



Sustainability Guide 2021

Planet | Business | People

faurecia
inspiring mobility

INSPIRING MOBILITY

Faurecia has always worked to inspire the future of mobility. As we navigate into uncertain and challenging times, creating value and developing solutions for Sustainable Mobility and the Cockpit of the Future, our responsibility is more than ever engaged to have a positive impact on society and meet the needs of future generations.

Driven to inspire the future, we are ourselves inspired to care.

For the planet, our business and society, **this is our approach to sustainability.**

INSPIRED TO CARE

Shared Perspectives with



PATRICK KOLLER
Chief Executive Officer



MICHEL DE ROSEN
Chairman of the Board
of Directors

The past year's pandemic reinforced the idea that climate change is an urgency. Sustainability has become a global priority everywhere, for everyone, in public and private sectors. At Faurecia, we have been convinced for many years that companies have a role to play in this matter.

Our mission as a global automotive and technology leader is to develop innovations that inspire a safer, connected, personalized and responsible mobility. We drive our business with the conviction to make a positive contribution to society through transparency, high ethical standards, an environmentally-friendly industrial footprint, as well as operating according to the ideals of corporate citizenship.

As an industrial leader, we have made the decision to embed sustainability into our business strategy and corporate culture. As we move with a strong ambition and new perspectives in the automotive industry to develop solutions for Sustainable Mobility and the Cockpit of the Future, we aim to meet the challenges of future generations.

“As an industrial leader, we have made the decision to embed sustainability into our business strategy and corporate culture.”

After Stellantis' spin-off of Faurecia, we confirmed and even accelerated our global business transformation, and therefore our sustainability engagement. As we take into account the evolution of mobility, develop new business models and invest massively in new technologies, sustainability is at the core. Evaluating and rethinking the way of developing, procuring, manufacturing, distributing and disposing of products drive our business strategy.

We know that we'll be stronger together, with our ecosystem, our stakeholders, our people. We listen to them, pay attention to their expectations, and go along the journey with them.

As representatives of the Board of Directors and the Executive Committee, we are committed to support this global transformation and we are working towards strengthening both our resilience and agility, whilst counting on robust and transparent governance bodies. Faurecia's Convictions are the foundations of our strategy focusing on the planet, business and people.

By deploying these Convictions into concrete projects, we want to make a difference for all our customers, suppliers, employees, shareholders, governments, and public bodies at all levels, as well as the communities in the countries where we operate.

Planet

As we **care for the planet**, the Science Based Target initiative validated our CO₂ neutrality roadmap towards 2030, which is compatible with the most ambitious scenario of the Paris Agreement, namely global warming limited to 1.5°C. We partner with an ecosystem of key players to reduce energy consumption and use exclusively renewable energies across all of our sites. We are investing significantly in sustainable materials to reduce the environmental footprint of our products and in batteries and hydrogen technologies for zero-emission mobility.

Business

To **perform in a responsible way**, we are strengthening our ecosystem across the whole value chain for resilience and long-term value creation. Guided by the principles of safety, respect, compliance and a partnership mindset, we have accelerated our program for Total Customer Satisfaction and have launched initiatives to work more closely with our suppliers – and develop together more sustainable materials and products for the future of mobility.

People

As we **contribute to society** and for our people, we favor life-long learning for everyone for personal fulfilment and employability. We also believe in diversity building strength and foster an inclusive culture to attract, develop and promote talents. Finally, Faurecia supports employees in developing programs for their local communities.

“We know that we'll be stronger together, with our ecosystem, our stakeholders, our people.”

Through this sustainability guide, you will read more about our initiatives and 2025 targets. They are the foundations of the sustainable and ambitious future we want for Faurecia: we are inspired to care for the planet, business and people. Our sustainability approach is the reflection of this ambition.

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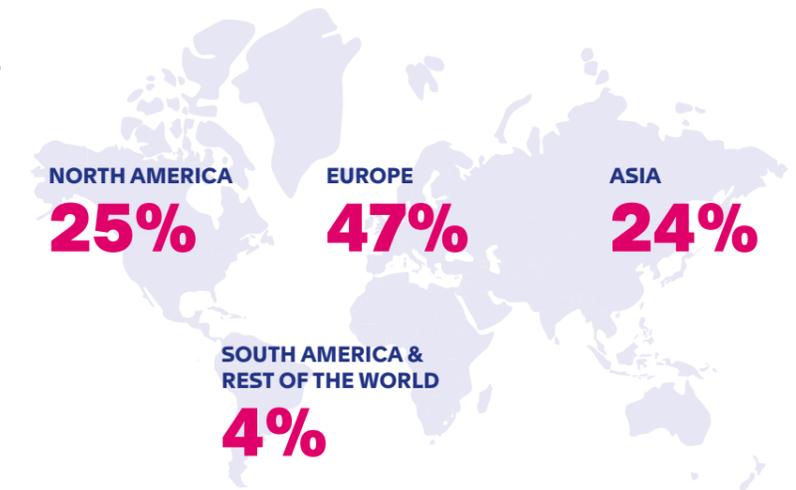
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Faurecia in brief

Faurecia is a top ten global automotive supplier that is focused on developing and providing carmakers with innovative solutions for the industry across five activities and four Business Groups: Faurecia Seating, Faurecia Interiors, Interior Modules, Faurecia Clarion Electronics and Faurecia Clean Mobility. The Group's shared culture empowers teams to balance short-term execution and sustainable long-term ambition, all mobilized to deliver excellence and develop innovative solutions for future mobility.

Group sales by region



A top ten global automotive technology supplier

The company is organized into five Business Groups which are accountable for operational performance and Total Customer Satisfaction. The Group's key initiatives for sustainable development, and in particular its ambition to become CO₂ neutral by 2030, are based on its strong convictions and values. Its transformation is embedded in a robust, ethical and efficient corporate governance structure.

This document enables all stakeholders to better understand the company's vision and strategy for profitable growth. Faurecia's business model is focused on creating value for all its stakeholders, both in terms of financial and non-financial performance, over the short and long term.

For further information please consult the Group's website www.faurecia.com

€14.7bn
sales

35
countries

39
R&D centers

266
Industrial sites

114,000
employees of 103 nationalities

1 in 3
vehicles in the world equipped with a Faurecia technology

5
activities

Clean Mobility - Seating - Interiors - Interior Modules - Clarion Electronics

Figures as of end 2020

Shared convictions for sustainability

Faurecia's Board of Directors and Executive Committee

The world is facing major challenges: urbanization, growing population, climate change, technology disruption and social tensions. As members of the Board of Directors and the Executive Committee of Faurecia, we believe that we need to have a positive impact on society and the planet in the light of these major environmental and social challenges. We have six shared convictions which describe our approach to sustainability. Based on these convictions we have deployed a number of key initiatives across the Group with defined and measurable improvement indicators.



Power must have a counterbalance

Faurecia believes in a system of transparency and dialogue. Each employee and stakeholder can voice an opinion, criticism, make an alternative suggestion or report a violation without fear of personal consequences and in complete transparency. The Group believes in open, responsible and balanced dialogue, based on mutual recognition and an acceptance of the legitimacy of each viewpoint. Faurecia's relationship with its suppliers is guided by the principles of respect and partnership to create long-term value for both parties. The Group views and respects collective representation of employees and social dialogue in the same proactive and constructive spirit.



Companies must have a positive impact on society

Faurecia is a member of the community in each region where it operates worldwide. The Group contributes to economic development and the creation of social value by hiring locally, providing career training and advancement for employees and through a commitment to ethics and social responsibility. Above and beyond its legal obligations, Faurecia has a responsibility to maintain a frank and ongoing dialogue with the communities that surround its sites, to ensure that its operations are harmoniously integrated into each region. As appropriate, the Group initiates or contributes to projects and programs that address local needs, by offering its expertise and resources in support.



The world is in a state of permanent disruption

Technology is rapidly changing Faurecia's business models and working methods. The Group must anticipate the next trends, remain agile and invest in innovation and education. It strives to ensure the employability of its employees throughout their working lives through lifelong learning, professional mobility and on-the-job training. This is the best guarantee for ensuring that everyone can reap the benefits of technological advances and changing work practices. For younger generations, Faurecia has extensive programs of apprenticeships, work-study, volunteers for international experience (VIE) and internships that both provide the Group with a talent pool and enable extensive on-the-job training and cultural integration.



Short-term thinking jeopardizes future generations

In an ever-changing world, Faurecia must invest in its future and in particular in technology, new business models and learning. The Group must preserve natural resources and meet environmental challenges for the well-being of future generations. At the same time, in order to maintain the confidence of its customers and shareholders, it must deliver short-term financial and operational performance. Faurecia must be able to balance both long-term and short-term objectives and not jeopardize one at the expense of another. Its culture enables it to combine rigor and discipline in short-term execution with a long-term vision.



Environmental issues pose a serious challenge for humanity

Faurecia wants to help cap the rise in temperature by reducing the carbon footprint of its activities and offering solutions for Sustainable Mobility. The Group supports national and international organizations in reducing global warming and by respecting their principles. Air quality poses an increasing threat to health in cities. Through its solutions and partnerships, Faurecia works to reduce pollutant emissions and improve air quality.



Diversity is a strength

Diversity in the workforce with regard to gender, place of origin, cultural or educational background, experience or any other difference is a source of strength. Thanks to Faurecia's diversity, the Group has a better understanding of customer expectations and makes better decisions. It encourages the broadest possible diversity through recruitment and career management and by fostering workplace conditions and a flexible organization that are adapted to individual needs.

Board of Directors

We, the Board of Directors and the Executive Committee,

are endorsing these convictions, as they are the foundation of Faurecia's commitment for sustainability.

We are deploying them into concrete actions focusing on the Environment, Business and People.



