its automotive customers and other industrial markets.



With this new plant, LISI AUTOMOTIVE supports its clients already established in this part of the world and takes position in the American market with its wide range of products.

It will highlight its recognized expertise in the development of innovative fastener solutions to reduce costs, simplify assembly and lighten vehicles.

This first plant is intended for the production of clip solutions, but it will also represent and distribute the full range of LISI AUTOMOTIVE fasteners and safety mechanical components.

## Our expertise in China

Based in China since April 2008, LISI AUTOMOTIVE Shanghai specializes in Mechanical Security Components and Threaded Fasteners. The plant, initially focused on the production of threaded fasteners, it is increasingly moving into the manufacturing of mechanical components such as parking brakes (EPB BIR), seat axles, torsion bars or brake screw fittings.

Mechanical Safety Components now being the core business activity, the Chinese team has developed its industrial and technical skills to be able to meet the industry's stringent requirements with support from the European teams.



Production equipment, beyond the standard process of cold heading, tapping and rolling machines, has been enriched with new means adapted to the components such as multi-spindle machine tools, grinding machines, milling machines, automatic sorting machines and a heat treatment line.

In 2015, Shanghai manufactured 90 million parts for automotive customers such as TI, Faurecia, SAIC MOTOR, Guangda, Benteler, THK, Sanoh, Yanfeng Key, BRILLANCE AUTO, BAIC...