



STATEMENT OF CONTINUED SUPPORT



To our Stakeholders:

Since March 14, 2018, we have been proud to adhere to the Ten Principles of the United Nations Global Compact. Our aim is to succeed sustainably.

This starts with respecting and supporting our employees by ensuring a safe, enjoyable and nurturing working environment. We value each and every person who works for our company and contributes to making it a **“good place for all who touch it, where quality of work, product, and relationships are a priority”**.

As a manufacturing Company, we are conscious of our impact on the environment and act to minimize our footprint. We aim to reduce our waste and consider the use of renewable energies in our decision-making process.

In 2018, we issued our first Employee Code of Ethics that aims to ensure global alignment on key issues of integrity in our daily business, such as: human and workers' rights, protection of the environment, prohibition of corruption, fair competition, respect of intellectual property, data protection, and confidentiality in general.

In our activities, we are guided not only by our vision, values, and our Shareholders' expectations, but also by the Ten Principles of the United Nations Global Compact.

This is our first Communication On Progress. Even though it has always been a part of our vision, values, and way of doing business, it is our first attempt to formalize our approach through the prism of sustainability. You will find information on what we have identified as the most salient issues as well as the main actions we are working on to improve the integration of the Global Compact and its Ten Principles in our daily business and company culture.

This COP will be shared with our shareholders, employees, and major stakeholders through company meetings, intranet, internet and whenever the opportunity arises.

We welcome your feedback and support to continuously improve ourselves.

Sincerely,

A handwritten signature in black ink, appearing to read 'Christophe Carré', with a stylized flourish at the end.

Christophe Carré
Chief Executive Officer



OUR VALUES

“TO BE A GOOD PLACE FOR ALL WHO TOUCH IT WHERE QUALITY OF WORK, PRODUCT AND RELATIONSHIPS ARE A PRIORITY.”



HONESTY & RESPECT

We are honest with all people in our organization and all people we come in contact with from outside the organization.

We are reliable to our word.
We are respectful of others.
We work to build trusting relationships.




CREATIVITY, INNOVATION & ENTREPRENEURIAL SPIRIT

By sharing information, seeking input and collaborating together, we create an exceptional entrepreneurial environment where people put ideas to work.



CONSISTENCY & FAIRNESS

We make every effort to be fair with people and consistent in application of our policies.



SUCCESS DEFINED IN OUR OWN TERMS

Always underlying our business decisions is the understanding that growth without corresponding profit is not healthy.



AUTHORITY, RESPONSIBILITY & OBLIGATION TO LISTEN

We align authority with responsibility. Where decision authority ultimately resides depends on who has responsibility to achieve results.

We expect decisions and actions to be consistent with our overall strategy and in concert with our values.



PRIDE IN BELONGING

We acknowledge the uniqueness of each person and the value that each brings to our organization.

We recognize individual and team efforts made toward answering our challenges and achieving our objectives.

We take time to celebrate our successes.



IMPORTANCE OF OUR PARTNER RELATIONSHIPS

We recognize the vital importance of our outside partner relationships, which include our customers, suppliers, advisors, alliance partners, and other stakeholders. It is in our long-term best interest that our partners are successful, just as it is in their interests that our Company remains strong.



GOOD CITIZEN IN OUR COMMUNITIES

We respect our environment and encourage efforts to make the communities in which we operate better places for all who live in them.

COMPANY OVERVIEW

OUR ACTIVITIES

L&L Products is a global, family-owned, and technology driven business-to-business company that has **unique expertise in static sealing, acoustics, vibration reduction, structural reinforcements and composite components for automotive, aerospace, commercial vehicle and other industrial applications.**

We simply do not subscribe to the mantra that “one size fits all.” We start by **understanding a customer’s specific needs and requirements.** This is then distilled by our application engineers into a detailed briefing document from which the most appropriate solution can be developed.

