

OUR COMMUNICATION
ON PROGRESS FOR 2019

UN GLOBAL COMPACT



STATEMENT OF CONTINUED SUPPORT

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**.

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.

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**.

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

To our Stakeholders:

Since the beginning of our story in 1958, our strong corporate values have made sustainability part of our business. Our Shareholders and Managers have created a corporate culture based on caring for our employees, and conducting business ethically; as well as minimizing our environmental footprint and supporting the communities where we operate. Every day, we thrive to be **“good place for all who touch it, where quality of work, products, and relationships are a priority”**.

L&L Products signed the UN Global Compact in April 2018 to inspire our Corporate Social Responsibility approach, and improve our communication around it. We fully support the Global Compact’s Ten Principles in the areas of Human Rights, Labor, the Environment, and Anti-corruption.

As we are a family-owned company in its third generation of Shareholders, sustainability is an integral part of our day-to-day business and informs both our short and long-term decisions and action plans.

From developing solutions for electric vehicles to continuously working at reducing our waste, ensuring that we operate safely, and supporting our host communities, all L&L Products’ employees actively participate in shaping a better world for tomorrow.

We are proud to publicly reiterate in this Communication On Progress our principles and the actions we are taking to make the world a better place for us and our children.

We welcome your feedback and support to continuously improve ourselves.

Sincerely,



Christophe Carré
Chief Executive Officer



This report is based on information and indicators for the year 2019.

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

Follow us:



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

ACTIVITIES

L&L Products is a family-owned company founded in 1958 in Detroit, Michigan, USA. Expansion in other regions started in 1996 to support our traditional automotive customers globally. Since then, we have opened several plants, developed new products, and started addressing new markets. **We strive to maintain a strong corporate culture based on humility, respect for one another, and a hunger to achieve long-term growth.**

Our solutions are generally based on plastic or fibers and aim at sealing, reducing noise and vibrations, as well as reinforcing structures. Our core know-how lies in chemical formulation, manufacturing processes, and design of engineered parts. Our newest range of adhesive products has also started to kick-in.

CUSTOMERS

We serve various markets, including automotive, aerospace, commercial vehicles and other industries. Most of our customers are global, and we support them thanks to our global footprint. **Our teams are genuinely customer-focused, and work with their international counterparts on an everyday basis to provide best-in-class service.** We take pride in serving most of our customers in their local language, with local representatives, increasing the efficiency of our collaboration.

PEOPLE

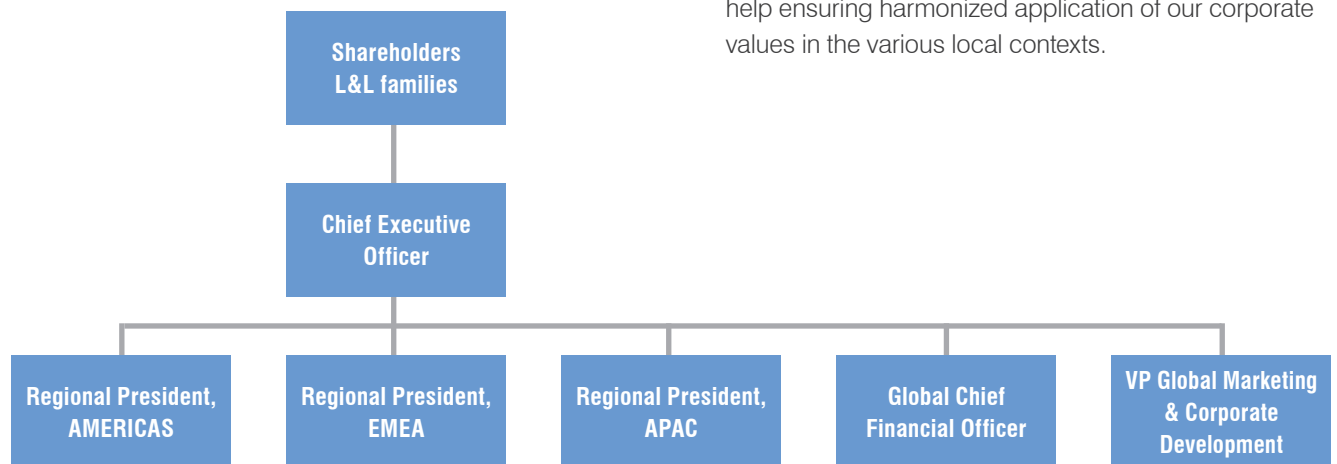
Our employees are key stakeholders in our company and are the beating heart creating L&L Products' value. Personal development and the well-being of our people are essential to our collective success.

We continuously work at developing skills and optimizing working conditions of our people, both in the factories and the offices.