- 1. Michel de Rosen**
Chairman of the Board of Directors
- 2. Patrick Koller**
Chief Executive Officer
- 3. Daniel Bernardino**
Board member representing the employees
- 4. Odile Desforges**
Board member
- 5. Linda Hasenfratz**
Chief Executive Officer Linamar Corporation
- 6. Penelope Herscher**
Chair Board member
- 7. Valérie Landon**
Chief Executive Officer France and Belgium Credit Suisse
- 8. Jean-Bernard Lévy**
Chairman and Chief Executive Officer of EDF
- 9. Yan Mei**
Senior Partner, Chair of Brunswick Group (China)
- 10. Denis Mercier**
Deputy Chief Executive Officer of Fives Group
- 11. Peter Mertens**
Board member
- 12. Robert Peugeot**
Chairman of the Board Peugeot Invest
- 13. Emmanuel Pioche**
Board member representing the employees

Executive Committee



- 1. Patrick Koller**
Chief Executive Officer
- 2. Yves Andres**
Executive Vice-President, Faurecia Clean Mobility
- 3. Yann Brillat-Savarin**
Executive Vice-President, Group Strategy
- 4. Victoria Chanial**
Executive Vice-President, Group Communications
- 5. Nolwenn Delaunay**
Executive Vice-President, Group General Counsel & Board Secretary
- 6. Olivier Durand**
Executive Vice-President, Faurecia Clarion Electronics
- 7. Michel Favre**
Executive Vice-President, Group Chief Financial Officer
- 8. Jean-Paul Michel**
Executive Vice-President, Faurecia Interiors
- 9. Thorsten Muschal**
Executive Vice-President, Sales and Program Management
- 10. Christophe Schmitt**
Executive Vice-President, Group Operations & North America
- 11. Jean-Pierre Souillac**
Executive Vice-President, Group Human Resources
- 12. Eelco Spoelder**
Executive Vice-President, Faurecia Seating
- 13. François Tardif**
Executive Vice-President, Faurecia China
- 14. Hagen Wiesner**
Executive Vice-President, SAS Interior Modules

Faurecia's sustainability roadmap

Translating the Group's six convictions into a concrete action plan to achieve results by 2025 and beyond

Faurecia's sustainability strategy has three key focuses:

Planet

Business

People

For each of these areas, the Group has developed initiatives built on the Group's six convictions, with action plans and quantifiable progress targets for 2025 and 2030 (detailed in the opening sections of the following chapters). Simultaneously ambitious and achievable, these goals were defined in collaboration with all Business Groups and support functions and are integrated into corporate governance.

PLANET

Care for the planet

For the planet, we are continuously rethinking our way of developing, procuring, manufacturing, distributing and disposing of products.

 **CO₂ NEUTRALITY** in operations to be achieved by **2025***

*Scopes 1 & 2

- 1 Environmental footprint in operations**
Reducing the greenhouse gas footprint in all of the Group's activities, and controlling impacts on the planet.
- 2 Circular economy for products**
Moving away from a "take, make and waste" paradigm in favor of a circular economy by considering the full life cycle of products.
- 3 Investments for sustainable technologies**
Mobilizing financial and human resources, and helping the automotive industry move towards zero emissions and clean mobility solutions.

BUSINESS

Perform in a responsible way

For business, our relationships are guided by the principles of respect, compliance and partnership to create long-term value for every stakeholder.

 **<1.2 ACCIDENTS** per million hours worked without a day lost by **2025**

- 1 Business ethics**
Making our business growth rely on strong values for ethics and a strict respect for compliance.
- 2 Safety**
Providing a safe work environment to all our employees while putting quality and service at the core of operational excellence.
- 3 Responsible supply chain**
Building strong, lasting and value-added relationships with suppliers whose business priorities, values and practices are aligned with our own.

PEOPLE

Contribute to society

For people, our commitment is to supporting teams and individuals by increasing their employability, preparing for change and working in a fulfilling environment.

 **30% OF WOMEN** to be managers & professionals by **2025**

- 1 Learning organization**
Offering every employee the career management and development tools necessary in an industry in constant evolution.
- 2 Diversity & inclusion**
Promoting diversity in the workforce with regards to gender, place of origin, cultural or educational background, experience or any other difference.
- 3 Local solidarity actions**
Supporting projects carried out by employees in their local communities to promote education, mobility and the environment.

Faurecia's contribution to the SDGs

Faurecia supports the United Nations Sustainable Development Goals (SDGs) program aiming to achieve a better and more sustainable future for all. In 2019, Faurecia identified 11 SDGs to which it is making a contribution through its sustainable development actions and its operations.

Planet

6. CLEAN WATER AND SANITATION

Efficiency in water use.

7. AFFORDABLE AND CLEAN ENERGY

On-site production and external sourcing of renewable energy.

12. RESPONSIBLE CONSUMPTION AND PRODUCTION

Sustainable management of waste.

13. CLIMATE ACTION

Reduction of Faurecia's carbon footprint to achieve CO₂ Neutrality by 2030.

Business

3. GOOD HEALTH AND WELL-BEING

Reduce safety risks and road injuries via Faurecia's policy for product quality and safety.

8. DECENT WORK AND ECONOMIC GROWTH

Respect for and promotion of international principles relating to human rights and labor law throughout the value chain.

10. REDUCED INEQUALITIES

Fight against discrimination.

11. SUSTAINABLE CITIES AND COMMUNITIES

Air quality innovations particularly suited to urban areas.

12. RESPONSIBLE CONSUMPTION AND PRODUCTION

Eco-design of products and circular economy.

13. CLIMATE ACTION

Development of solutions for zero-emission mobility and air quality.

17. PARTNERSHIP FOR THE GOALS

Partnerships for sustainable innovation with key players in the industrial and technological ecosystem.



People

3. GOOD HEALTH AND WELL-BEING

Implementation of uncompromising workplace safety and risk prevention policies.

Supporting employees and families during the pandemic.

4. QUALITY EDUCATION

Training and skills development for Faurecia's employees, in particular via its internal Faurecia University.

Support for solidarity and local initiatives in favor of education.

5. GENDER EQUALITY

Specific promotion and development of women.

Fight against discrimination and for professional equality.

8. DECENT WORK AND ECONOMIC GROWTH

Active prevention of accidents at work and occupational diseases.

10. REDUCED INEQUALITIES

Development of local societal actions.

17. PARTNERSHIP FOR THE GOALS

Active societal engagement with local communities and NGOs.

Sustainability integrated into corporate governance

Faurecia's governance structure relies on the best standards of **independence, transparency, openness, inclusiveness** and **responsibility**, for running the Group's strategic and operational business. From two complementary governance bodies to decision-making processes involving all levels of the company, Faurecia governance takes into account every financial, societal, social and environmental challenge according to the Groups' convictions, values and engagements.

1. Robust & committed governance

The Board of Directors

The Board of Directors determines Faurecia's business, financial and economic strategies and oversees their implementation, in accordance with the corporate purpose and taking social and environmental challenges into consideration. The Board meets at least six times a year.

• A strengthened independence

As a result of the FCA and PSA merger, the distribution by Stellantis of its stake in Faurecia to its shareholders allows the Group to affirm its business strategy as an independent company. This resulting enhanced independence is reflected by a change in governance, with a Board of Directors comprising a very large majority of independent Board members.

Figures as of February 2021



82%

Independent Board members*
versus 61.5% in 2019



46%

Women Board members*
*Excluding Board members representing employees

13

Board members

7

Nationalities

2

Board members representing employees

Members of the Board of Directors

Patrick Koller

Chief Executive Officer
End of term – 2025 GM

Robert Peugeot

Chairman of the Board, Peugeot Invest
End of term – 2025 GM

Daniel Bernardino

Board member representing the employees
End of term – Oct. 31, 2021

Emmanuel Pioche

Board member representing the employees
End of term – Oct. 31, 2021

Michel de Rosen

Chairman of the Board of Directors
End of term – 2024 GM

Yan Mei

Senior Partner, Chair of Brunswick Group (China)
End of term – 2023 GM

Denis Mercier

Deputy Chief Executive Officer of Fives Group
End of term – 2023 GM

Penelope Herscher

Chair Board member
End of term – 2025 GM

INDEPENDENT MEMBERS

Jean-Bernard Lévy

Chairman and Chief Executive Officer of EDF
End of term – 2025 GM

Valérie Landon

Chief Executive Officer France and Belgium, Credit Suisse
End of term – 2025 GM

Linda Hasenfratz

Chief Executive Officer, Linamar Corporation
End of term – 2024 GM

Odile Desforges

Board member
End of term – 2024 GM

Peter Mertens

Board member
End of term – 2023 GM

■ Board members representing employees

○ Compensation committee

○ Governance, nominations and sustainability committee

○ Audit committee

○ Chairwoman/Chairman of the committee

• A broad range of expertise

As part of a diverse, international and multidisciplinary body, Board members come from a wide range of backgrounds and contribute by diverse and complementary skills to support and accelerate the Group development through technologies, products, knowledge of certain regions and sustainable issues.



Experience in Faurecia's core businesses



Automotive technologies



International experience



Banking/ Finance

12 KEY DIFFERENTIATING SKILLS



Risk management



Governance/ Management of large companies



Experience in an industrial company



Specific knowledge of a geographic market



Sustainability



Leadership & crisis management



Data-based technologies/digital



Energy/ Electrification

• Three dedicated committees

Three permanent committees are tasked with the preparation of discussions on specific topics. They issue proposals, opinions and recommendations within their fields of competence, which integrates a sustainability topic in each committee:



The audit committee

Review of the Group's risk mapping



The compensation committee

Review of the compensation policy of the top management



The governance, nominations and sustainability committee

Since 2021, the previously named governance and nominations committee has been renamed, integrating the term sustainability in order to better reflect the committee's missions in the field of social and environmental responsibility, given its essential role in the Group's strategy. The new independent Board member Jean-Bernard Lévy, Chairman and CEO of EDF, has been appointed Chairman of the committee that is in charge of guiding and assessing the policy followed by the company in ethics and compliance as regards good governance practice and reviewing social and environmental responsibility matters.



The Executive Committee

The Executive Committee is made up of both international and diverse profiles. It meets at least once a month to review the Group's results and discuss the Group's operations and strategy implementation. Under the responsibility of the Chief Executive Officer, the Faurecia Executive Committee is comprised of the CEO and 14 Executive Vice-Presidents of the Group's international Business Groups and support functions.

Employees fully involved in shareholding

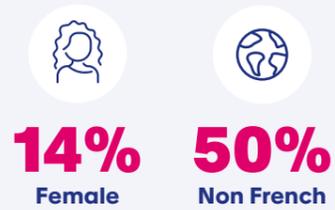


In 2021, Faurecia announced the launch of a non-dilutive employee share ownership plan known as "Faur'ESO" (Faurecia Employee Share Ownership). The plan was designed to strengthen employee engagement and involve employees closely in the Group's future development and performance. This first operation involves a maximum of 2% of the Company's share capital and has been deployed in 15 countries, targeting 90% of the Group's employees.

AN EXCELLENT LEVEL OF SUBSCRIPTION

22%
Participation
versus 16%, the benchmark of French campaigns

TOP 5
France, China, India, Germany, Japan



The very high subscription rate to Faur'ESO demonstrates the confidence of our teams in our ability to create a sustainable future and their willingness to be associated with it. This is a particularly strong message in the context of the pandemic.