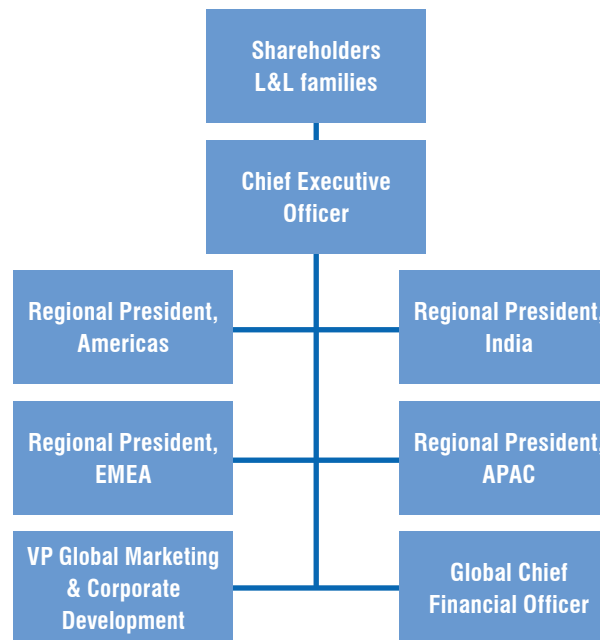
In addition to our **standard product range**, we are ideally placed to provide **customer specific solutions.** To this end we continually invest in Research & Development efforts that span material science, computer aided design, finite element analysis, prototyping, testing and manufacturing technology.

www.lproducts.com

OUR PEOPLE

At the heart of the organization are our people who focus on what is important to the customer. L&L Products is a **reliable partner** that provides value to its customers, with people highly skilled in material science, superior engineering, customer service and manufacturing.

Members of L&L Products management and shareholders are responsible for ensuring that the company is in a position to meet new challenges, while adopting a long-term view that is both profitable and sustainable.



KEY FIGURES

Date of foundation	1958
Employees	1300
Locations	18
Patents	+200



LOCATIONS & CERTIFICATIONS

CLOSE TO OUR CUSTOMERS

With 18 strategically-located operating subsidiaries and production facilities in Americas, Europe, India and Asia, we are extremely well positioned to provide local support to our global customer base.

HIGH QUALITY AND SUSTAINABILITY CERTIFICATIONS

L&L Products plants operate in compliance with Quality, Environment and Health & Safety Management systems, which guarantee that risks are controlled and that we are committed to improving our results.

QUALITY:

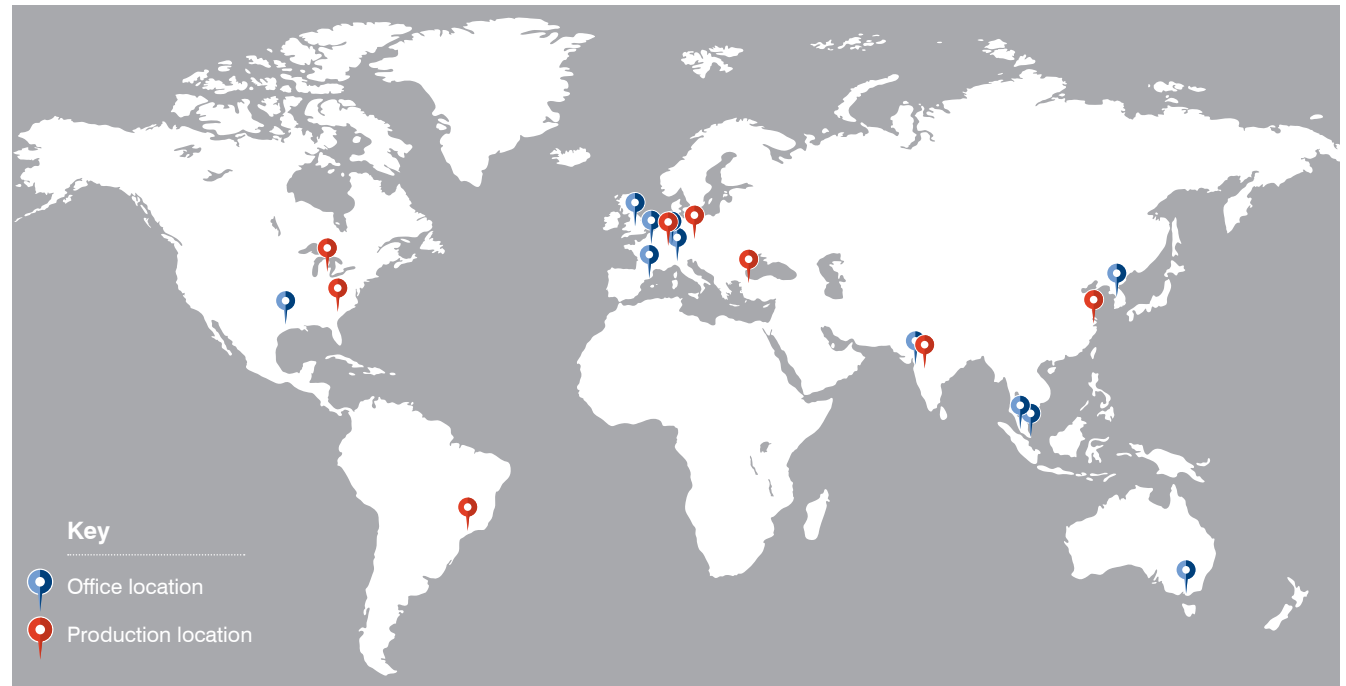
- 100% of our facilities are **IATF 16949** (Automotive sector) and **ISO 9001** certified.
- Our facility in France is **AS/EN 9100** (Aviation, Space, and Defense sector) certified.