GOVERNANCE

Our Shareholders remain involved in the business and remind us that without a doubt, **this company must succeed sustainably.**

L&L Products' Executive Team (LLET) oversees the growth of the business into a variety of industries. The team also evaluates the company's risks and, where and when necessary, takes actions to mitigate them. They aim to create value while protecting the interests of the Shareholders and other stakeholders. LLET members have diverse work backgrounds and nationalities, and are profoundly open-minded and respectful of one another, helping them to debate issues and find balanced decisions. Each Regional President is anchored in their region and fully engaged in their respective operations and businesses. The Team meets with each key department of the company to understand their strategies, provide support, and help to focus and prioritize. Moreover, the Executive Team meets in a different L&L location each time to help ensuring harmonized application of our corporate values in the various local contexts.



KEY FIGURES

| | |
|--------------------|------|
| Date of foundation | 1958 |
| Employees | 1200 |
| Locations | 18 |
| Patents | +200 |
| R&D Centers | 4 |

QUALITY AND CERTIFICATIONS

L&L Products operates in compliance with Quality, Environment and Health & Safety Management systems: we control risks in these areas and commit to continuous improvement.

QUALITY:

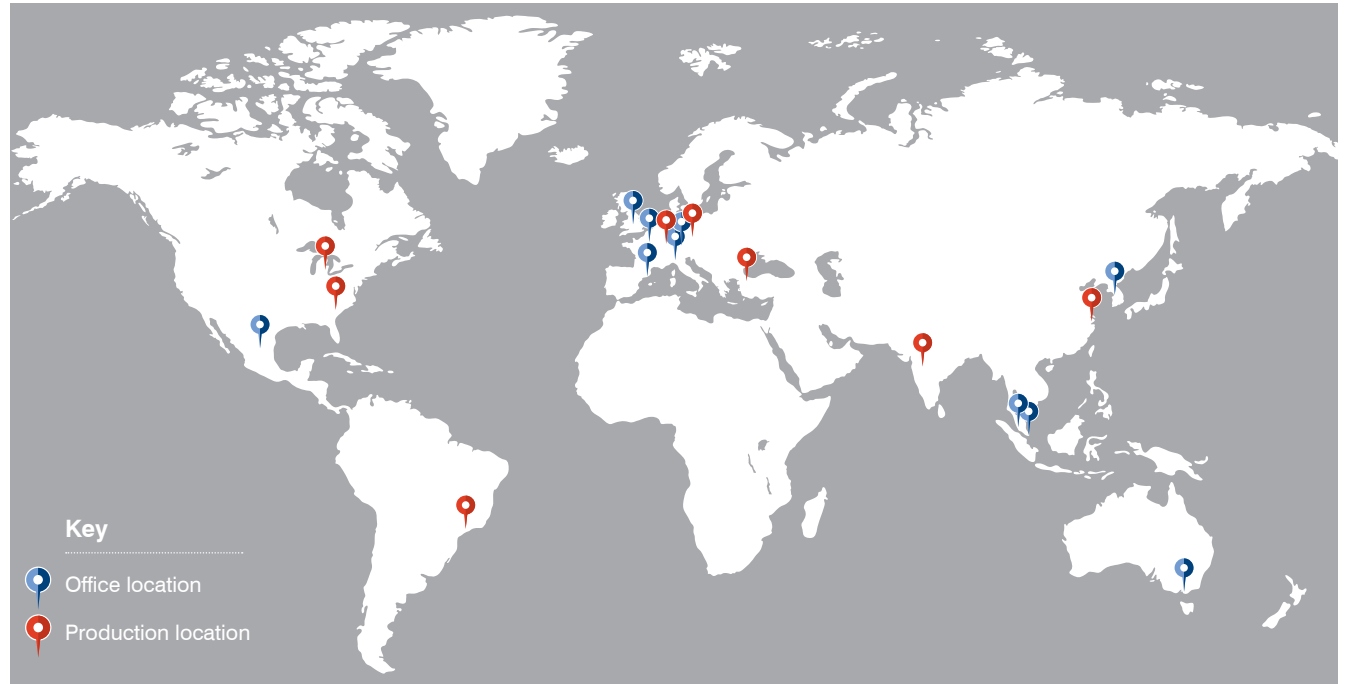
- All our facilities are **IATF 16949** (Automotive sector) and **ISO 9001** certified.
- Our French factory is **AS/EN 9100** (Aviation, Space, and Defense sector) certified.

ENVIRONMENT:

- 6 out of 8 factories are **ISO 14001** certified.

HEALTH & SAFETY:

- Two facilities are **OHSAS 45001** certified.



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:

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

APAC

Creation: **1997**

Production:

Qingpu, China
Pune, India

Offices:

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

HUMAN RIGHTS

Human rights are universal and every person around the world deserves to be treated with dignity. Honesty & Respect, Consistency & Fairness are some of the corporate values for which we stand.

COMMITMENTS ON HUMAN RIGHTS

Protection of human rights.

