



# Our Communication on Progress 2020.

UN GLOBAL COMPACT

 **L&L Products**

llproducts.com

# 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 the General Secretary of the United Nations, our employees, shareholders, customers, suppliers, and partners:**

As a continuity to our commitment that started in 2018, I hereby confirm our **full support to the 10 Principles of the Global Compact** in the areas of Human Rights, Labor, Environment and Fight against corruption.

In this Communication On Progress, you will see how we specifically implement our commitment. We also added chapters to illustrate our support to the local communities where we operate, and the steps we take to ensure that our suppliers follow the same sustainability approach.

We commit to continue to apply the 10 Principles in our daily life as we thrive to be **“A good place for all who touch it, where quality of work, products, and relationships are a priority”**.

This Communication On Progress will be shared with our stakeholders. We welcome your inputs to continuously improve ourselves.

Thank you

Best regards



**Christophe Carré**  
CEO



# Core Values.

That L&L Products upholds and lives by every day



## 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 & CUSTOMERS

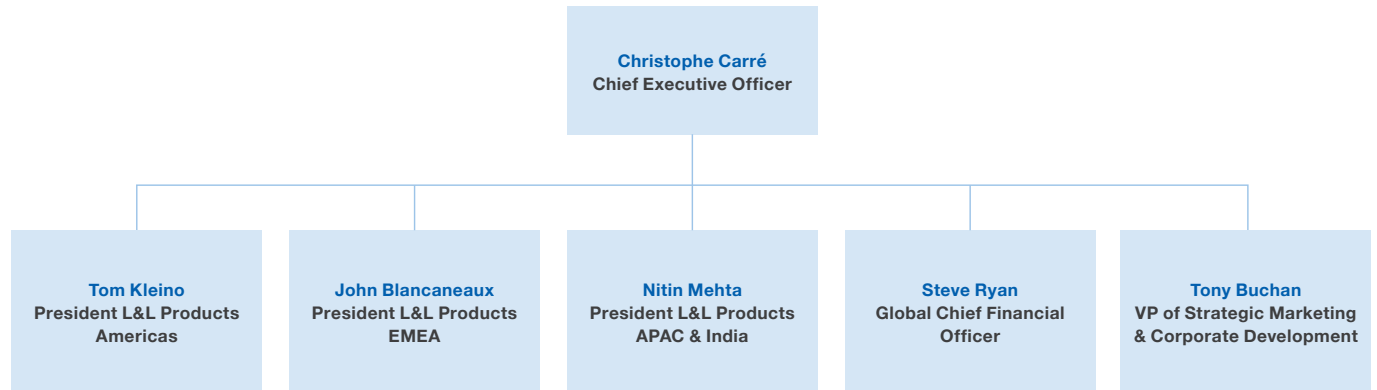
**Our family-owned company was founded in 1958 in Romeo, Michigan to address issues for the automotive industry.**

L&L Products thereafter expanded in other regions and is now present in all major regions of the world. In addition to our automotive customers, we started addressing new markets and industries including aerospace, commercial vehicles, rail, and industrial. Most customers are global and we pride ourselves on being able to serve them in their local language, thanks to our global footprint and multicultural teams around the world.

We offer solutions based off of L&L-developed chemistries for use with plastic or fibers aimed at sealing, reducing noise and vibrations, and reinforcing structures. Our core expertise lies in chemical formulation, manufacturing processes, and the design of engineered parts. We continue to win market share in adhesives with our ever-increasing range of structural and bonding solutions.

## GOVERNANCE

Our Shareholders are active in the business and the L&L Products' Executive Team (LLET) oversees the business and provides direction for new areas of growth to achieve long term success.



## Key Figures.



## 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. As safety is our top priority, we aim to protect our employees and therefore continued our efforts to get ISO45001 certifications in several of our entities – now covering more than 80% of our employees.

### QUALITY:

- All our factories comply with **ISO 9001** requirements.