ENVIRONMENT:

- 75% of our facilities are **ISO 14001** certified.

HEALTH & SAFETY:

- One facility is **OHSAS 18001** certified.
- We plan to have four facilities **ISO 45001** certified by 2020.



AMERICAS

Creation: **1958**

Production:

Romeo, MI, USA
West Columbia, SC, USA
São Paulo, Brazil

Office:

Mexico

EMEA

Creation: **1996**

Production:

Altorf, France
Rudna, Czech Republic
Bursa, Turkey

Offices:

Kehl, Germany
Barcelona, Spain
Birmingham, UK
Milan, Italy

INDIA

Creation: **2010**

Production:

Pune, India

Office:

Mumbai, India

APAC

Creation: **1997**

Production:

Qingpu, China

Offices:

Seoul, South Korea
Melbourne, Australia
Kuala Lumpur, Malaysia
Singapore



PRINCIPLE 1:

Businesses should support & respect the protection of internationally proclaimed human rights.

PRINCIPLE 2:

Businesses should be certain they are not complicit in human rights abuses.

Human rights are universal and every person around the world deserves to be treated with dignity & fairness. Basic rights include freedom of speech, privacy, health, life, liberty and security, as well as an adequate standard of living.

COMMITMENTS ON HUMAN RIGHTS

L&L Products will respect & protect human rights. Our aim is to make a contribution towards supporting human rights within the sphere of influence of our company – our business activities, the protection of our employees, and relationships with our stakeholders.

We comply with international principles and guidelines including:

- the UN Universal Declaration of Human Rights,
- the UN Guiding Principles on Business & Human Rights.

Employee Code of Ethics

Our Employee Code of Ethics clarifies how we will uphold human rights principles. The Code was issued in 2018 and applies to all L&L locations. It is a guide to help our employees make ethical choices in the workplace, and to act with integrity with our stakeholders.

Anti-Retaliation Policy

L&L Products is committed to creating an environment where people can freely share concerns without fear of retaliation, especially regarding safety issues, and any illegal or unethical behaviour.

Health & Safety Policy

L&L Products is committed to ensuring a safe environment for all workers in its facilities, and developing responsible behaviour from everyone. We clearly aim for zero accidents – by prevention, and providing adequate control of health & safety risks arising from work activities.

IMPLEMENTATION AND OUTCOMES

Working Conditions

We provide our employees with an environment free of discrimination & harassment and treat everyone equally, regardless of ethnic origin, religion, political or union affiliation, gender or sexual orientation, age or disability. We comply with local laws and provide a living wage that enables our employees to meet their and their dependents' basic needs.



Fair Treatment

Behaving ethically is fundamental to establishing & sustaining legitimate & productive relationships. We encourage open communications, feedback, and discussions. Our employees are free to talk with any manager, or meet with the CEO at any time.