We aim to contribute to the upholding of human rights in our sphere of influence: whether our employees or our suppliers and partners. We aim to improve ourselves and work to identify and mitigate potential risks of incidents related to human rights.

Employee Code of Ethics

In 2018, we have developed an Employee Code of Ethics applicable to all employees worldwide that includes our expectations regarding ethics. This Code is being handed over to all new employees and reiterated to existing employees whenever the occasion arises.

Anti-Retaliation Policy

L&L Products has a strong and effective open-door policy. We are committed to maintaining trust in the workplace and encourage employees to share concerns. We do not tolerate retaliation against anyone who reports an issue in good faith.

Health & Safety Policy

Zero accidents in the workplace is our first and foremost goal. We continuously work to prevent health & safety risks for our employees. In 2019, we worked

towards establishing one Corporate Organizational Health & Safety Policy. The targets and objectives described in the policy were already widely shared and applied within the organization. With one written policy, our principles and goals are now also clearly communicated to third parties.

IMPLEMENTATION AND OUTCOMES

Health and Safety Initiatives

Health and safety of our employees and visitors is of utmost importance to our company.

In 2018, we initiated a global program called TEAM (Think safety – Engage others – Act safely - Minimize risks) to help focus on safety-related actions.

Throughout this project, we have conducted regional and local actions such as encouraging employees to make quick observations focused on safety behaviors.

All entities communicate around accidents, near-misses and safety rules during their monthly employee meetings. In our two largest plants, we publish a “Safety Flash” each month and we defined company rules such as prohibiting texting while walking and prohibiting calling while walking in the manufacturing and laboratory areas. Moreover, our operations worked on “Life-Saving Rules” that are applicable to all our manufacturing facilities as well as “Factory Rules” that are based on each plant’s risk assessment.



10

Number of accidents with lost days (Global)



All of these actions have helped to create a safety culture leading to the reduction of the number of severe accidents from thirteen in 2018 to ten in 2019.

Raising Employees’ Awareness around Safety at Work and on the Road:

Several manufacturing facilities organized a Safety Week in 2019. These events focus on safety in the workplace. Typically, we acknowledge the commitment of employees who are trained in first aid, conduct safety demonstrations, hold short training sessions and workshops on safety-related topics, and promote general safety behavior and wellness.

In two countries, we also held Road Safety events. In EMEA, Safety Leaders and employees who drive the most for business purposes attended a day-long training to better understand risks when driving, and practice safer driving behavior in emergency situations. In India, 35 employees distributed roses & chocolate to drivers who were respecting traffic rules such as wearing seat belts, helmets, respecting traffic signals and speed limits. In this way, both the employees and the surrounding communities’ awareness of road safety is raised.



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Safety Leader Program. In EMEA, we trained 33 Managers to be Safety Leaders. Safety Leaders make rounds every month within the facility and conduct safety-focused audits. We believe that a Manager put in a different environment than their usual one brings a new eye to a situation and can identify risks that others no longer detect. Safety Leaders also have targets such as making a minimum of two monthly observations on either a risk of accident they detect, or a positive mention to value a colleague's safe behavior. We need to perpetuate this culture to confirm the link between our actions and accident reduction.



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33

employees trained to become Safety Leaders in 2019 (EMEA)



Promoting Wellness

At L&L Products, we believe that personal wellness is important. Two of our factories organized a wellness event in 2019. In Romeo, about 250 employees attended the WELLness Fair that gathered 23 vendors to promote overall wellbeing focusing on physical, financial, social, and mental health. L&L Products India organized a wellness session for its employees run by a local doctor. Many employees attended a session on "Fitness through weight loss management".

In the more general context of its Safety Week in September 2019, L&L Products in France devoted one day to workshops on auto-massage to encourage employees to stay well.



Whistleblowing Procedure

Since its inception in January 2018, our third-party reporting platform Speak-Up Line has not received any reports. In January 2019, after one year of implementation, we analyzed the reasons why. According to our analysis, one of the possible reasons was that people were not fully aware of the possibility to report concerns through the Speak-Up Line. We took several actions, including a reminder twice per year during employee meetings, and creation of easier access to the Speak-Up Line webpage through a direct link from our intranet. After these actions, we still received no reports through the Speak-Up Line. We now believe that the main reason is that our employees feel confident enough to report concerns internally: our open-door policy works well, which is, according to us, the best situation we could hope for. There were 4 cases reported this year: all of them related to sexual harassment or bullying and have been reported through Human Resources Department. They were all investigated and closed within a week. We will continue to promote the Speak-Up Line going forward while continuing to nurture a company culture based on trust.