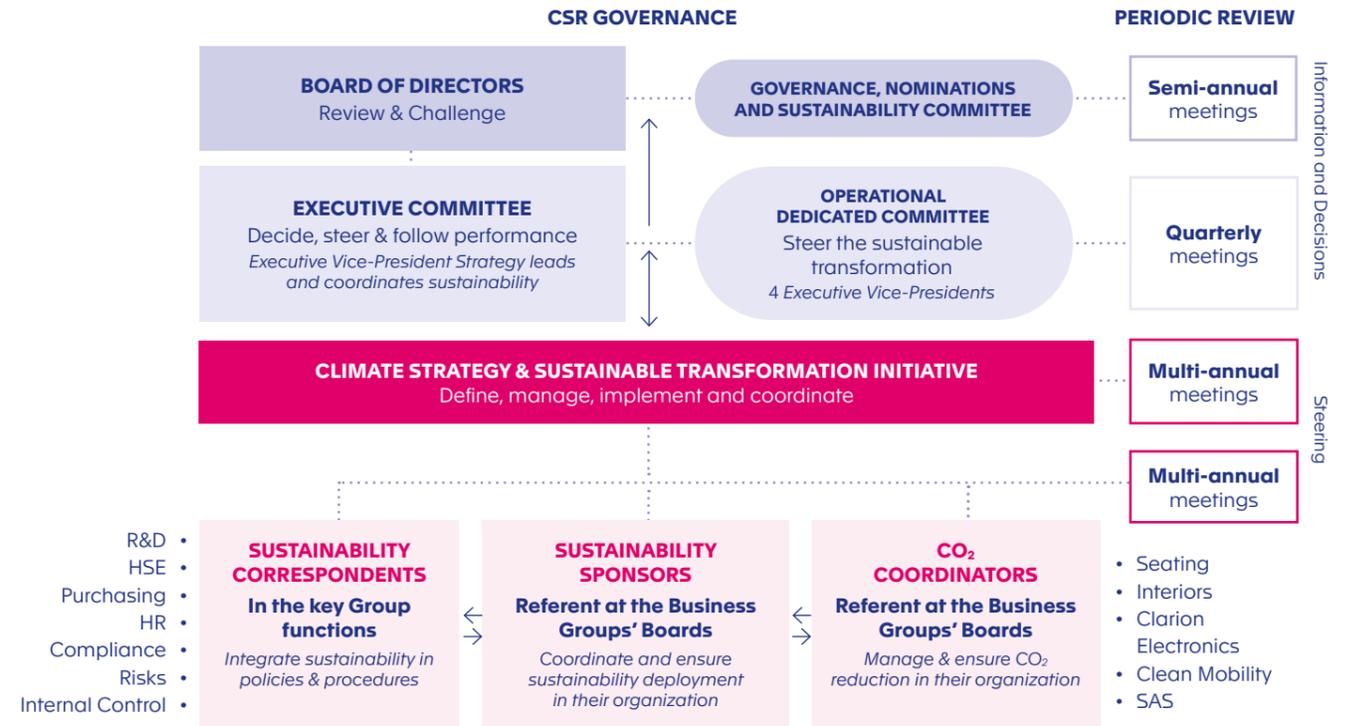
This first employee shareholding plan and the existing top managers' shareholding bring employee share ownership to above 2.6% of the capital.

PATRICK KOLLER
Faurecia Chief Executive Officer

2. Sustainability governance at a glance

Driving the Group's sustainability strategy

Over the years, Faurecia's sustainability commitment and organization have become an integral part of its decision-making process. Given the importance and scope of sustainability issues that come into play for many of strategic decisions, each governance body handles these issues within its area of expertise.



How sustainability is embedded in the Group's processes & decision making

- Group risk mapping integrating the extra-financial risks

Faurecia's extra-financial risks are listed based on a materiality analysis carried out in 2018 by an in-house and multidisciplinary working group from diverse departments, in comparison with a risk universe for peers within the automotive sector. The preliminary list of risks drawn up based on a methodology linked to frequency of occurrence and degree of seriousness was then discussed over the course of some twenty interviews with external stakeholders. The Executive Committee validated a final list of risks and opportunities, which are updated on a yearly basis and completed by the sustainability roadmap monitoring indicators.

Efficient risk management process

IMPACT	PROBABILITY	Risks
High	Low	<ul style="list-style-type: none"> Pandemic CSR Loss of major industrial sites CSR Business ethics CSR
High	High	<ul style="list-style-type: none"> Continuity and security of information systems Climate transition CSR
Low	Low	<ul style="list-style-type: none"> Safety in the workplace CSR Supply failure
Low	High	<ul style="list-style-type: none"> Financial risks (currency, interest rates, raw materials, etc.) Program management Product quality and safety CSR Significant litigation External growth
Low	Low	<ul style="list-style-type: none"> Talent attraction and retention CSR Environmental impact of sites and climate change CSR
Low	High	<ul style="list-style-type: none"> Liquidity risk Risk associated with the automotive supplier business Regulatory developments Intellectual property Responsible purchasing policy CSR

See URD2020 for more details



• **Compensation integrating sustainability criteria**

Chief Executive Officer

Since 2018, the short-term variable compensation of the Group Chief Executive Officer has included a qualitative objective linked to the implementation of the sustainability convictions and the implementation of the sustainability roadmap in the execution part of the strategy. In addition, his long-term variable compensation includes performance condition linked to the Group's gender diversity objectives (see URD2020 p.250 for more details).

TOP 300

Since 2019, 10% of the long-term variable compensation (performance shares) of the 300 senior executives also includes a performance condition linked the implementation of two of the main initiatives of the Group: CO₂ neutrality and gender diversity.

Managers

As from 2022, around 4800 managers will have CO₂ footprint reduction targets in their short-term remuneration, in order to involve them in the implementation of the first sustainability objectives.



• **Internal strategic plan process for business & functions integrating sustainability**

As a prospective tool part of a yearly internal process, Business Groups present to Executive Committee members their 3-year strategic plan - integrating the carbon footprint reduction roadmap and more broadly sustainability roadmap -, and how they will implement it (planning, budget, resources, KPIs, etc.).

• **Investment decisions steered by an Internal CO₂ price**

Facing global warming, regulations, taxes and incentives will soon penalize the CO₂ footprint of vehicles. This is why, since 2021, the Group has included a price for CO₂ footprint in the development of its new products, in order to make the right decisions and anticipate the start of the production of the first vehicle by 2025. Internal CO₂ price will also be applied to the current product portfolio, so that serial life CO₂ improvement is also incentivized.


€75/tCO₂
 Internal current price

• **Group strategy integrating the climate risk transition**



Applying the 11 TCFD recommendations

Faurecia made a commitment to set a scientific objective, approved by the Science Based Targets initiative (SBTi), to align its trajectory with the ambition of the 2015 Paris Agreement of limiting global warming to 1.5°C. To support and highlight its commitment Faurecia has also integrated the 11 TCFD recommendations (Task Force on Climate-related Financial Disclosure), broken down into four reporting categories: governance – strategy – risk management – indicators and objectives.

Assessing the effects of climate transition for the Group: Climate-based Scenarios

Part of the TCFD recommendations, Faurecia has developed in partnership with the Toulouse School of Economics three forward-looking climate-based scenarios (economic, social and environmental) related to the impact of climate change, which allow to take into account the disruptive effects of the climate transition and assess Faurecia's strategy resilience.

3 disclosed scenarios are used to test resilience of our strategic plan

Ensuring Strategic Plan Resilience, as per TCFD recommendations

		 Global Governance	 Complex Competition	 Wild World
Economic world in 2050	 Governance	<ul style="list-style-type: none"> CO₂ central bank/ Climate World Bank (CWB) International Environment court 	<ul style="list-style-type: none"> Private & national/ regional decision-makers take action Shared initiatives + free riders (governments + companies) 	<ul style="list-style-type: none"> Pension/health funds drive environmental markets (incl. CO₂) States decentralize and divest public services
	 CO₂	<ul style="list-style-type: none"> CO₂ central bank/ Climate World Bank (CWB) CO₂ price: € 50-100 ("managed" price) 	<ul style="list-style-type: none"> CO₂ cap & trade for companies + fragmented CO₂ fines, CO₂ border taxes CO₂ price: € 30-200 € (varying over time/ scope) 	<ul style="list-style-type: none"> Few regional CO₂ taxes & regulations CO₂ price: € 0-1,000 (wild markets, varying" CO₂ price)
	 Growth	++	+	-/+
Climate world in 2080	 Temperature	+1.5°/2.5°C RPC 2.6	+2.5°/3.5°C RPC 4.5/6.0	+3.5°/4.5°C RPC 8.5

Sustainability ecosystem

In line with its six sustainability convictions, Faurecia adheres to international norms and standards in order to demonstrate its commitment to respecting best environmental, social and societal practices. The Group also relies on recognized partners and methodologies to develop and monitor its sustainability strategy, as well as international reporting frameworks and certifications to ensure its transparency and guarantee the quality of its management systems and processes.



- Commitments
- Partnerships
- ▲ Certifications
- ◆ Transparency

Planet



Faurecia's emissions reduction targets have been approved by the Science Based Targets initiative under the most ambitious scenario of 1.5°C.



Since 2019, Faurecia has applied the recommendations of the Task Force on Climate-related Financial Disclosure.



In 2017, Faurecia was among the major French companies to sign the French Business Climate Pledge to take concrete action to combat climate change.



Faurecia is part of the executive group of the Hydrogen Council. The Hydrogen Council is a global initiative of leading energy, transport and industry companies with a united vision and long-term ambition for hydrogen to foster the energy transition.



Board member of the Movin'on LAB. Created by Michelin, Movin'on Lab is an innovative and collaborative 'Think and Do Tank' aimed at promoting better life through Sustainable Mobility.

Business



Faurecia is a member of EpE, the french association of Enterprises for the Environment, which brings together fifty large french and international companies willing to consider the environment more effectively in their strategic decisions and in their day-to-day management.



The Group's analysis and control of local environmental risks is based on ISO 14001 standards. In 2020, 79% of the Group's production sites, with at least 2 years of activity, are ISO 14001 certified.



In 2020, 100% of Faurecia's sites are certified by the international standard for quality management systems, in the automotive industry.

People



Faurecia has been a signatory of the WEP principles since 2020, an initiative established by the United Nations Global Compact and UN Women. Faurecia is committed to promoting gender equality and the empowerment of women in the workplace.



"Top Employer" certification in 10 countries.



Faurecia is "Happy Index Trainees"-certified. Certification recognizing companies taking care of the reception, support and management of their trainees, work-study trainees and VIE.

Transversal



Faurecia strongly supports the United Nations Sustainable Development Goals (SDGs) by integrating them into its materiality analysis. In 2019, Faurecia has identified the main SDGs it is contributing to through its sustainability actions and its operations.



Since 2004, Faurecia has been a signatory of the 10 principles of the Global Compact, a United Nations initiative launched in 2000. Faurecia renews its membership each year and is committed to promoting respect for human rights, international labor standards, environmental protection and the fight against corruption.



Faurecia prepares its Extra-Financial Performance Declaration and reporting in accordance with the GRI standards, Core option.