Due Diligence

Our Employee Code of Ethics gives meaningful guidance to employees to help identify, prevent, and address actual or potential human rights impacts resulting from their activities. All employees are encouraged to report compliance issues or misconduct through internal channels (Managers, HR, or Legal Department). Alternatively, concerns can be reported through the Speak-up Line put in place during 2018 (both web and phone).

Health and Safety Initiatives

To achieve our zero accident target, we aim to identify risks and take action required to protect the health & safety of our employees. To maintain the highest vigilance level, and highlight our initiatives, we have implemented a number of actions:

- All workers are provided with protective equipment & training necessary to perform their tasks safely.
- An annual health & safety action plan is created.
- Each plant makes monthly reports indicating the number and severity of any accidents.
- An L&L worldwide project named TEAM was launched in 2018 to improve our safety performance, update our risk analyses & best practices. This project materialized in various ways in each region. For example, in EMEA, we developed, in this context a Safe Behaviour Guide.



FOCUS

In the US our onsite health clinic is available to our employees and their families insured through the L&L insurance program. Directed by a certified nurse, it is free of charge.



FOCUS

In India, the L&L team decided to support education by contributing funds for a school bus to help students with disabilities get to and from school everyday.



100%

Roll-out of
Speak-Up
Line to all our
employees
(Global)



13

Number of accidents
with lost days
(Global)





PRINCIPLE 3:

Businesses should uphold the **freedom of association**, and the effective recognition of the right to collective bargaining.

PRINCIPLE 4:

Businesses should uphold the elimination of all forms of **forced and compulsory labour**.

PRINCIPLE 5:

Businesses should uphold the effective abolition of **child labour**.

PRINCIPLE 6:

Businesses should uphold the elimination of **discrimination** in respect of employment and occupation.

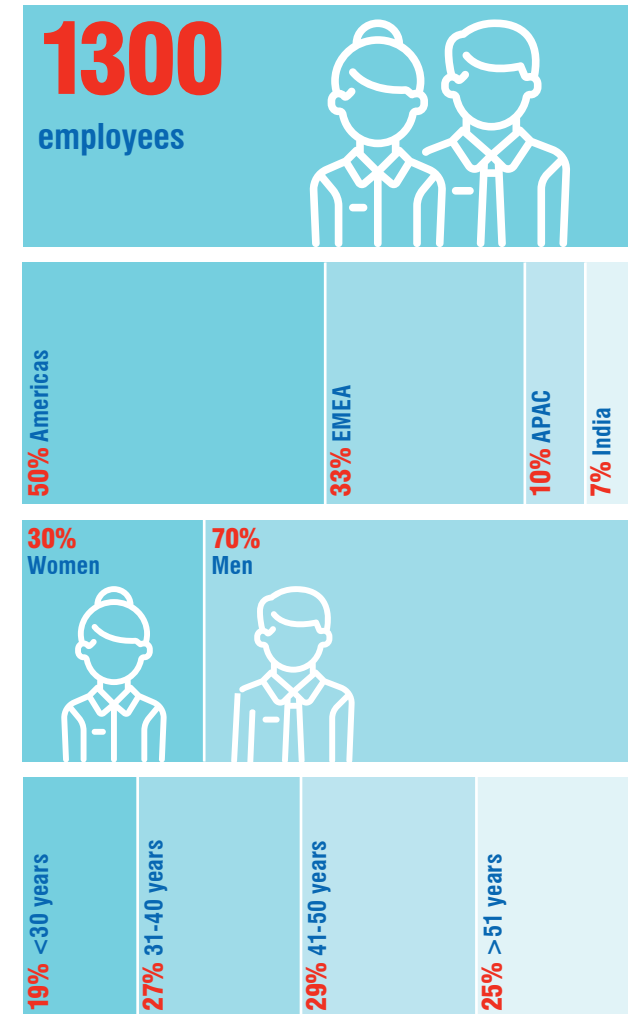
L&L Products could not exist without the men and women that bring it to life. They are an essential component of our approach, and we owe them a safe workplace, and career & skills development opportunities so that they find their place and have the means to thrive. Improving workplace practices beyond legal compliance results in higher morale & job satisfaction, and fosters creativity & innovation.