0

Report through the Speak Up Line since 2018 (Global)



LABOUR

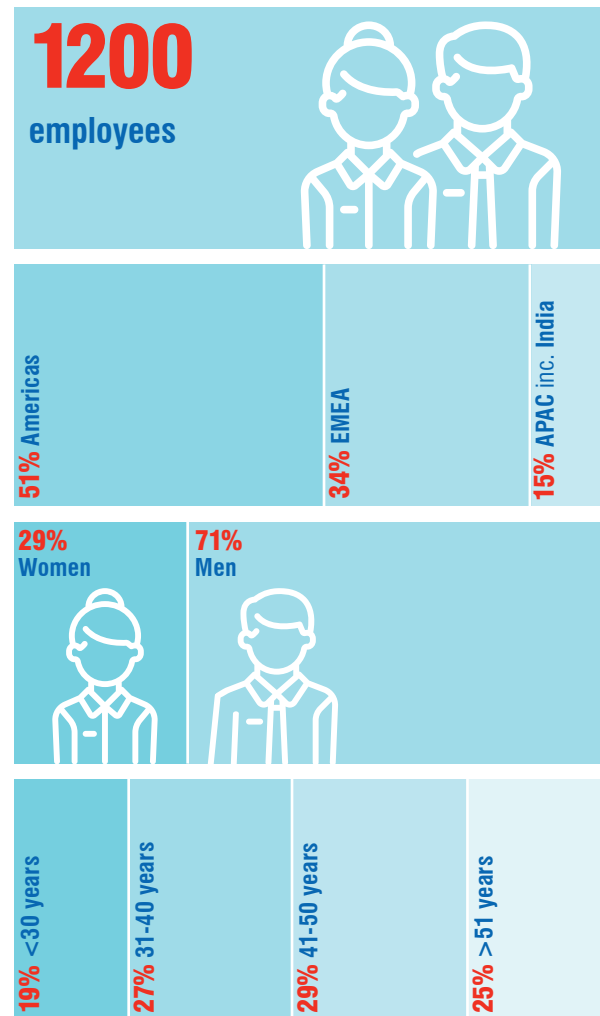
The dedication of our employees is a key factor to our success. We aim to be an employer of choice to attract, develop and retain the best talents. We value diverse backgrounds and strive to have the right person at the right place in our organization. We work every day to nurture our strong corporate culture and live our moto: “to be a good place for all who touch it, where quality of work, products and relationships are a priority,” starting with our employees.

COMMITMENT ON LABOUR

L&L Products takes its social responsibility seriously. We fully support the International Labour Organization’s Declaration on Fundamental Principles and Rights at Work that describes internationally recognized labour standards.

IMPLEMENTATION AND OUTCOMES

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



Awareness on Sexual Harassment in the Workplace

In 2019, following two situations of alleged sexual harassment in 2018, L&L Products took a global action to raise all employees’ awareness on sexual harassment and bullying in the workplace. This global action led by Human Resources Directors in each region took the form of either a presentation during an employee meeting, an online training, or a role-playing game conducted by actors. We firmly prohibit sexual harassment and bullying; Respect for our people is one of our Corporate Values. In EMEA, this training started in December 2019 and will continue in 2020, meaning we have not reached 100% trained employees. All other regions have trained 100% of their employees.





Cultural Diversity

L&L Products is a global group that aims, whenever possible, to serve its customers with native speakers who know perfectly their culture. We have numerous cross-cultural teams working together on an everyday basis. Meetings are organized everyday with our foreign counterparts through the web or face-to-face.

12

Languages spoken at L&L Products (Global)



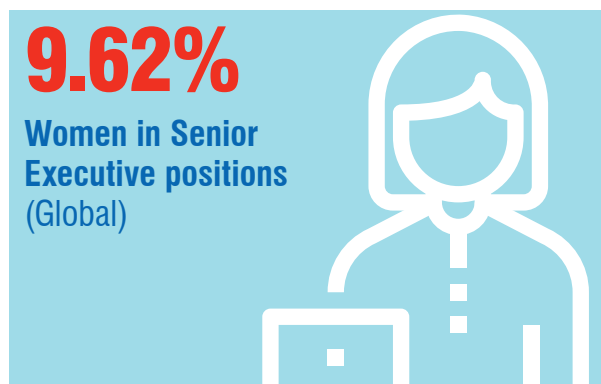
As part of the internal exchange program in place within the group for many years, France hosted in a delegation of 6 Chinese colleagues in January 2019, who worked along with their French colleagues whom they had met the previous year. Part of the trip was also devoted to tourism, including visits of the historical city of Strasbourg, and tasting of local delicacies.

In 2019, one of our French R&D technicians started a 6-month exchange period in Romeo and will be able to report on her experience in 2020.

Each year, L&L Products organizes a 3-day event around innovation. It is held in a different L&L location each time and is not only dedicated to work and meetings but is also a great opportunity for people to better grasp a different cultural environment. We usually organize one or two team-building events typical to the local culture such as, this year, walking on fire for all who wanted to try. This year again, more than 100 employees from all L&L countries met in India to present posters and innovations within the group. We also took this opportunity to celebrate the opening of our new plant in Pune, India. Everyone left happy having met with colleagues, discussed work, and strengthened their internal network.