### INDUSTRY-RELATED:

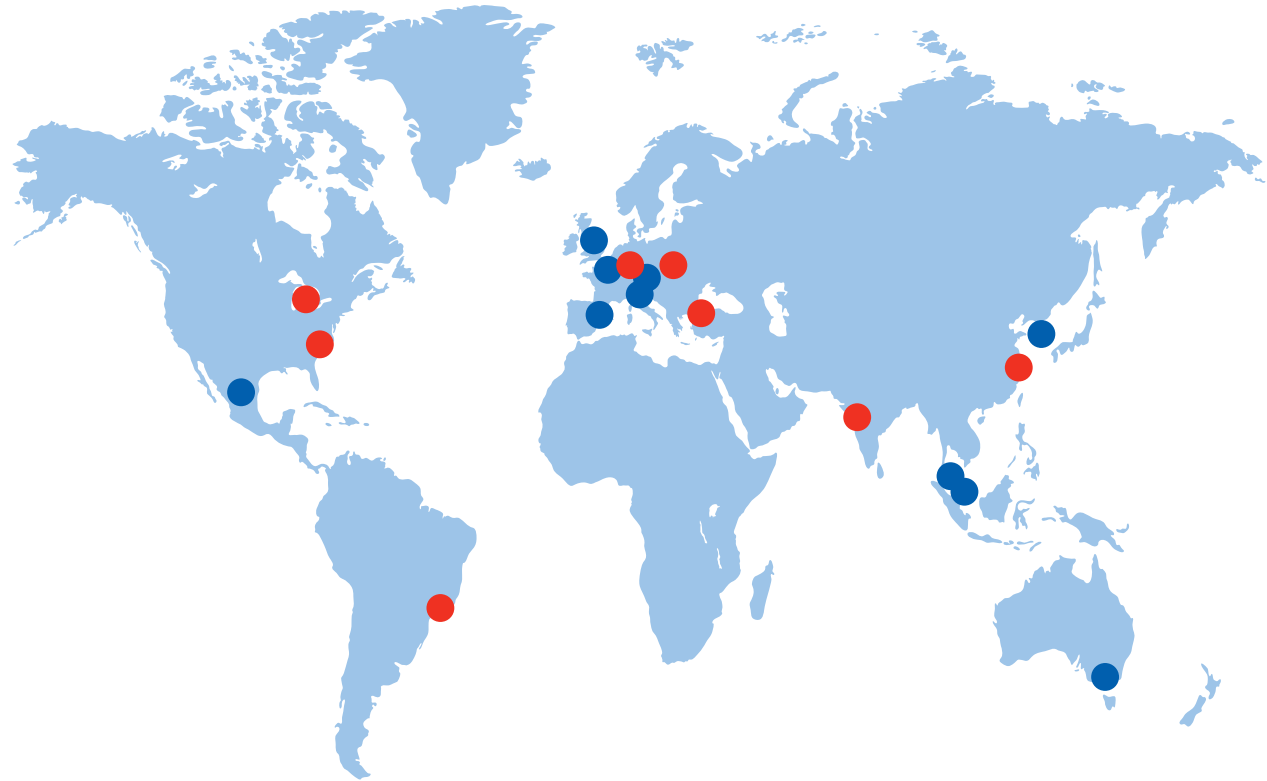
- All our factories are **IATF 16949** (Automotive sector) certified.
- Our French factory is **AS/EN 9100** (Aviation, Space, and Defense sector) certified.

### ENVIRONMENT:

- 6 out of 8 factories are **ISO 14001** certified (representing close to 90% of our employees).

### HEALTH & SAFETY:

- 4 out of 8 factories are **ISO 45001** certified (representing more than 80% of our employees).



### AMERICAS FOUNDED: 1958

**Production:**  
Romeo, MI, USA  
West Columbia, SC, USA  
São Paulo, Brazil

**Office:**  
Mexico

### EMEA FOUNDED: 1996

**Production:**  
Altorf, France  
Rudna, Czech Republic  
Bursa, Turkey

**Offices:**  
Munich, Germany  
Barcelona, Spain  
Birmingham, UK  
Milan, Italy  
Bièvres, France

### APAC FOUNDED: 1997

**Production:**  
Qingpu, China  
Pune, India

**Offices:**  
Seoul, South Korea  
Melbourne, Australia  
Kuala Lumpur, Malaysia  
Singapore

● Office Location ● Production Location

# Human Rights.



L&L Products is committed to supporting the protection and advancement of human rights throughout our global operations. We strive to uphold our corporate values, with Honesty & Respect and Consistency & Fairness, so all stakeholders are treated with dignity and equality.