COMMITMENT ON LABOUR

We comply with the ILO (International Labour Organisation) Conventions, and promote opportunities for men and women to obtain decent & productive work, in conditions of freedom, equity, security, and dignity.

IMPLEMENTATION AND OUTCOMES

Distribution of Workforce by Region, Gender and Age (Global)





Cultural Diversity

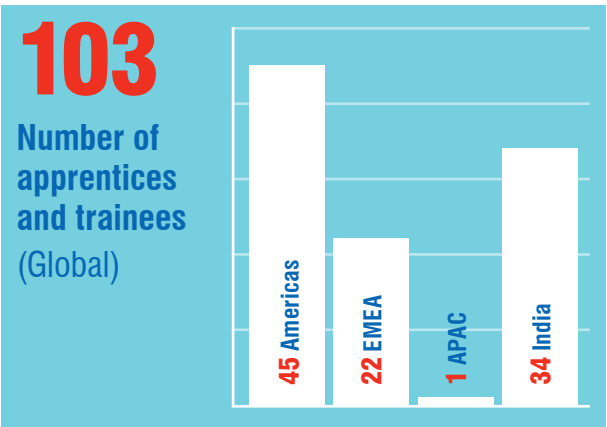
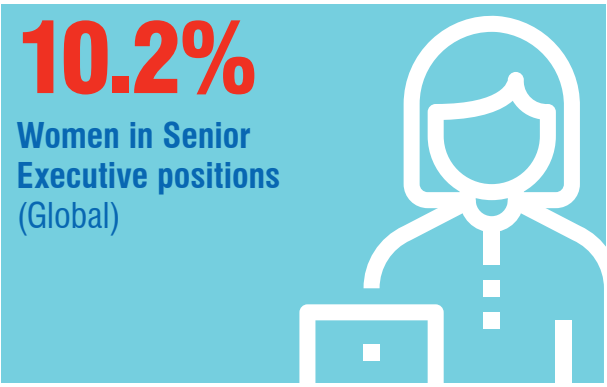
L&L Products is a global group with strong regional teams to better understand our customers and address local markets. We strongly support our people to work in cross-cultural teams on an everyday basis. We also have an annual employee exchange program that helps employees share knowledge and explore each other's cultures. Participants are able to work, side by side with their foreign counterparts, share best practices, discover a new culture & language, and their colleagues' work & daily lives. These stays typically last two weeks. It is often the first time in their lives that the chosen employees travel overseas, and as a global company we believe that it is a strong asset that everyone in the organization has the opportunity to be exposed to various cultures and foreign colleagues.

In 2018, 11 workers, technicians, and managers benefited from this exchange program: one French group travelled to China and one US Group to France. We are looking at expanding the program to other facilities in the near future. L&L France also welcomed a Chinese and an American R&D colleagues respectively for 3 weeks and 6 months.



Equal Opportunities

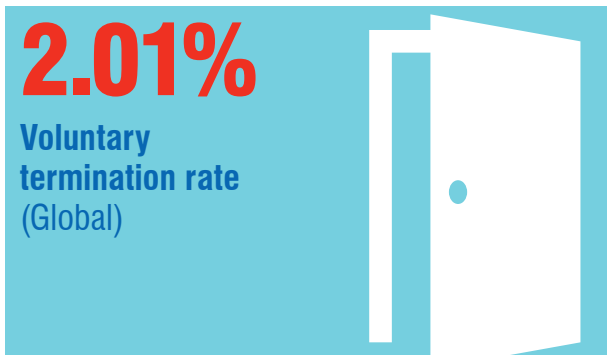
We prohibit discrimination in all aspects of employment (recruitment, promotion, wages, dismissal, assignment of duties, etc.) based on race, nationality, age, religion, disability, background, gender, and sexual orientation or any other reason. We ensure that employment-related decisions are based on relevant and objective criteria, and we always select the candidate that best matches our requirements.



Attractiveness & Loyalty

We emphasize good relationships between employees, and cooperate with universities and research institutions to attract qualified students and graduates. Many students come and visit our offices and facilities to better understand our mission and meet with our people.