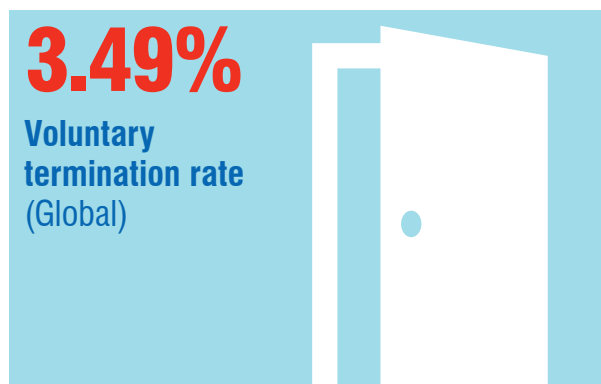
Equal Opportunities

In our industry that is traditionally very masculine, we are proud to have 29% female employees. We do not practice affirmative action, as we aim to employ the right person at the right position within our organization. Discrimination is firmly prohibited, whether based on race, nationality, age, religion, disability, background, gender, sexual orientation or any other reason. Our hiring and promotion practices are based on relevant and objective criteria. Just like the previous year, we have 5 women at director's level or equivalent, representing close to 10% of these positions.



Employee Retention

Although it slightly increased compared to 2018, our voluntary termination rate remains very low, suggesting we have engaged employees and good leadership. We believe that our workplace culture is key to keeping staff: we aim to support our employees in their actions, generate an entrepreneurial environment, create friendly workrelationships; and when possible offer flexible hours & working conditions, as well as provide on-the-job & personal development training.





Training

We pay high attention to the development of our employees: we ensure that they receive training either to improve their current skills or to develop new abilities. This facilitates internal movement, and participates in the motivation of our employees: being able to change job is one of the factors that enables us to retain our high performers. Training topics vary: personal development, management, foreign languages, safety, and other job-related trainings.

39%

People trained by a qualified external training agency (Global)

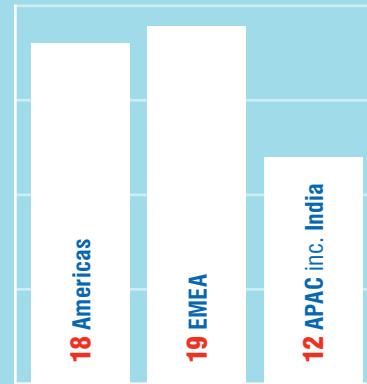


Training New Generations

L&L Products has always been a large contributor to the training of new generations. We commonly have apprentices and interns who actively participate to our operations in various departments: R&D, Quality, Logistics, Finance, Human Resources, Product Development, Industrialization, Legal.

49

Number of apprentices and trainees (Global)



No Forced or Child Labour

We fully comply with applicable regulations prohibiting forced and child labour. We ensure that employees come freely to work and are free to leave. Through the normal hiring process, we check the age of the new recruits to ensure they are of appropriate working age.

Opportunities to Express Views

We do our best to create a work environment that encourages our employees to give their opinion and suggest improvements. Our flat hierarchy and the easy access to each and every Manager up to the CEO of the company helps create an open-minded corporate culture. Social dialogue takes various forms depending on the country: in France, there are regular formal negotiations; in the USA, we organize focus groups gathering both newly hired and more senior employees; and in China, a satisfaction survey is sent to all employees each year. In smaller entities, it is easier to witness employee satisfaction.



We want to do business ethically and transparently. We prohibit corruption and anti-competitive practices.

COMMITMENTS ON ANTI-CORRUPTION

Employee Code of Ethics

Our Employee Code of Ethics was first drafted in 2018 and includes a chapter on anti-corruption and anti-trust behavior. We translated the Code into the main languages spoken at L&L Products and communicated the code to all employees. Now, we ensure it is communicated to all new employees to maintain a culture of ethical business practices.



Gift & Invitation Policy

In 2018, we also drafted our Corporate Gift & Invitation Policy describing what we consider an acceptable gift or invitation. It applies to all employees with various thresholds of authorization depending on the country where the gift or invitation is given. Since it was published, we are focused on consolidating its application by referring to it when appropriate during training and ensure it is given to new employees for application.

IMPLEMENTATION AND OUTCOMES

Anticorruption & Antitrust Training

In 2019, we continued to train our new employees on anti-corruption and antitrust issues. We organized our first training session in 2018, and make sure that new recruits also attend the training if their position requires: key account managers, buyers, managers and employees who make decisions on hiring subcontractors. All Managers are also trained to create and maintain a culture of transparency and ethical business conduct. Trainings were initially done face-to-face to ensure a good understanding of the background and context of the training. Now, training is given face-to-face or online, enabling us to reach even remote colleagues.