## COMMITMENTS ON HUMAN RIGHTS

We commit to fully comply with laws and regulations protecting human rights, especially the International Labor Organization and the International Bill of Rights. We contribute to the awareness of the key challenges in this area in our sphere of influence: employees, suppliers, customers, and territories where we operate. We work to improve ourselves and better identify and mitigate related risks.

### Corporate Human Rights & Employee Policy

In 2020, all our entities across the world adopted a common policy to reinforce our commitment to uphold human rights and labor standards. We aim to ensure equal opportunity for all our employees, offer a safe workplace, and a trustful environment where they can raise concerns if any.

### Health & Safety Policy

L&L Products strives to achieve zero accidents in all its facilities by continuously eliminating hazards and reducing risks for its employees, contractors, and visitors. Our Corporate Organizational Health and Safety Policy provides guidance on focus areas such as preventing physical, mental, or cognitive ill health and injuries, encouraging healthy lifestyles for its employees, and proper training. Employee safety is a foundational value for our company to ensure a safe and healthy workplace. In 2020, we updated this Policy to better align it with the IATF requirements in terms of risk management and employee participation.

### Whistleblowing Procedure

In 2020, we updated our whistleblowing procedure and implemented an internal email address that all employees and contractors can use to report concerns. As a result, the Anti-Retaliation Policy and the Employee Code of Ethics have been adapted accordingly. The Code of Ethics applies to all employees worldwide and states our expectations regarding what we consider ethical conduct. It is introduced to all new employees, along with the whistleblowing procedure as part of their onboarding and we do regular reminders when there is an update or when the occasion arises during employee meetings. There were ZERO instances reported through Speak Up Line showing confidence in raising issues through other channels (face-to-face, email or call to management, human resources, or legal team members).

## IMPLEMENTATION AND OUTCOMES

L&L Products has ongoing initiatives that contribute to the general awareness around safety in the workplace. In all of our entities throughout the world, we make sure that we conduct all the mandatory trainings for health and safety for our employees and contractors.

## FOCUS

In continuation of the Safety Leader Program that started in France in 2019; EMEA collected 1123 observations done by 67 Safety Leaders to help their colleagues, or the organization stay safe in 2020.

In the USA, there are another 17 Safety Leaders and all employees were trained on the safety observation process.

# 84

**Safety Leaders**  
(EMEA + USA)



### Promoting safety

Each year, we show appreciation to all of our first responder teams globally, by formerly thanking them, giving out shirts, and/or providing free lunches.

In Romeo our Health & Safety team placed kiosks throughout the plant to visually showcase incidents, alerts, improvements, and escalation plans.

Every employee has access and is encouraged to contribute to the continuous refinement of our safety practices.

In 2020, our French facility was able to organize its safety week. For the featured event, we invited firefighters to demonstrate how to safely remove a person from a vehicle with the use of hydraulic rescue tools.



**19**  
**Number of accidents with lost days**  
(Global)



### Pandemic Response

With Covid-19, we ensured that all employees globally were able to re-start work in safe conditions. Despite the scarcity of personal protective equipment in almost all countries, we were able to provide face masks and hand sanitizer thanks to the extra effort of many employees. Whether they helped by securing stocks, developing hand sanitizer formula in our laboratories, or making fabric masks (in Czech Republic), many employees supported the company to enable us to keep production as well as office people working. Protocols were adapted, including temperature checks upon entering the building, questionnaires and forms to identify potential contact cases, promoting sanitization efforts, home-office when possible, and social distancing.

We made sure to comply with all local regulation, and were sometimes ahead of governmental decisions; for example when we decided to prohibit international travels and to switch to video conferencing even before governmental travel bans.