On a regular basis, that may vary by region, we conduct employee satisfaction or employee engagement surveys to assess our company culture. In all regions we take the time to engage with our employees and have direct discussions with them, either individually or in focus groups. We listen to their expectations for themselves and the company. In December 2018, Intertek (a total quality assurance expert) conducted an on-site social audit in Altorf, France, highlighting that employees feel comfortable giving feedback, but also raising concerns or making suggestions knowing they will receive a response. We believe that good communication in a trusting environment is one of our strong assets.





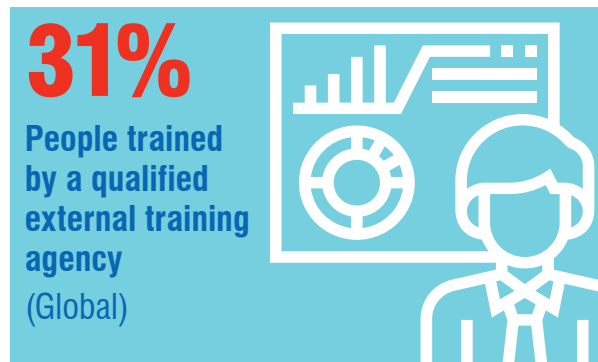
Employee Training and Employability

Investing in education is essential to developing a skilled workforce for the future. L&L has set-up partnerships with the academic world and offers in-house training. The challenge is great: to promote universal access to education, and prepare our employees for the jobs of tomorrow.

We believe that training encourages the employability of all workers and ensures their long-term expertise. We encourage our employees to participate in training in both hard & soft skills. Training takes place in all our regions.

Multiskilling & Multitasking

To make our organization more flexible and also to allow employees to carry out essential functions and to improve their skills, we encourage multidisciplinary training provided within and outside the company. We publish all available jobs on our global intranet to foster internal mobility. Where needed, we develop skills that can be transferred to other areas of activity, or other countries.



FOCUS

In the USA, L&L Products supports education by providing robotic equipment used for training purposes at a group of charter schools in Detroit, Michigan.



Working Conditions

- No Forced or Child Labour

We adhere to provisions of national laws and regulations concerning forced and child labour, and where national law is insufficient, we take account of international labour standards. We ensure the voluntary nature of employment and the freedom to leave, and we verify the ages all new recruits by requesting their identity cards.

Freedom of Association

We fully comply with all application regulations in the countries where we operate and respect our employees' right to form and join an association. We create a corporate environment that enables our employees to freely discuss improvements to working conditions with management.



Work-Life Balance

We provide a variety of opportunities to help our employees achieve a good work-life balance. In particular and when possible, these include flexible working models, part-time work, and teleworking.

We provide on-site company restaurants and/ or financial support for lunch in all our facilities.

In France, we also have the following services:

- a concierge service helps employees with shopping, laundry, shoe repair, and other conveniences;
- an exercise room, because sport - and conversations amongst diverse employees can have a positive impact on improving mood, health, and motivation;
- a child nursery is shared with other companies in the same area.

In India and China, we provide shuttle bus service to most of our employees to facilitate their daily commute to work.

Adapted and Protected Sectors

When possible, we work with integration companies and organizations or companies employing disabled workers in specially adapted and protected sectors. For example, in France we work with external organizations that support work for disabled people. Typical tasks are: assembly of parts, cutting, sorting, and repackaging.

FOCUS

L&L Educational Foundation



Our foundations are the result of personal investments of our shareholders who set, inspire, and live our corporate values. Since 1987, the L&L Educational Foundation helps L&L employees' families in the USA with financial grants to fund education and career preparation. In 2018, the L&L Products Foundation was created to extend this support to the families of L&L employees based outside of the USA.



#LIVINGOUTOURVALUES

Social Commitment

Globally, we engage with a large number of projects in the vicinity of our business locations, focusing primarily on education. Additionally, we support a variety of initiatives relating to health & safety.

Our employees also demonstrate their engagement with their community by carrying out voluntary work.

FOCUS

L&L USA employees volunteered their time & energy to help *Life Remodeled*, a non-profit organization that re-builds and improves Detroit neighborhoods.



