



Plan-les-Ouates, 12th of January 2018

To our Stakeholders:

For 2018, we are pleased to confirm that LEM fully supports the Ten Principles of the United Nations Global Compact.

In 2017, our key action was the implementation of an online training, to strengthen our 2014 Code of Conduct upgrade and address the Ten Global Compact Principles thanks to 12 challenging questions. Employees supported this e-learning with excellent results:

- among the 420 employees who received it in 2017: 90% successfully passed, 8% are in progress, and less than 2% failed
- the remaining 2/3 of the employees will be trained beginning of 2018

We have further developed last year's actions plan regarding Employee Well-being while I, as LEM's CEO, personally asked our managers to monitor workload and prevent stress. In this respect, our forthcoming 2018 Crisis Management Plan will define clearer rules and escalations and therefore reduce employees' uncertainty and stress level.

In addition to the recurring actions, in Environment, Health and Safety, our main Production site managed to reduce consumption of water even with the increase of our activity.

Finally as a reminder, LEM products are "key" in providing better living conditions and sustainable growth with transducers used in:

- medical Magnetic Resonance Imagery
- solar applications, windmills or trains
- electric and hybrid electric vehicles, where LEM is currently recording a significant growth

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 2018 and contributing to a better LEM in a better world.

Sincerely yours,

François Gabella
Chief Executive Officer