**Thank you**  
all employees



### Promoting Wellness

At L&L Products, we believe there is a direct link between personal wellness and safety. We encourage all employees to utilize the resources available. With the challenges posed by the Covid-19 sanitary crisis and the rise of home office, we work to ensure that our employees continue to feel part of the team by organizing online events at various scale (team meetings, “on-line coffee break”, company-wide quiz). In France, we have implemented free and anonymous psychological support and coaching for several years. We insisted with our employees that they are also welcome to reach out to this hotline if they feel lonely or distressed in the context of the Covid-19 crisis.

### FOCUS

In Romeo we partnered with Oakland University's Occupational Health and Safety and Exercise Science programs on an ergonomic study. The collaboration will benefit future students in addition to promoting wellness for our employees. We trained employees with techniques and theories behind proper stretching and ergonomics.

The expected result is reduced perceived discomfort and injury rate as well as increase employee satisfaction. The study includes control groups, and we continue to analyze the data and encourage participation across all shifts as we adapt best practices for each job role.



We value each of our employees and aim to continuously attract and develop best talents for the success of the entire company. L&L Products firmly believes in the equitable treatment of all people. Additionally, we believe that fairness, cultural diversity, and equal opportunities help us grow as a community.

## COMMITMENTS ON LABOUR

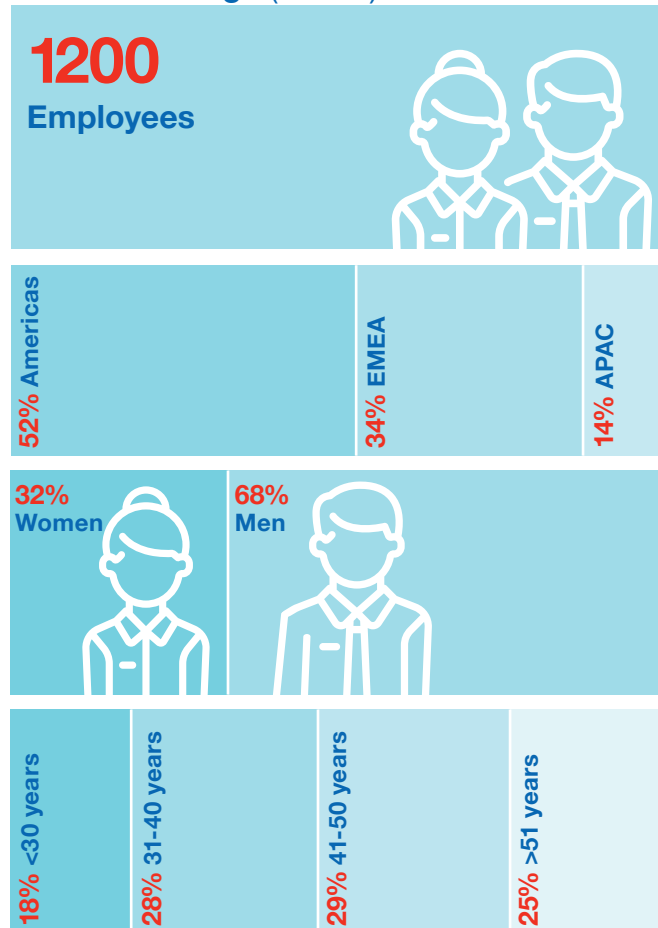
Our people are our greatest asset. We commit to ensuring that all our facilities around the world comply with the internationally recognized labour standards, including the International Labour Organization's Declaration on the Fundamental Principles and Rights at Work. We work every day to nurture our strong corporate culture and live our motto: **"To be a good place for all who touch it where quality of work, product and relationships are a priority"** highlights that we strive for our stakeholders to consider us a good company to work for, to work with, as well as a good citizen in our communities. All managers are expected to lead by example, promote the rules of ethical business, and maintain an environment of trust and respect.

In 2020, we aligned all our entities around the world around one Global Human Rights & Employee Policy.

This policy includes commitments such as fighting against discrimination and harassment, supporting our employees, and developing their talents.

## IMPLEMENTATION AND OUTCOMES

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



## Equal Opportunities

We are committed to equal opportunities and do not tolerate discrimination. We base our decisions regarding human resources solely on the skills and abilities of our applicants and employees. In all aspects of employment, including recruitment, promotion, training, compensation, disciplinary actions and termination, we ensure that there is no discrimination.