The analysis of the Group's extra-financial challenges was made in comparison with a risk universe for peers within the automotive sector, and based on the recommendations made by the SASB.



Since 2017, Faurecia has been working with EcoVadis to carry out an in-depth assessment of its suppliers, focusing on their ethical, social, and environmental practice. Today, 87% of its direct suppliers are evaluated by EcoVadis.

ESG ratings



Planet

Rethinking the way of developing, procuring, manufacturing, distributing and disposing of products.

The global ecosystem as well as humanity are facing a serious challenge due to structural environmental disturbances such as climate change and poor air quality in cities. With the global megatrend of urbanization and increasing mobility density, the automotive industry has a responsibility to initiate measures to reduce its environmental footprint, engage in activities spanning product design to product end-of-life and invest for a sustainable future.

Faurecia is aiming for CO₂ Neutrality towards 2030 for scopes 1, 2 and 3 controlled emissions (excluding use of sold products), focusing on three main levers: "use less", "use better" and "use longer".

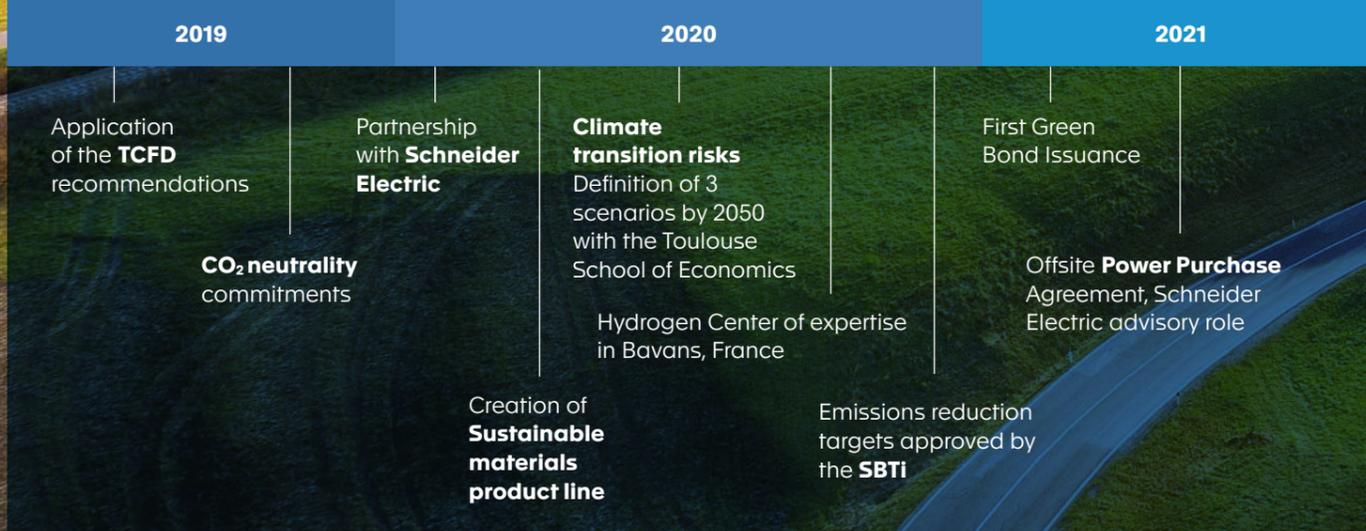
First, Faurecia has started neutralizing the **CO₂ footprint** of all sites through energy saving and the use of decarbonated electricity and heat.

At the same time, Faurecia is reducing its activity footprint through low-CO₂ transport and redesigned products using sustainable input, including recycled materials and biomass.

Committed to the circular economy, Faurecia is gradually moving away from a "take, make and waste" business, by recycling, refurbishing and extending the life of its future products.

Finally, Faurecia offers innovative sustainable solutions for Sustainable Mobility and the Cockpit of the Future, thanks to which CO₂ emissions will be avoided.

While investing for the future, the Group is committed to helping the automotive industry move towards zero emissions, in particular through its ambition to become a leader in hydrogen technology.



Commitments for the Planet

Beyond CO₂, a comprehensive plan to cover main environmental footprint

1 Environmental footprint in operations (scopes 1 & 2)

KEY PERFORMANCE INDICATORS	2019*	2025	2030
Absolute CO₂ emissions scopes 1 & 2 (Mt CO ₂ eq)	0.92	Neutrality	
Energy intensity (MWh/€ million of sales)	117	-20%	
Waste intensity (Tons/€ million of sales)	15	-10%	
Water intensity (m ³ /€ million of sales)	176	-10%	

2 Circular economy for products (scope 3)

KEY PERFORMANCE INDICATORS	2019*	2025	2030
% of recycled content in new products	30%	40%	
CO₂ emissions Scope 3 controlled (Mt CO ₂ eq)	8.6	-20% (intensity)	-46% (absolute)

3 Investments for sustainable technologies

KEY PERFORMANCE INDICATORS	2019*	2025	2030
Cumulative investment 2021 – 2025		€1.1bn	

*2019 is the reference year

Faurecia 2020 CO₂ emissions breakdown



2020 figures (in kilo tons CO₂ equivalent) restated in 2021 to include SAS and FCE acquired business groups and improve methodology and accuracy. Audited by Mazars.

2025

OBJECTIVE
CO₂ neutral in production

Clean energy

- On-site renewable energy production
- External renewable energy sourcing

Energy Savings

- Digitalization & smart actuators

Investment

- 70 million euros to achieve the objective

ELIMINATE 920 KT CO₂ BETWEEN 2019 AND 2025

2030

AMBITION
Toward CO₂ neutrality in product design

Use less

- Lightweighting initiatives
- Eco design

Use better

- Green manufacturing
- Recycled materials
- Bio-based materials

ELIMINATE > 4 MT CO₂ BETWEEN 2019 AND 2030

1. Environmental footprint in operations

Our Vision

Reducing Faurecia's environmental footprint involves neutralizing the Greenhouse Gas footprint in all of the Group's activities. In addition, Faurecia is committed to applying the international environmental standards at all its sites and working on a daily basis to reduce, recover or recycle whenever possible waste generated throughout the production chain. Faurecia is also committed to using water more efficiently and very closely monitoring the use of concerning chemicals and emissions of volatile organic compounds.

Our Approach

1.1 CO₂ neutrality by 2025

Faurecia made a commitment in 2020 to become CO₂ neutral in its operations by 2025. This roadmap has been assessed and approved by the Science Based Target initiative (SBTi), as aligned with the ambition of the 2015 Paris Agreement of limiting global warming to 1.5°C.



Acting for energy transition and savings

Faurecia launched a global energy transition plan over the 2020-2025 period to develop digitalized energy efficiency as well as renewable energy self-production and supply for all Group sites around the world. As part of the plan, the Group is committed to a minimum of 15% energy reduction.



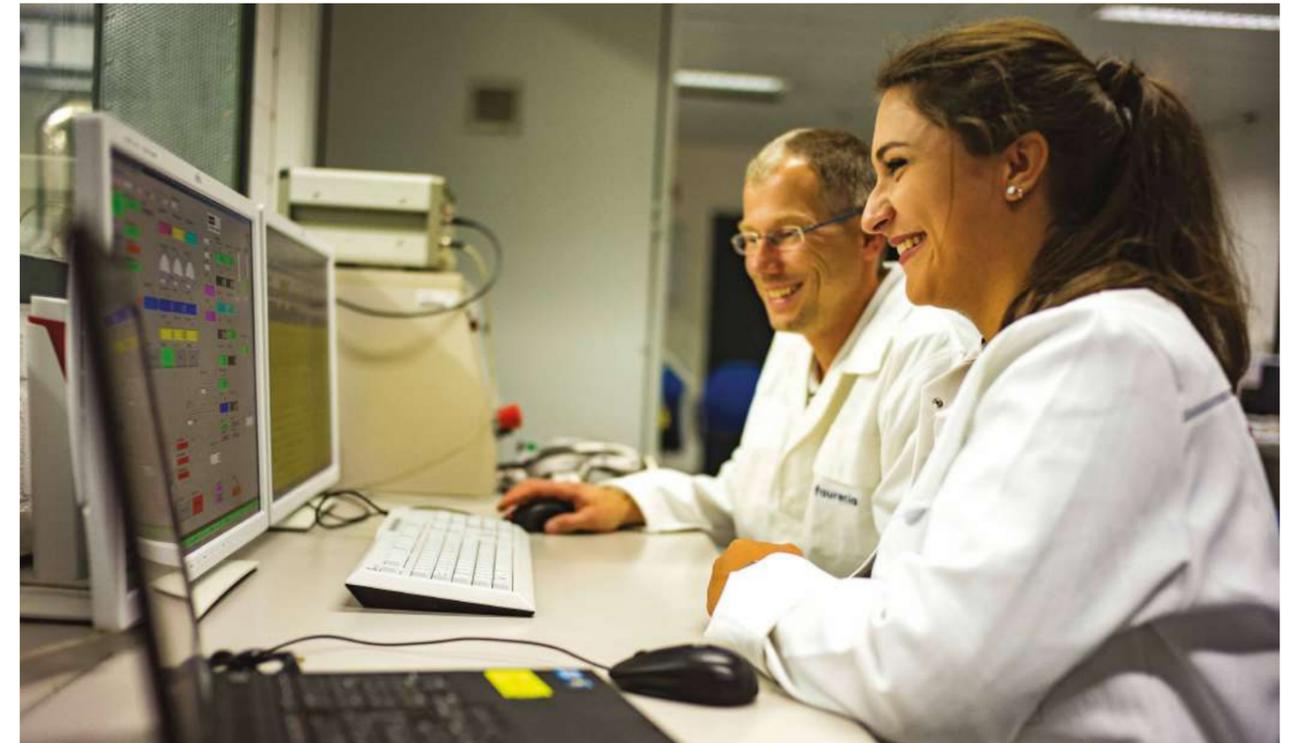
€70m

investment for energy savings by 2023



1,700GWh

of global electricity consumption in 2020



Building a CO₂ neutrality plan with a strong ecosystem

From planning to action - measuring the Group's CO₂ footprint, developing a roadmap and implementing action plans -, Faurecia relies on an ecosystem of expert partners to achieve its carbon neutrality objectives and ensure compliance with state-of-the-art requirements.



Climate strategy and sustainable transformation initiative

The CO₂ neutrality project is steered within the "climate strategy and sustainable transformation" initiative, reporting to the Executive Committee, with an operational interface network in all Business Groups and support functions for holistic implementation.

A monthly and global dashboard of key indices ensures close roadmap monitoring and appropriate reaction.

Faurecia's ecosystem of expert partners



FOOTPRINT



used as a protocol to publish all scopes (with assessment of uncertainties).