#LIVINGOUTOURVALUES



PRINCIPLE 7:

Businesses should support a **precautionary approach to environmental challenges.**

PRINCIPLE 8:

Businesses should undertake initiatives to promote greater **environmental responsibility.**

PRINCIPLE 9:

Businesses should encourage the development and diffusion of **environmentally friendly technologies.**

We are facing unprecedented and interconnected environmental challenges in areas including resources, climate change, energy, water, and biodiversity.

To be sustainable in the long term, we need to develop a holistic and comprehensive strategy to become part of the solution.

ENVIRONMENTAL COMMITMENTS

L&L Products is committed to making a contribution toward environmental protection. We focus particularly on our facilities, the transportation of our products, and their use by customers, as well as storage & transportation of hazardous materials.

Environmental Policy

We are committed to continuous improvement, regulatory compliance, and prevention of pollution related to our activity. We concentrate on minimizing our environmental impact, as well as efficient use of energy, resources, and materials.

IMPLEMENTATION AND OUTCOMES

Materials Selection

Both our Safety and R&D departments across the world approve the use of any new chemical, and keep an updated database with material safety data sheets.

In Europe, we ask our suppliers to deliver products that comply with the REACH regulation regime, that aims to gradually eliminate the most hazardous chemicals from the European Union.

FOCUS

In Turkey, the L&L team donated 100 tree samplings to combat soil erosion and desertification.



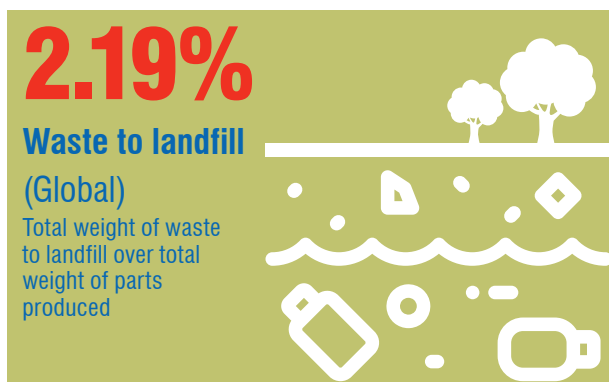
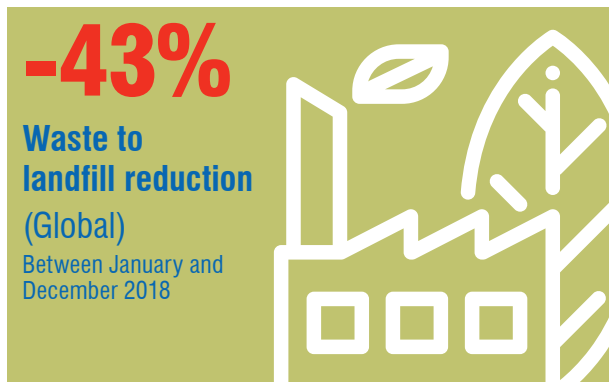
#LIVINGOUTOURVALUES



Waste Reduction and Recovery

The best waste is the waste we don't produce, so L&L carefully designs products and operating processes so material consumption is optimized.

L&L has initiatives to reduce our waste to landfill, with a global objective of zero waste to landfill. To achieve this objective, we sort about a dozen different types of waste in receptacles spread over our plants.



FOCUS



With the aim of improving materials recovery, the L&L team in China devised a customised solution to separate aluminum from an L&L formula – two components of our HEDC parts (High Expandable Die Cut). The solution was rolled out globally so that materials are properly separated and recovered instead of being burned.



Energy and Carbon Emissions Reduction

In EMEA, our transportation partners mainly operate with Euro5 or Euro6 trucks designed to further reduce emissions.

We continuously analyze traffic flows to optimize routes, reducing our carbon footprint.

In France, we replaced all gas heaters with heat pumps requiring less energy. We are currently analyzing our energy consumption per piece of equipment to prioritize actions next year. We reduced by temperature of heaters in the production area by 2°C.

Water

L&L operates with closed cooling systems, requiring little pumping, and low water consumption. Nevertheless, we monitor our plants' processes to reduce consumption in accordance with our ISO 14001 certifications.