Conflict of Interest Training

During our Anticorruption & Antitrust training in 2018, several colleagues raised questions concerning the definition of conflicts of interest. Therefore, in 2019, we chose to conduct training on Conflicts of Interest. We discussed many forms: gift & entertainment situations, activities outside work, financial & business interests, and personal relationships. We targeted a large audience and trained 375 employees: sales & purchasing teams, project managers, R&D engineers, managers & other decision makers. We took this opportunity to again review our Employee Code of Ethics, Gift & Invitation Policy and the channels to report concerns.

97%

of targeted employees took training on conflict of interest (Global)



L&L Products is conscious of the effect of its activities on the environment. We aim to reduce our environmental footprint at all levels and have an ambitious ZERO waste target helping everyone in the organization to focus on practical actions.

ENVIRONMENTAL COMMITMENTS

We are committed to contributing to a better environment and consider our responsibility in the entire chain: from the conception of our products, to the packaging we design, to the transportation loops that are needed to convey our products: we target to optimize the entire chain to reduce our impact on the environment.

Environmental Policy

In 2019, all our entities reached an agreement on an Environmental Policy applicable worldwide. We wanted to ensure that written targets were the same everywhere around the world. The content of the policy was already widely shared and executed within the organization, but putting it in writing was a further step to convey our focus areas. We remain committed to continuous improvement, regulatory compliance, and prevention of pollution related to our activity. We concentrate on minimizing our environmental impact by working to lower our energy consumption, and using less resources and materials.

IMPLEMENTATION AND OUTCOMES

Working towards Reducing our Energy Consumption

In 2019, we put efforts in several regions to reduce our energy consumption. In December 2019, our Indian plant installed a high capacity air compressor unit to replace a multitude of small portable units that lacked efficiency. The estimated energy saved is 396 kWh per year. We also conducted several studies to reduce energy consumption. Decisions regarding these shall be made in 2020.

In France, 2019 was devoted to measuring the impact of the 3-year plan we adopted in 2017 and confirmed that the actions taken in 2018 resulted in a monthly average decrease of 37 MWh of gas and an increase of 9 MWh of electricity due to replacement of a gas heater with a heat-pump for the warehouse. In France, we also continue to install LEDs when a change of lightbulb is needed.

In the USA, the latest injection molding machines that we acquired use 40-60% less energy than conventional hydraulic machines. We are also evaluating the opportunity to install energy efficient lighting (such as LED). Lastly, we replaced a water chiller system which was accounting for 10% of the entire facility's energy usage by a more energy-efficient unit.

Our operations use closed-loop coolant systems when water is needed in the process. The largest remaining quantities of water we use relates to the kitchen and sanitation. In line with our ISO 14001 certifications, we closely monitor our processes to reduce consumption where possible.

Prevention of Pollution

We are in the early stages of monitoring our GHG emissions: our US and Brazilian plants started tracking energy usage through utility invoices. At group level, we also encourage our employees to limit the CO2 emissions resulting from their daily commute by offering a shuttle service in China, a car-pooling system in India and a new mobile and web-based car-pooling application in France.

To prevent spills and accidental pollution, we have strict rules and emergency plans. We also monitor the quality of air in our plants and, where necessary, have dust collectors. We continuously optimize the flows of trucks to limit the CO2 emissions.





FOCUS



Green Gardening. A few years ago, our Indian colleagues asked if they could use a bit of unused land to grow vegetables for them and their families. Of course, L&L Products accepted and even provided for a larger space devoted to this when building the new plant in 2019. Now, our Indian team also contributes to the ZERO WASTE target by making manure from food waste and using it for the vegetable garden. Workers and their families are all happy to grow and eat their own vegetables.



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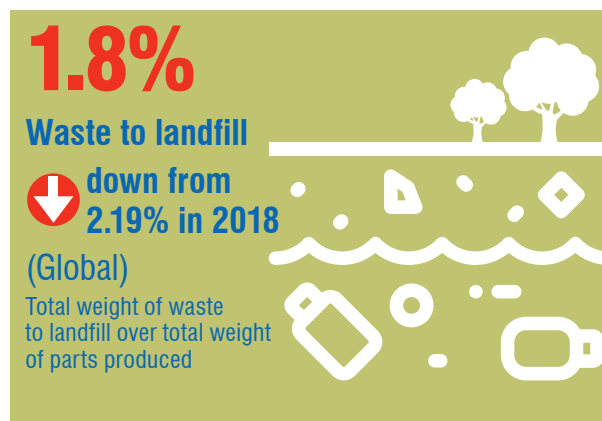
Returnable Packaging

Most of the parts we manufacture are directed to the automotive industry and is organized to use returnable packaging as much as possible using metal bins and long-lasting plastic returnable packaging. We try to avoid single-use packaging.