Deloitte.

calculated 2019 & 2020 footprints (scopes 1, 2, 3)



audited all scopes



ROADMAP



recommended disclosing scopes 1 & 2 roadmaps



assessed and validated scopes 1 & 2 roadmaps as 1.5°C compliant



OUR ONLY FUTURE



ACTION PLANS



benchmarked the industry & identified first action plans (scopes 1, 2, 3) supporting project management



advising on off-site Power Purchase Agreement and developing energy saving solutions



developing energy saving solutions



advising on on-site Power Purchase Agreement

1.2 Environmental footprint

Improving the environmental performance of sites

Faurecia has committed to an environmental ISO 14001 certification approach for all production plants with over two years' activity, based on the principle of continuous improvement.

Preventing, managing, and recovering waste

Sites are implementing local initiatives that improve the reduction, sorting and recovery of product waste, and reincorporating production scraps back into processes as much as possible.

Making better use of water resources

Faurecia industrial processes consume a very moderate amount of water: 2/3 of the Group's consumption is for sanitary use. 72% of the total consumption of water is released to the Public Wastewater network. Improved water management is based on accurate monitoring, prevention of leaks and closed loop use.

Limiting the use or production of concerning chemical products

Faurecia has implemented a data system for managing substances throughout the supply chain for all its procured products (based on the "IMDS" OEM declaration system, specific to automotive sector), and carries out upfront life cycle analysis and prevention of process side-products that might have an impact on the environment.



79%
of production plants
(with more than 2 years
of activity) ISO 14001
certified



192,400t
of waste generated
by Faurecia's sites
(63% non-hazardous waste)



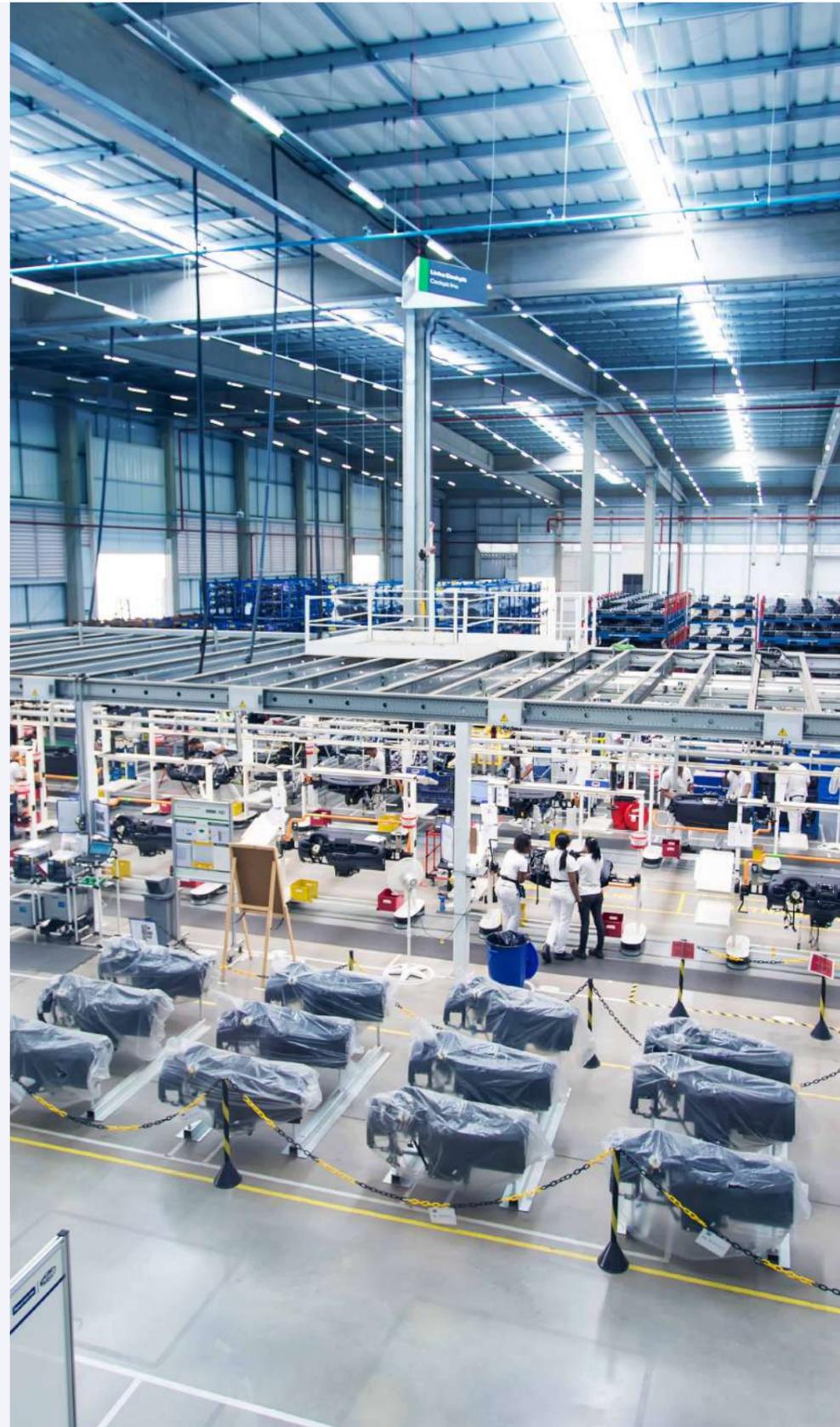
61%
Waste recycling rate



2,710,000m³
of water consumption



1,281t
of Volatile Organic
Compound (VOC) emissions



Key Highlights

- KPMG : an advisor for on-site power purchase agreements**
 Faurecia selected KPMG, a leader in audit and advisory services, as its partner for on-site power purchase agreement advisory services, in order to prepare, execute and implement its solar panel equipment program across all facilities worldwide, and particularly to contract with the right developers.
- Digital transformation to support CO₂ neutral objective**
 Faurecia's digital transformation supports its CO₂ neutrality objective, through global monitoring (using "Resource Advisor") and the installation of smart actuators: AI-powered energy & emission monitoring and reduction software systems.
- Location of Faurecia sites and the natural environment**
 Faurecia moderates its impacts on biodiversity by reducing the impact of its activities on the soil and the air. The Group has listed 21 sites close to a protected area and is acting to reduce the pressure on these areas.
- A partnership with Schneider Electric**
 Faurecia signed a partnership with Schneider Electric to develop an action plan for all its sites worldwide, for optimizing energy consumption and using exclusively renewable energy. This will involve investing in on-site and offsite photovoltaic panels and wind turbines.

Key Figures

Environmental footprint in operations	2019	2020*	2025**
Absolute CO₂ emissions scopes 1 & 2 (Mt CO ₂ eq)	0.92	0.78	Neutrality
Energy intensity (MWh/€ million of sales)	117	120	-20%
Waste intensity (Tons/€ million of sales)	15	13.5	-10%
Water intensity (m ³ /€ million of sales)	176	194	-10%

* Due to the Covid-19 pandemic, the 2020 activity has been impacted by prolonged shutdowns of factories, which generated residual energy consumption without generating turnover

** Targets based on 2019 baseline

2. Circular economy for products

Our Vision

Committed to the circular economy, Faurecia contributes through the design of its products taking into account their entire life cycle, and has developed an efficient management strategy for its materials and resources.



100%

of innovation & development projects with a simplified LCA by 2023

Our Approach

Life cycle of a vehicle & Faurecia focus

2.1 Using environmentally-friendly material

The Group is reorganizing its purchasing process for low-carbon raw materials and services (controlled scope 3) and has launched a project to measure and reduce CO₂ emissions.

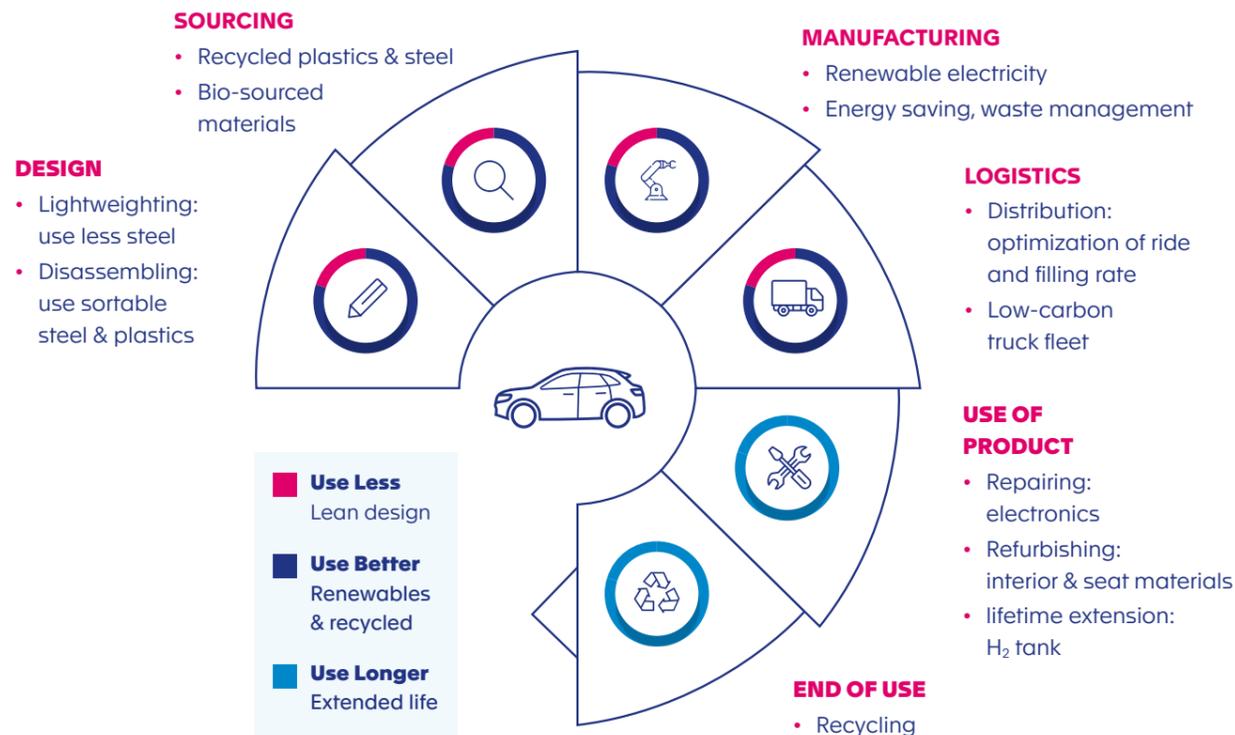
2.2 Improving eco-design

For each innovation project, the Group has implemented an eco-design checklist: presence of substances of concern, recyclability, environmental impact and interior air quality, whilst constantly studying the possibility of recycling end-of-life products.