"Fairness and consistency" is one of our core corporate values and we thrive to ensure that everyone has equal opportunities without regard to age, race, color, gender, sexual orientation, ethnicity, religion, disability or any other criteria or protected status.





26+

Nationalities worldwide  
at L&L Products  
(Global)



### Cultural Diversity

Workplace diversity helps to cultivate innovation and competitive advantage. Diversity of nationalities and ethnicities can be calculated by noting the differences among employee demographic segments.

At L&L Products we aim to further our cross cultural learnings by providing opportunities for our employees. Three of our employees had the opportunity to be hosted for a few months by a foreign L&L Products entity where they experienced another work environment and culture.

**Lucile Richer, R&D Technician from France went to Romeo for six months (September 2019 to March 2020):** "L&L's exchange is the best way to reinforce contact between our global offices and to learn about the strengths and constraints of each region. Something I have learned from this experience is that no matter the issue you're faced with, there's always something to be learned from it. By working and traveling in the US, I grew



*professionally and personally faster than if I had only worked in France. I met amazing people and I really appreciated working with the structural material development team. I would welcome the opportunity to go back to Romeo!"*

**Andy Kasischke, Controller from the USA, worked in our Shanghai entity for nine months (June 2019 to January 2020) – he lived this experience with his wife and their two young children:** "We feel incredibly lucky to have met amazing new friends, visited the Great Wall of China, been to hundreds- year- old temples, traditional water town, gardens, beautiful parks, futuristic skyscrapers, tried authentic Chinese food, seen the way they live, their habits and even learned (very little) Mandarin. We now know how much the Chinese love kids, their tea, their food, how much history and culture there is and how proud they are of their



*country. Living abroad is a fantastic journey, that comes with its ups and downs, here and there. When you look at the big picture, you realize that it encourages you to grow as a person. Living in a different country humbles you- you are just a tiny piece of this world. It also opens up your mind and makes you understand that there is more than one way to appreciate the world. Forever thankful for this opportunity of living in Asia. China, you have our respect and a piece of our hearts forever!"*

**Olaf Nitsche, Program Manager from the USA, relocated to Germany in 2016 with his family. He is now General Manager of our German entity:** "After almost 11 years at L&L Products in the US working on many projects around the globe, I had the opportunity to move to Germany to support our European organization. Through my expat experience I have been able to build strong relationships which have helped me work more efficiently across regions. I truly believe that the opportunity for employees to move globally within the L&L Products family increases understanding, strengthens and benefits our company."





## Employee Testimonials

*“What attracted me to join L&L was its advanced technology and opportunity for growth and diversification. After joining, I was pleased to discover a good company culture that encourages an open and collaborative environment.”*

**Mun Si Kim**

**Sales Director, L&L Products Korea**

*“L&L gives us opportunities and encourages us to always do our best. L&L invests a lot in its employees and by doing so, makes us feel as if we are also owners.”*

**Paulo Paulino**

**Supply Chain Coordinator**

*“I was attracted to join L&L because the position was new and challenging to me, the company is global, and the culture and work ethic is excellent. The unstinting support from senior leadership also plays a vital role in driving our success.”*

**Manish Taxak**

**Head of Product and Process Development,  
L&L Products India**

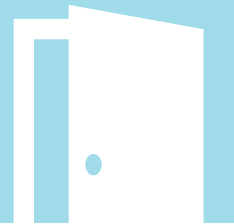
## Employee Retention

Our Global Human Rights & Employee Policy aligns all L&L Products entities. In combination with living our values, our voluntary termination rate remains very low. Our on-boarding process promotes a sense of belonging, relationship building, and a structure that supports success.

As part of the on-boarding process, new employees are encouraged to work in the plant for a few hours or days, no matter their position. In addition to gaining valuable knowledge about our products and processes, this step fosters inclusion and partnership between all L&L Products employees and departments.