Most non-reusable cardboard and plastic packaging are sorted for recycling. We are also in discussions to partner with other companies for repurposing scrap fiber material (in South Carolina), to re-use material internally where possible (Romeo), or recycle when we have not yet found any other solution. We continuously work towards better management of our waste.

ZERO Waste target

We have set ourselves an ambitious ZERO WASTE target and continuously work to achieve this goal. We reuse our material and constantly optimize our processes to avoid production of waste.



We want to create a ZERO waste culture throughout the company including in the office. For example, we removed individual trash cans in France (since 2016) and Romeo (2019). This forces employees to sort their waste and think twice before they generate waste. Several plants have replaced their single-use plastic glasses with washable solid mugs and placed water fountains to encourage drinking from tap rather than from plastic bottles. Many mugs and reusable bottles have also been distributed to all employees in recent years.

Safety Data Sheet

For each product we develop, an appropriate Safety Data Sheet is sent to our customers, so they are made aware of the chemical and physical properties of our products. All products are appropriately labelled. In 2019, we hired a new Global Regulatory Affairs person to manage this process and ensure that we comply with relevant applicable local regulations in all the countries where we operate.

RESPONSIBLE PROCUREMENT

Our supply chain is essential to ensuring our compliance with sustainability standards. Working with our suppliers on sustainability is one way to limit our exposure to operational and reputational risk. In the automotive and aerospace industries, disruption of the supply chain is difficult to overcome, and it is in everyone's interests to ensure our suppliers have solid ethical foundations. Their continuing and stable operation translates into solid and fruitful partnerships, trust, and growth for one another.

COMMITMENTS ON RESPONSIBLE PROCUREMENT

Considering Sustainability as part of our Purchasing Strategy

In 2019, we drafted a Sustainable Purchasing Policy as the company's statement on its expectations regarding our suppliers' corporate social responsibility performance. Sustainability is becoming a selection criteria when we consider new suppliers for our panel. We envision long-term relationships with our partners and want to make sure that our suppliers also consider their own sustainability.

IMPLEMENTATION AND OUTCOMES

Supplier Code of Conduct

We expect our suppliers to comply with all applicable laws, regulations, international expectations, and industry standards; and communicate our requirements through our Supplier Code of Conduct.

We issued our Supplier Code of Conduct in late 2018 / early 2019 to our 114 targeted suppliers. Eighty-seven percent of these suppliers acknowledged receiving it. We also mention this Code in our General Terms & Conditions of purchase to ensure enforceability.

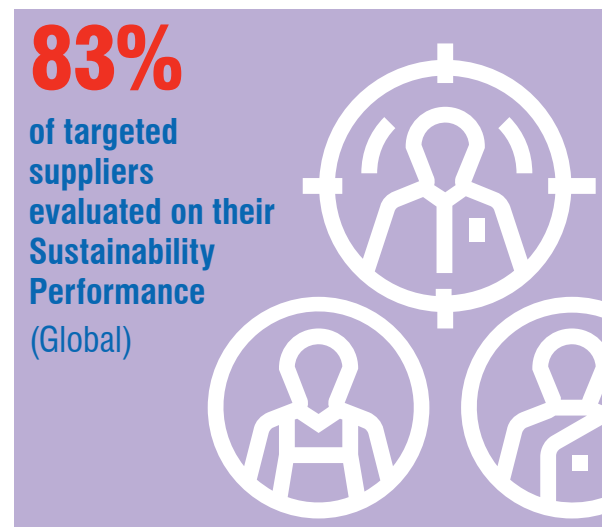
Self-Assessment Questionnaire

2019 saw our first efforts in evaluating the Corporate Social Responsibility (CSR) performance of our targeted suppliers. We explained our approach to our suppliers through email; or face-to-face in China & France, where a Supplier Day was organized. We sent out self-assessment questionnaires and received answers from most of the suppliers. We did the evaluation ourselves unless the suppliers were able to provide us evidence that they had a valid third-party evaluation (Ecovadis, NQC or other third party specialized in CSR evaluation of companies).

There are 3 rating categories:

- a GREEN rating shows engagement and a structured approach to corporate social responsibility: these suppliers meet L&L Products' sustainability requirements;
- a YELLOW rating shows that there is some level of engagement with a sustainability approach in some areas: these suppliers present a medium risk for L&L Products;
- a RED rating shows that the supplier was unable to provide written evidence of its sustainability approach and therefore presents a higher risk to L&L Products.