2.3 Life Cycle Analysis (LCA)

Faurecia evaluates the life cycle of its key innovation projects, based on the ISO 14040 and 14044 standards. The Group is also an active participant on three Life Cycle Assessment working groups led by the main industry associations, to engage in dialogue and establish a common methodology.

Industry associations



Key Highlights

• Polymer materials for low CO₂ content products

A specific "sustainable materials" product line has been created to develop new automotive-grade polymers with dramatic CO₂ footprint reduction (target of emissions reduction of 80% by 2030 for new products) through improved production processes and footprint, use of recyclates, biomass and CO₂ sequestration.

• The RepairLab and the life of products

Faurecia Clarion Electronics (FCE) offers a multi-brand repair service throughout Europe. In 2020, FCE launched a circular economy offering electronic repairs in partnerships with PSA and Renault.

Repair Lab



30,000 repairs each year

• "Seat for the Planet" program

Faurecia Seating has developed a program to improve industrial processes, materials used and the seats' design and reduce the CO₂ footprint of its systems by 30% throughout their life cycles.

• Using green steel with SSAB

For very-low or even fully CO₂ neutral steel use, Faurecia signed an MoU with SSAB, the first European steel maker to deliver industrial volumes of green carbon steel, using hydrogen reduction technology with full traceability, by early 2026.

FOCUS

GREEN STEEL

Producing traditional steel releases a lot of CO₂ as it requires a chemical reaction using coke to reduce iron oxides (ore) into ferrous steel. A new technology has been validated to directly reduce iron oxides using hydrogen and only producing water. If green electricity is used for ore mining and iron finishing processes, the carbon steel produced has a virtually zero CO₂ footprint: it is rightly called "green steel".

Key Figures

Circular economy for products	2019	2020*	2025**	2030
% of recycled content in new products	30%	30%	40%	
CO ₂ emissions scope 3 controlled (Mt CO ₂ eq)	8.6	7.8	-20% (intensity)	-46% (absolute)

* Due to the Covid-19 pandemic, the 2020 activity has been impacted by prolonged shutdowns of factories, which generated residual energy consumption without generating turnover
** Targets based on 2019 baseline

3. Investment for sustainable technologies

Our Vision

With its innovative solutions and investment, Faurecia is accelerating zero-emission mobility, avoiding CO₂ emissions and reducing polluting emissions from all types of vehicles. The Group makes significant investments in new technologies such as fuel cell electric vehicles, ultra-low emissions and continues to develop weight-reduction solutions and other technologies to reduce fuel consumption. Its Clean Mobility Business Group is a key driver of the transition toward sustainable and clean mobility.

By 2030, Faurecia will be working on its CO₂ handprint to avoid 20Mt CO₂ emissions.

Thanks to :

- Fuel cells & H₂ storage technologies
- Electronic repair services
- Display consumption & heat recovery solutions

FOCUS

GREEN HYDROGEN

Faurecia designs, develops and produces fuel cells and tanks for hydrogen mobility. Easily produced by the electrolysis of water using electricity from renewable energies, green hydrogen is a key lever for zero pollution and zero CO₂ emission mobility. Hydrogen also allows for the storage of overproduced renewable energy, such as a wind turbine operating at night.

Our Approach

3.1 Investing in hydrogen fuel cell systems for zero-emission mobility

The Group supports automakers with complete Hydrogen Storage System integration for different vehicle architectures that match the industry requirements with just-in-time delivery of end-of-line tested turnkey systems. Its homologated tanks (350 and 700 bar) are optimized in carbon fiber to reduce CO₂ footprint, weight and fuel consumption.

3.2 Providing emissions reduction systems for ultra-low emission mobility

Faurecia provides after treatment systems for passenger and commercial vehicles in order to reduce pollutant and CO₂ emissions, noise and recover wasted energy, among which: recirculation of low-pressure exhaust for gasoline engines (EGR) and Electric Heated Catalyst (EHC).

3.3 Reducing CO₂ footprint for new products

Faurecia drives its innovation process and selects future solutions that have an improved CO₂ footprint of at least -20% compared to incumbent products

3.4 Relying on innovation ecosystems and transformation initiatives

- **Technical partnerships** with industrial companies such as ZF on safety technologies for autonomous driving, or Mahle on technologies for thermal management of the Cockpit of the Future;
- **Joint ventures** such as with Michelin with Symbio for fuel cell stacks, or with Apptuide for an onboard app store;
- **Start-ups** such as the acquisition of IRYSstec enabling the personalization of the display according to the driver's vision and the ambient light;
- **Partnerships with academic institutions** such as the French Alternative Energies and Atomic Energy Commission (CEA) and Collège de France for fuel cell technologies and polymers, Ecole Centrale de Nantes for composites, Technische Universität Dortmund for metal material, Supelec-Esigelec for mechatronic systems, and the Indian Institute of Science for sensors;
- **Partnerships for digital transformation** such as with Accenture for Artificial Intelligence, Microsoft for its cloud strategy, GuardKnox for cybersecurity and Palantir for data;
- **Associations and think tanks** such as Movin'on, the Hydrogen Council, EPE (Entreprises pour l'Environnement) and the World Material Forum for sustainable mobility.



R&D investments* in 2020:

€851.9m (4.87% of sales on average since 2018)

*R&D spending including the depreciation and amortization of capitalized development costs.

Key Highlights

• A partnership between Symbio and Stellantis

Symbio, the joint venture between Faurecia and Michelin which designs, produces, and markets hydrogen fuel cell systems, has signed a partnership with Stellantis to equip its new zero-emission ranges of light commercial vehicles.

• A recognized Group's expertise for hydrogen storage systems

Faurecia has already started to manufacture hydrogen storage systems for heavy duty trucks and light commercial vehicle fleets for several international OEMs. The Group currently has the ability to produce several thousands of hydrogen storage systems per year and aims to ramp up its production capacity.

• A contract with Hyundai Motor Company

Faurecia was awarded a significant contract for fuel cell electric vehicle storage systems from Hyundai Motor Company. Over a four-year period, Faurecia will equip around 1,600 Hyundai heavy-duty trucks.

• Engaged in International environment Initiatives

In 2021, Faurecia has joined Entreprises pour l'Environnement, an international think tank for promoting sustainable solutions and regulations. EPE is a French Partner of WBCSD (World Business Council for Sustainable Development)

Key Figures

Investment for sustainable technologies	2019	2020	2025
Cumulative investment 2021 – 2025		€160m	€1.1bn



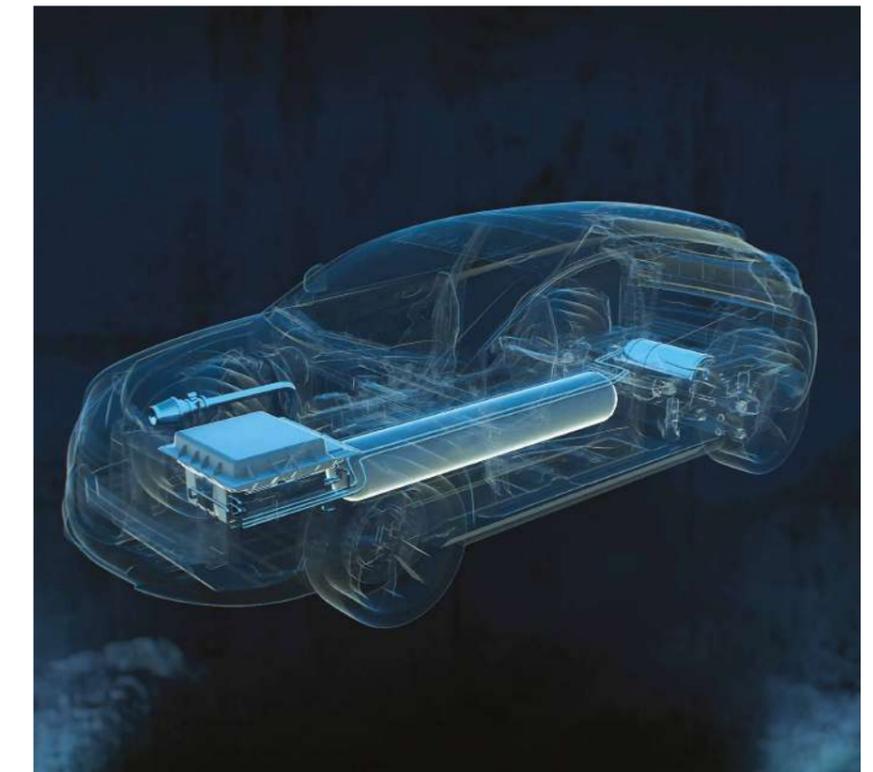
€25m

investment in Bavans global center of expertise on hydrogen storage



60

high value-added jobs (Engineers & Technicians) fully dedicated to hydrogen storage systems



Business

Creating long-term value for every stakeholder, guided by the principles of respect, compliance and partnership.

Over the years, Faurecia has become one of the leaders in the automotive industry thanks to the Group's dedication to innovation, quality, safety and business ethics. The Group aims to foster growth founded upon responsible actions and behaviors in all countries in which it operates and in all fields of its business and activities.

These essential values are incorporated in all aspects of the Group's activities to ensure total customer satisfaction, product safety, the health and well-being of Faurecia's employees and a strong & sustainable ecosystem of suppliers and stakeholders across the value chain.

The business growth of Faurecia relies on strong values for ethics and a strict respect for compliance.

These are embodied in the Group's Code of Ethics and Code of Management. The Group's Total Customer Satisfaction culture's first priority is product safety, a global quality system based on rigorous standards that ensure a zero-defect approach, part traceability and continuous improvement.

Employee safety results and targets are industry benchmarks and rely on simple rules, management drive, regular training, audits, gradual alerts and quick feedback.

Finally, Faurecia is committed to building a responsible supply chain, through strong and lasting relationships with suppliers whose ethical, social and environmental priorities and values are constantly improving and aligned with its own.

2019

Launch of a quality academy for all employees to ensure knowledge and solid application of quality practices

Covid-19: launch of the "Safer Together" protocol for employee safety

2020

EcoVadis 2020 Award

Launch of the **Faurecia Supplier Council** with 12 suppliers

2021

Product transparency, conformity and traceability: XCEED, the new blockchain solution for certification

General Motor's **Supplier of the Year Award**

Commitments for the Business

Demonstrating how we perform ethically across our value chain

1 Business ethics

KEY PERFORMANCE INDICATORS	2019	2025
 % of employees targeted trained on the Code of Ethics	93%	100%

2 Safety

KEY PERFORMANCE INDICATORS	2019	2025
 Accidents per million hours worked without a day lost (FR1t)	2.05	<1.2

3 Responsible supply chain

KEY PERFORMANCE INDICATORS	2019	2025
 % of suppliers assessed on Sustainability by EcoVadis	80%	95%
 Minimum EcoVadis score for suppliers in panel	35/100	55/100

1. Business ethics and human rights

Our Vision

In today's business environment with organizations being challenged to be increasingly agile and fast, through a newly internal compliance dashboard, Faurecia needs to be vigilant and stay compliant with the highest ethical business standards in every Business Group and in all countries where it operates. This is an essential part of the corporate culture, reflected in its convictions and values.