**5.14%**

**Voluntary termination rate  
(Global)**

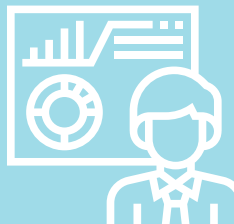


## Training for our employees

We invest in the personal and professional development of our employees. We ensure the opportunity to receive internal and external training to broaden skill sets; in turn increasing motivation, facilitating advancement, and retaining high performers.

**28%**

**People trained by a  
qualified external training  
agency (Global)**



## Training New Generations

L&L Products invests in the training of future generations through hiring interns and apprentices, and community outreach with local schools and universities. This process also benefits L&L Products and our current employees. We are able to begin building valuable relationships to attract future talent. The projects contribute to the growth of our employees by improving skills such as leadership, communication, and team building.

**41**

**Apprentices and  
trainees (Global)**



Over the years L&L Products has partnered with Cornerstone Charter schools in Detroit, Michigan providing educational support to an underserved community. Cornerstone’s mission is to provide real-world experience to students so they are adequately prepared to navigate college and their careers. L&L Products donated a Fanuc robot; and in 2020 Dave Egle was a guest teacher, training students how to program the robot. These students do not easily have the opportunity to work hands on with technology. Gratification of their accomplishment was shared with Dave and L&L Products. We look forward to continuing to mentor and inspire the next generation.



# Anti-Corruption.



We do not tolerate corruption or bribery in any form and strongly commit to conducting business with integrity and transparency.

## COMMITMENTS ON ANTI-CORRUPTION

### Employee Code of Ethics

In 2020, we continued to train our new employees on the Employee Code of Ethics. The Code has been updated with regards to the whistleblowing procedure. It serves as guidance for employees to ensure that we all have a common understanding of doing business with integrity.

### Gift & Invitation Policy

While accepting or providing gifts and invitations can strengthen our business relationships, we must avoid creating conflicts of interest. Everyone in our organization is expected to comply with our Gift and Invitation Policy which we updated in 2020: we gave examples of typical gifts that are acceptable or not acceptable in a business context, we clarified the rules around some types of entertainment activities we consider not acceptable, and we updated the gift & invitation amounts that require prior authorization from Management.

### Whistleblowing Procedure

We maintain a strong open-door policy and encourage our employees to speak up if they witness or suspect any misconduct. At least twice per year, during employee meetings, we remind everyone of the whistleblower procedure including the various channels to report issues and the anti-retaliation policy. All management, as well as the Human Resources Department and the Legal Department are open to receive reports.



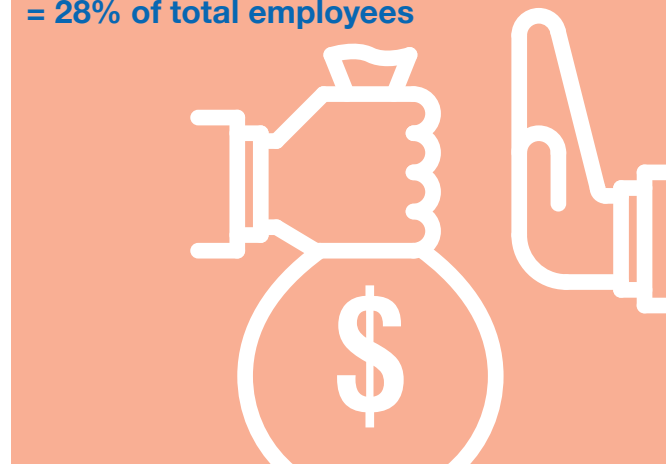
## IMPLEMENTATION AND OUTCOMES

### Training

In 2020, we continued to train our new employees on anti-corruption and antitrust issues when they take positions that are considered at higher risk of being exposed to such issues.

We also conducted a new compliance module on Money Laundering and Fraud. As the previous years, we reached approximately a third of our employees including management, sales, purchasing, and other decision makers. This year, with the idea to always improve ourselves, including in how we train our people, we added a quiz after the training was conducted. This enabled us to verify that people had fully understood the content of the training.