The RED rating is often due to a lack of evidence provided to support the supplier's answers and should therefore not be taken as a true reflection of reality: many suppliers comply with a significant part of Corporate Social Responsibility standards

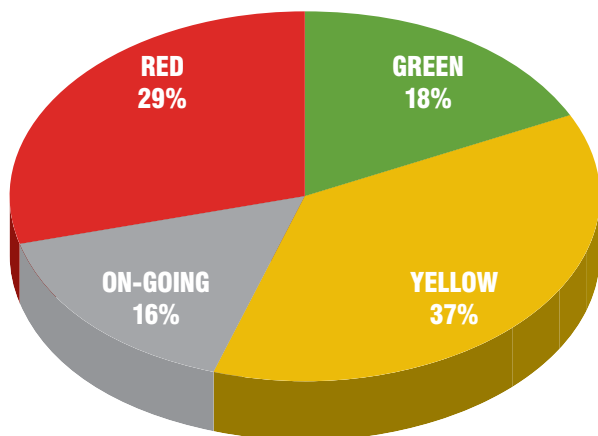




but lack documentation. L&L Products can only be understanding of this, as we were in the same situation a few years ago where we were essentially operating properly, but were unable to prove it with documents and KPIs.

We needed to contact most of our suppliers several times to receive evidence of their responses. We found that smaller companies are not used to being evaluated on their CSR performance, and we had to take more time to explain our request. We also saw that suppliers based in EMEA usually have a more advanced sensitivity to these topics and use sustainability as a positive marketing tool. As the self-assessment questionnaire evaluates new areas of performance, suppliers must be accompanied by their customers & industries to be more organized and structured in their approach.

Supply Chain CSR Performance (Global)



Limited On-site CSR-related Audits

We have not started systematic on-site CSR audits. Currently, we consider sustainability-related on-site audits to be part of a wider supplier audit. Therefore only 2% of our suppliers were subject to an on-site CSR-related audit in 2019. These audits require more time than self-assessment questionnaires and we wanted to first get a clear view of our supply-chain's sustainability performance.

Next Steps

Based on the results of the questionnaires, we define action plans with suppliers that obtained a red rating. If no effort is being made by these suppliers, L&L Products reserves the right to exclude them from its supplier panel, or to terminate existing relationships. Suppliers rated YELLOW or RED will be reevaluated each year whereas suppliers evaluated as GREEN will only be evaluated every three years to reflect our belief that a supplier with good Corporate Social Responsibility performance is unlikely to drop its rating. We will pursue our collaborative effort in 2020, and work alongside our suppliers to determine action plans to improve their rating, focusing on RED and YELLOW ratings.



We are thankful to our host communities. Being “good citizens in our communities” is one of our Corporate Values. Several actions show our appreciation through monetary donations and the hard work of our colleagues. While doing a good deed, our employees get to better know colleagues they would not necessarily otherwise work with. It is a win-win situation.

IMPLEMENTATION AND OUTCOMES

Donation and Hard work to Support Needy Young People in our Communities

Children are the future, so we focus many actions towards younger generations.

Our Chinese team was involved in the building of a reading room in a primary school for left-behind children in Anhui Province. Our colleagues did some painting, and mounted tables and chairs. We also donated books, furniture, and stationery to help improve the reading & writing skills of students in poor areas, and provide educational resources for local teachers. After the work was complete, some of the students gifted us paintings as thanks. We hung the paintings in the canteen area for auction, and the money raised is will be donated to other charities or used for another library project in 2020.

In France, we donated clothing items to a children’s home offering accommodation and educational support for minors without homes, and will continue the partnership with this non-profit organization in 2020 by helping repaint their facility.

Our Turkish team helped fix a school: they painted and fixed various benches and sports areas and even did some tiling work to repair the stairway.

In the USA, our American colleagues organize events with Samaritan House throughout the year to raise money to purchase Christmas gifts for families. Our Romeo plant made grants available to local school districts to support STEAM (Science, Technology, the Arts and Mathematics).

In India, 59 employees visited three villages about 200km away from our plant that were hit by floods in August 2019, and donated 119 kits that included groceries, cleaning products and sanitary pads amounting to \$2,381 donated by L&L employees.

Helping Make our Communities Good Places to Live

Our employees and visitors all benefit from coming to find factories in nice surroundings, therefore some of our actions are focused on making our communities more attractive.

For the second year in a row, 69 American colleagues, including our US Regional President, actively participated to the beautification of the Detroit area by lending a hand to the non-profit organization Life Remodeled. Like last year, L&L Products also gave monetary support to this activity.

In India, in honor of Mohandas Gandhi’s dream for a “clean India”, 40 Indian colleagues helped to clean the Nighoje – Nanekarwadi Road nearby the plant for Gandhi Jayanti.

Fund-raising run for NGO Action Against Hunger

Since 2017, a group of French employees has run, walked, and played football to raise funds for NGO Action Against Hunger. In 2019, 25 colleagues from all departments took part in this event, raising 4,860 Euros donated by L&L Products to the NGO.

Blood Donation

Blood donations save lives, but remain scarce all around the world. Giving blood is essential for many injured patients or people confronting various difficulties including illnesses, blood disorders, and cancer. In most of our facilities, we have organized at least one event this year to encourage our employees to donate blood. Many employees around the world have donated.

These are only some of the actions we took in 2019 to support our communities.