PRINCIPLE 10:

Businesses should work **against corruption** in all its forms, including extortion and bribery.



The overarching aim of Anti-Corruption and Anti-Trust rules is to fight corruption around the world to enable fair competition, eliminate the damage corruption does to society, and improve conditions for everyone.

COMMITMENTS ON ANTI-CORRUPTION

Employee Code of Ethics

As we grow, and are now present in countries that are more exposed to the risk of corruption, we want to achieve global alignment to ensure that everyone in the organization has the same understanding of ethics. In 2018, we drafted and deployed our Employee Code of Ethics to all L&L Products employees around the world.

Gift & Invitation Policy

L&L Products is committed to the highest level of integrity. Our Gift & Invitation Policy, along with the Employee Code of Ethics, provide guidance to L&L employees on what is considered an acceptable gift or invitation.

IMPLEMENTATION AND OUTCOMES

Compliance Training

The Code of Ethics was introduced to all employees worldwide in 2018 during our monthly employee meetings.

The following topics were outlined:

- Human rights & respect for people;
- Business integrity: fair competition and conflict of interest, anti-corruption & anti-bribery, gifts & invitations, donations & sponsorship, export control, protection of assets – including intellectual property rights, confidentiality and data protection;
- The environment;
- *Speak-Up* line.

In addition to the introduction to the Code of Ethics, we conducted in-person Anticorruption & Antitrust training to all employees that were identified as the most exposed to these risks (including Sales, Engineers, Buyers, Managers). We plan to conduct one compliance training per year in all regions where we operate.

100%

Targeted employees attended Anticorruption & Antitrust Training (Global)

= 25%

Of all L&L Products population





We are conscious that our company’s entire supply chain can make a significant impact in promoting human rights, fair labour practices, environmental progress, and anti-corruption policies. This is the reason why we work with our suppliers - and our suppliers’ suppliers - to ensure that the materials and services they provide meet our strict standards for quality, performance, and sustainability.

COMMITMENTS ON RESPONSIBLE PROCUREMENT

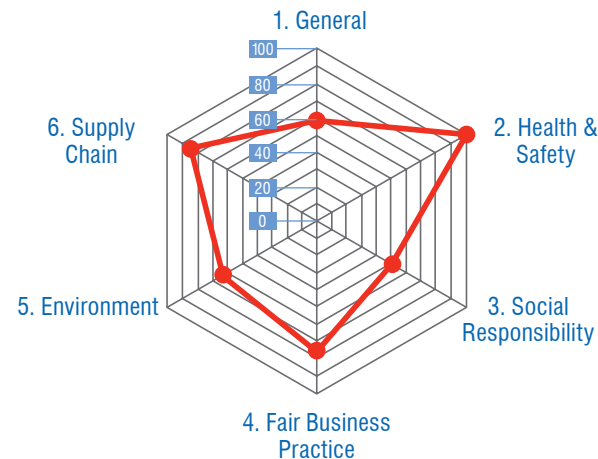
Supplier Code of Conduct

We expect our suppliers to comply with all applicable laws, regulations, international expectations and industry standards. To set consistent standards globally, we communicate our expectations through a Supplier Code of Conduct in which we have set out requirements in the following areas:

- Health & Safety at Work
- Social Responsibility
- Business Ethics
- Environment
- Reporting Non-Compliance

IMPLEMENTATION AND OUTCOMES

Along with the Supplier Code of Conduct, we have created a Corporate Social Responsibility (CSR) questionnaire to evaluate our suppliers. We use a radar chart to visualise their answers, evidence submission, continuous improvement plan, and management effort, providing a graphic representation of their CSR performance.



This preparatory work on responsible procurement was conducted in 2018 and established a strong basis for global implementation in 2019.

L&L sent the Supplier Code of Conduct and the CSR Questionnaires and we will evaluate our direct suppliers in 2019, with the objective to partnering with them to continuously improve their performance in areas outlined within the Code.

100%

Targeted suppliers received our Supplier Code of Conduct and CSR Questionnaire (Global)



This report is based on information and indicators for the year 2018.

It is just the beginning of what we hope is an ongoing conversation.
Please share your feedback and sustainability ideas with us at
sustainability@llproducts.com

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