**324 employees**  
took the Compliance training on  
Fraud & Money Laundering  
= 28% of total employees



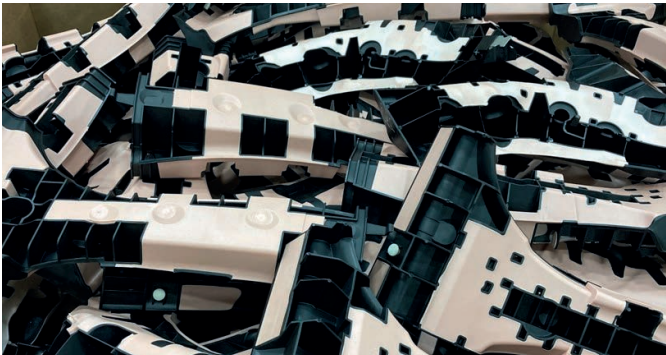


### ZERO Waste target

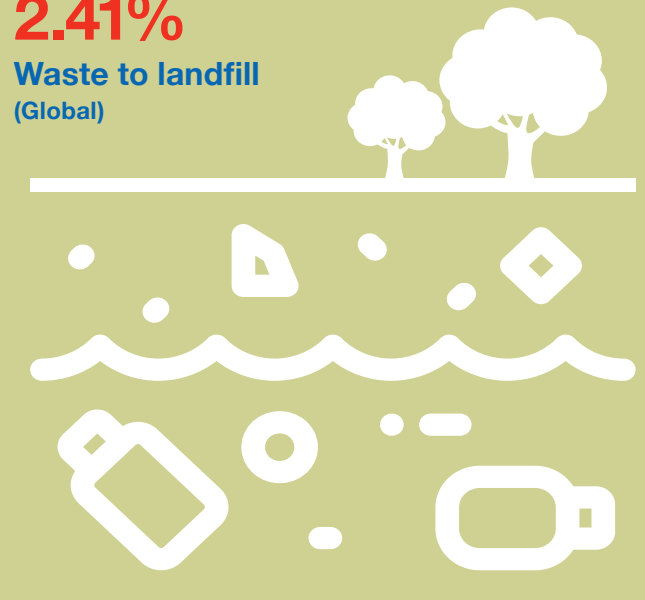
We continue to target ZERO WASTE globally and are taking action to achieve this goal across all departments and regions of the organization.

This includes optimizing direct and indirect supplies, encouraging eco-design of our products and packaging, using returnable packaging, improving our manufacturing processes, better sorting our waste as well as increasing the recoverable part of our waste.

In Romeo we began sending injection molding scrap to a specialized separation recycling facility to recover Nylon, in turn reducing landfill waste. We also began working with a new recycling company to better manage our cardboard, plastic, and metal recycling.



**2.41%**  
**Waste to landfill**  
**(Global)**



### Improving our surroundings

In India, we started a project aiming at planting trees to increase green space around our facility. After receiving special authorization from the government, L&L Products India organized the planting of a series of trees in the public space in front of the facility. The actual planting of the trees occurs in 2021 and we look forward to sharing the photos in the 2021 report.

### FOCUS

To raise awareness on the reduction of our negative impact on the environment, L&L Products EMEA hosted an Environmental Week Event.

It featured an online conference in French & English on how to start a transition to zero waste at home and workshops on reducing our IT-related carbon footprint. Participation was incentivized with quizzes to win prizes.

Overall, this event was a great success with more than one hundred employees who attended or participated with at least one conference, workshop, or quiz.

**ZERO**  
**Environmental**  
**incidents**  
**(Global)**



# Responsible Procurement.



L&L Products is conscious of its impact in the various regions where it operates. We require that our Suppliers acknowledge our Supplier Code of Conduct and are furthermore required to cascade their obligations through their own supply chain.

## COMMITMENTS ON RESPONSIBLE PROCUREMENT

### Considering Sustainability as part of our Purchasing Strategy

We are committed to procuring products and services from suppliers that support us to reach our sustainability targets. Requesting that suppliers consider the environment, take actions to minimize their environmental footprint and properly manage their waste, avoiding landfill as much as possible and not voluntarily polluting the soil, air or water.