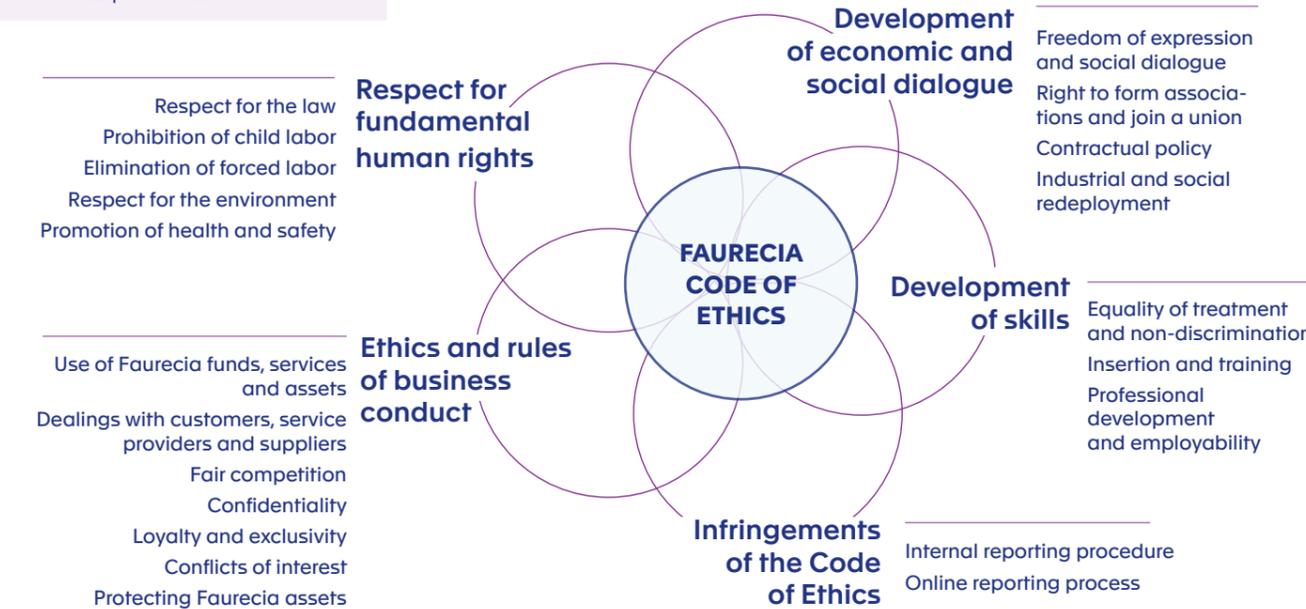
Faurecia's Code of Ethics embodies all of its values and rules to ensure sustainable growth and development. The Group expects that all its business partners understand and commit to respecting its rules and principles. As a member of the United Nations Global Compact since 2004, Faurecia is also committed to abiding by and promoting the principles drawn from international texts and conventions relating to human rights, labor standards and the environment in its business practices.

Our Approach

1.1 Building an ethics and compliance culture

The Group's ethics and compliance program aims to implement an extensive system of policies, processes, training and communications. Faurecia's leaders also have a personal and renewed engagement to integrity and are supported by robust compliance processes to drive a culture of integrity everywhere the Group operates.

The Code of Ethics aims to develop accountability and employee empowerment around respect for fundamental human rights, development of economic and social dialogue, skills development, ethics and rules of conduct.



1.2 Relying on a strong compliance governance

The implementation of the Group compliance program relies on a dedicated organization and governance:

- **The Group compliance committee** chaired by the Chief Executive Officer, for priorities and strategic decisions
- **The risk committee** for compliance risks discussions
- **The audit committee** for disclosure of the annual compliance roadmap
- **Regional Compliance Officers (RCOs)** and **Business Groups Compliance Leaders** for implementing the compliance program, sharing priorities and action plans.

1.3 Continuously assessing risk

Faurecia defines and implements systems, processes and risk assessment across compliance areas to continuously improve its ethics & compliance program. The Group Compliance Officer, working closely with the Risk Officer and the network of Internal Control and Internal Audit, identifies and monitors non-compliance risks and updates the compliance risk mapping on a regular basis according to the feedback from the population exposed to identified risks.

1.4 Training & communication on ethics and compliance

Faurecia implements a training and communication program tailored to risks that targeted populations (managers) may encounter, which relies on various internal communication channels such as online mandatory MOOCs (Ethics, Antitrust, Anti-corruption), periodic hard-copy and electronic publications or on-site training courses and communication accessible to all Faurecians (including part-time employees, interns, consultants etc.).

Key Highlights

- **Faurecia Speak Up line to escalate ethics and compliance issues**
All employees and external third parties are encouraged to raise concerns or report violations of Faurecia's internal policies and processes and applicable laws via an independent Speak Up Line: www.faurecia.ethicspoint.com

Key Figures			
Business ethics	2019	2020	2025
% of employees targeted trained on the Code of Ethics	93%	95%	100%



2. Safety

Our Vision

As a first foundation of the Faurecia Excellence System (FES), the Group is committed to implementing policies and active measures to anticipate and manage risks that could affect employees' as well as contractors' safety in their daily operations. Full compliance with HSE standards is reflected in a set of practical simple rules including the 7 Safety Fundamentals, the 13 Highly recommended Logistic Guidelines, the 10 Environmental Attitudes and the Highly Protected Risk (HPR) internal classification guideline.

At the same time, Faurecia puts quality and service at the core of its operational excellence. This is essential as Faurecia products play an important role in passive and active safety and thus help reduce safety risks and limit injuries to drivers and passengers. This is also key for Total Customer Satisfaction, which was strengthened in 2019 by a new worldwide approach and quality strategy, including a revised problem program, risk prevention to support the goal of zero defects at any time, and updated program management tools such as failure modes, effects and criticality analysis.



2020 accident severity rate

0.26

(lost hours/1000 hours)

Our Approach

2.1 Safety at work

Workplace health and safety driven by an approach of excellence

The Faurecia Excellence System (FES), enables the Group to manage its approach to health and safety on a daily basis. It is based on active methods of preventing risks that could affect employee safety, and makes it possible to regularly check their proper application and measure their effectiveness. It applies to all production activities, where employees and contractors may be exposed to the risk of workplace accidents.

Each year, an internal team carries out FES audits at all sites. These audits verify compliance with the 7 safety fundamentals and assess the level of risk in factories. FES complies with the requirements of the quality, environment and safety standards of the automotive industry (ISO/TS 16949, IATF 16949, ISO 14001, OHSAS 18001). It benefits from the capitalization of more than 14 years of Faurecia's experience and has been continuously enriched with the best internal and external practices of lean manufacturing.

Creating a culture of safety with CARE, the occupational safety management system



Faurecia has developed a health and safety management system to ensure people's safety in their daily operations, monitor their application and measure effectiveness to reduce accidents and incidents at work.

It is translated into a specific HSE program called CARE

(Compliance, Attitude, Risk Mitigation, Everyone's Engagement) rolled out throughout its almost 300 sites worldwide, in order to create a global culture of safety & ergonomics at work: taking care of one's personal safety and taking care of others' safety.

Carrying out training, communication and internal audits

As part of the Faurecia Excellence System education program, all employees are continuously trained on HSE rules, and share best practices and improvement ideas across sites. In addition, yearly FES internal audits are conducted at all sites allowing risk detection and prevention, in compliance with the 7 Safety Fundamentals.



Key Figures

Safety	2019	2020	2025
Accidents per million hours worked without a day lost (FR1t)	2.05	1.6	<1.2

COVID-19 Safer & Stronger Together

The "Safer Together" protocol put in place in April 2020 was designed by the Group to ensure the safety of its employees at work, in the specific context of the pandemic. It has been regularly updated in line with the latest research and recommendations from local, national and international public health bodies.

The Faurecia employee engagement index has seen an increase of 12 points between 2019 and 2020, bolstered by the high level of employee confidence in the Group's ability to cope with the Covid-19 crisis.

FOCUS

INDIA A comprehensive COVID-19 recovery support program

To help the Group's employees and their families, Faurecia India has developed a comprehensive program, which covers wider medical coverage, sick leave for recovery, additional medical expenses, vaccination organization, expenses coverage due to home isolation and education assistance. Special actions for the deceased employee's family have been put in place, such as salary maintenance, employment and education assistance, and continued Medclaim insurance for dependents.

2.2 Safety of products

Implementing a zero-defect culture

- **Faurecia Excellence System (FES)**

Faurecia's production and operations are managed through the best internal and external practices of lean manufacturing. FES is designed to continuously improve the quality, cost, delivery and people performance of the Group. It complies with the requirements of the quality, environment and safety standards of the automotive industry including ISO 9001, IATF 16949, and OHSAS 18001.