## IMPLEMENTATION AND OUTCOMES

### Supplier Code of Conduct

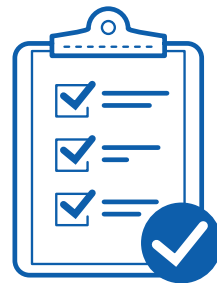
We defined our core sustainability requirements in our Supplier Code of Conduct which is available on our website and sent to our new suppliers to be fully part of our contractual terms. We are willing to provide assistance, especially to smaller companies, to help them reach and improve their sustainability targets.

### Supplier Selection

We select suppliers that provide their employees with a safe and healthy working environment and respect human rights, have high business ethics, prevent all forms of corruption, compete fairly, avoid conflicts of interests, protect personal and company data, respect other's intellectual property rights and comply with export control laws and regulations.

We encourage suppliers to establish a whistleblower procedure to encourage workers to raise concerns without fear of retaliation.

L&L Products favors suppliers that comply with ISO standards such as ISO 9001, IATF 16949, ISO 14001, EN/AS 9100, ISO 45001, and the Ten Principles of the United Nations Global Compact.



### Supplier Evaluation

L&L Products Purchasing departments are taking sustainability criteria into account not only when selecting but also when evaluating Suppliers. Suppliers are monitored with a scorecard and are evaluated on Sustainability criteria.

Suppliers non-compliance with the Code of Conduct may lead to termination of contracts and/or relationship.

### Supplier Sustainability Risk Assessment

In 2020, our Purchasing and Legal teams worked hand-in-hand to formalize an analysis of the CSR-related risks of our suppliers. This project involved all L&L Products entities and led to one global procedure to describe risk identification and evaluation processes. We created one matrix with CSR-related risk scenario and included both regional and global evaluations. Beyond the benefit of this new tool, this work helped increase the understanding of these topics across the regions and contributed to the global collaboration with our teams around the world.



# Social Commitment.



Giving back to the communities where we operate is an important pillar of L&L Products' corporate culture. Here are some examples of actions we took in 2020 to positively contribute to our communities.

## EMEA

In Strasbourg, France, 48 employees donated their time to help renovate bedrooms, dining rooms and corridors in a home that hosts children with difficult home situations. We also organized a fundraising event within L&L Products to gather items such as clothing, toys, books, and games and donated these to the children of this home.



In France, the JEC show was canceled due to Covid-19. L&L Products decided to make the room block available for Halte Aide Femmes Battues, a local NGO that helps provide shelter for women victims of violence.

In Turkey, L&L Products employee Filiz Sisman began making children's masks using fun designs so they feel comfortable wearing them while encouraging their peers to follow.

## AMERICAS

In 2020 our Romeo employees raised \$5,400 which was donated to Adopt a Family. Contributions included employee donations, sale of snack foods, cook-offs, raffles, and holiday related activities throughout the year.

### Mentor-Mentee

John Babi, Brianna Eveningred, and Jeff Lim from Romeo participated in the Oakland University EHS mentorship program. The Mentoring Program is designed to provide the platform and structure for health and safety students to grow and develop into the field of safety in addition to finding the career they strive for. There will be an opportunity in the spring of 2021 for the mentors and mentees to safely meet and celebrate the relationships that were built and the development that occurred throughout the year.



## APAC

L&L Products of China and 65 employees donated to Lingshan Charity Foundation to purchase books. Most of our employees spent time packing these books into L&L Literacy Bags which were then donated to children from Primary School of Meng Village located in the Henan Province.

Similarly to previous years, L&L Products of China also organized an employee blood donation to help Covid-19 patients in need.

For the past 3 years, L&L Products India collaborated with an NGO to provide sanitary napkins to women in rural areas. In 2020, we wanted to continue this effort internally and involve our employees more directly. We made posters and collected the needed products to be distributed in early 2021. Nitin Mehta, our regional President, initially started this initiative after reading articles about women in rural areas suffering from infections because of a lack of awareness and availability of products.



**This report is based on information and indicators for the year 2020.**

For more information on our sustainability strategy, check out our new webpage dedicated to Corporate Social Responsibility. We would be happy to hear what you think!

[sustainability@llproducts.com](mailto:sustainability@llproducts.com)

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