- **Faurecia's Program Management System**

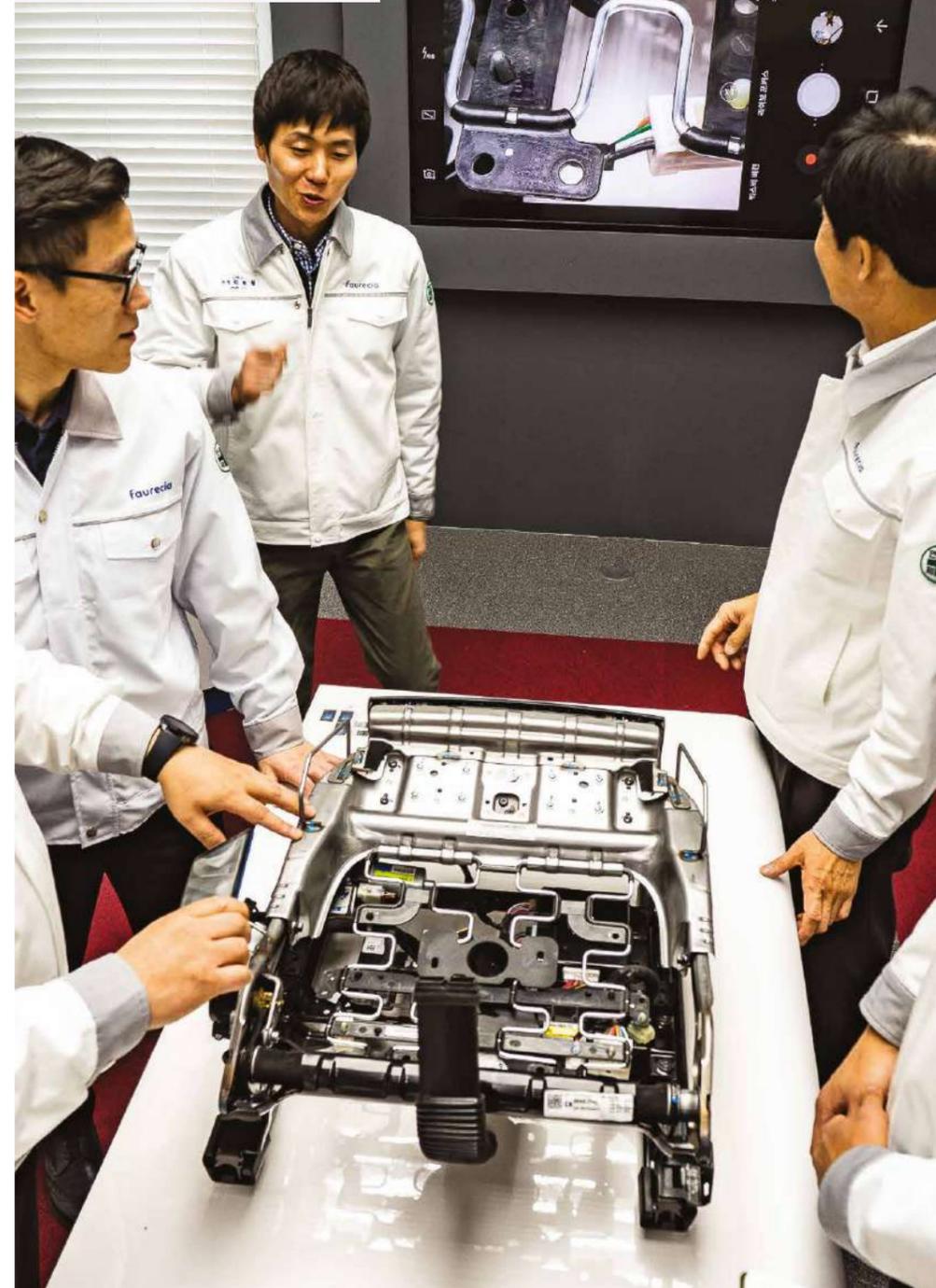
Faurecia has also implemented the concept of program management excellence, to track quality throughout the development process. This risk-based approach provides for a review of FES audits in the programs to qualify process compliance and a program Risk Committee to anticipate risks and/or give appropriate support to achieve total customer satisfaction.

Managing product safety

Design process includes early and continuously updated D/PFMEA (Design/ Process Failure Mode and Effect Analysis) for ensuring full product safety through design and process. As per local regulations, consumer expectations and OEM specifications, comprehensive tests are carried out for all products that support safety - mainly in-house with certified state-of-the-art equipment -, in order to ensure full control and quality. The production process is fully monitored with special procedures ("safety and regulation") and digital systems to ensure compliance and traceability for each single part produced, and anticipate recall campaigns, as required.

FAURECIA PRODUCT QUALITY & SAFETY CERTIFICATIONS

- **IATF 16 949 and ISO 9001®:** quality management in the automotive industry
- **ISO 26 262:** functional safety & data security
- **TISAX® Trusted Information Security Assessment eXchange**



Assessing plant risk

On a daily basis, the Operations and Sales departments monitor the quality of a customer program* in sites, based on an indicator index for evaluating potential sites at risk. In 2020, on more than 852 ongoing programs around the world, Faurecia identified 10 potential sites at risk among 269 sites in total, according to 16 criteria which assess the maturity of the site, the human resource management, the number of programs managed, sales, and customer satisfaction. Actions to mitigate risks are defined and monitored continuously.

*One customer program is the manufacture of products for a car model to be released on the market.

Key Highlights

- **Ergonomics management**

Most occupational illnesses reported by Faurecia employees involve musculoskeletal disorders. To reduce this, Faurecia has taken steps for several years to consider the strain caused by workstations and to remedy the situation to the furthest extent possible. The ergonomic analysis of workstations is part of the FES tools and is systematically checked during industrial site audits. The reviews are used to prepare a list of recommendations that are systematically considered during the design of products and manufacturing tools, and implemented at manufacturing workstations.

- **The quality academy**

In 2019, Faurecia developed a quality academy for all employees to ensure knowledge and solid application of quality practices. The academy started with the production scope and is progressively being extended to other areas, including programs, purchasing and engineering.

- **Quick Response Continuous Improvement ("QRCI")**

Faurecia has developed an approach that analyzes the frequency of work-related accidents to measure the effectiveness of actions carried out in the relevant area. After each accident, a QRCI analysis is performed using a problem-solving method to ensure that the primary causes of the accident are understood, that corrective actions have been effective and that preventive measures are implemented and shared across the various sites.

- **General Motors' Supplier of the Year Award**

In June 2020, Faurecia received the General Motors' Supplier of the Year Award recognizing the Interiors Business Group's ability to go above and beyond GM's requirements, providing them with the most innovative technologies and highest quality in the automotive industry.



PRODUCT QUALITY & SAFETY CERTIFICATION

100%

Faurecia's sites are IATF 16 949 certified (automotive market requirements including ISO 9001)

400

sites audited each year

0

major or minor cases of non-compliance for 3 years



3. Responsible supply chain

Our Vision

Social, environmental and fair economic business practices are key elements in the Group's relationship with its partners. Based on the Group's convictions and its Code of Ethics, Faurecia has developed a Code of conduct for sourcing and supply chain, which outlines its expectations in its relationships with suppliers. To ensure compliance with the policy, Faurecia or a third party regularly audits suppliers. A sustainability assessment is fully embedded into the Group's supplier management strategy, in order to align their objectives with its.

Finally, Faurecia also seeks to engage in permanent dialogue with suppliers in order to maintain close ties, share knowledge and best practices, such as a quarterly supplier council chaired by the CEO, regular supplier conventions or the annual survey of suppliers' satisfaction.

Our Approach

3.1 Following the Code of conduct for sourcing and supply chain

Since 2013, Faurecia has required its suppliers to comply with its sustainable purchasing policy, which targets the four fundamentals of the ISO 26000 international standard for procurement: protecting the environment, respecting human and labor rights, ethical business conduct, and sharing best practices across the Group's global supply chain. It complies with the:

- Universal Declaration of Human Rights
- International Labour Organization's Declaration
- Rio Declaration on Environment and Development
- United Nations' Convention against Corruption

Labor & Social

No child labor
No forced labor
Working hours
Fair wages
Equality of treatment and non discrimination

Environment

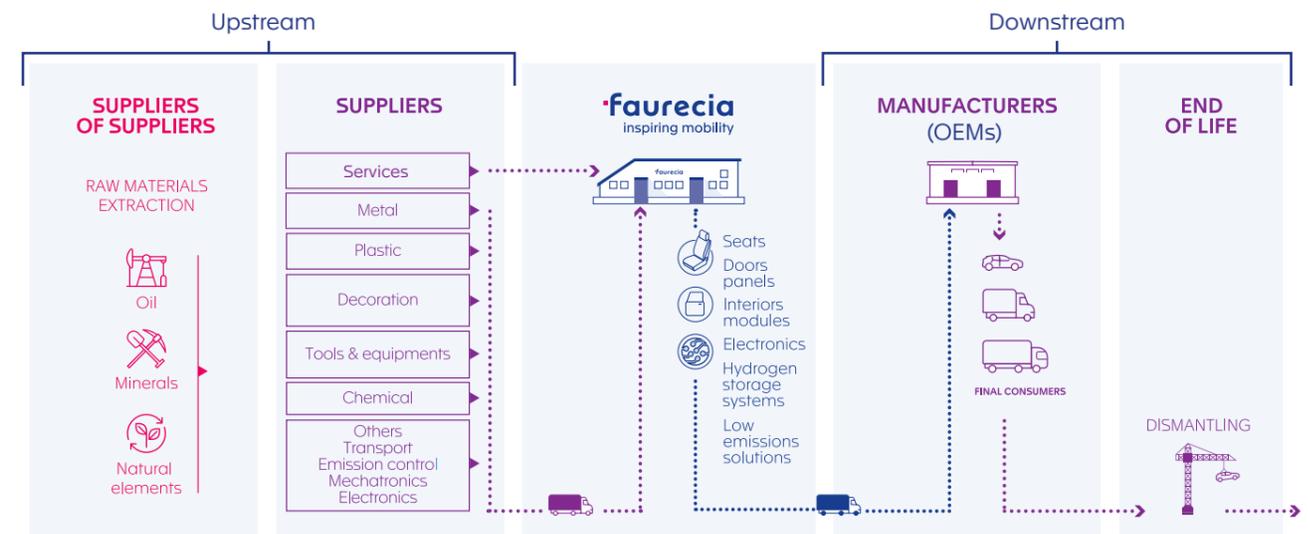
Environmental policy
Innovation & product life cycle
Natural resources preservation
Prohibited substances and materials
CO₂ emissions reduction

Business practices

No corruption & bribery
Fair competition
Loyalty
Management of conflicts of interest



Faurecia Supply Chain



3.2 Assessing sustainable practices of suppliers

Since 2017, Faurecia has been working with EcoVadis to carry out an in-depth assessment of its suppliers, focusing on their ethical, social, and environmental practices. That supplier assessment is a prerequisite to joining Faurecia's panel of suppliers, in order to make sure the suppliers satisfy specific criteria that are in line with Faurecia's values.

At the operational level, Faurecia ensures that its suppliers, through a robust process, meet its sustainability commitments in the sourcing phase and during serial life, in strict compliance with:

- REACH (the European Registration, Evaluation and Authorization of Chemicals)
- IMDS (International Material Data Collection System is the automotive industry material data system)
- Conflict minerals regulations: in order to curtail trade in some metal and minerals in conflict-affected and high-risk areas, Faurecia implements a process to provide transparency and certainty as regards the supply practices of importers, smelters and refiners. A similar process is defined to secure the respect of human rights and prevent child labor

3.3 Mitigating procurement risk

To anticipate any procurement event impacting production, the Group risk mapping integrates the key supplier risk management, overseen by the Risk Committee on a quarterly basis. In addition, Faurecia runs a constant supplier risk assessment process using an external data analytics tool that alerts the Groups about any material, financial, reputational and compliance risk.



100%
of the sourcing is covered with a no-go criterion on sustainability



2,481
suppliers assessed on their sustainability performance in 2020

Sustainability criteria is weighted at the same level as quality & financial criteria in supplier ratings



FOCUS

Collaborating with suppliers to reach CO₂ Neutrality

Suppliers with CO₂ goals in line with Faurecia's are key in moving towards carbon neutrality by 2030: **purchasing represents 70% of scope 3 controlled emissions.** This cornerstone in the supplier relationship development is structured around four pillars:

- Supplier commitment on CO₂ targets
- CO₂ impact assessment, based on a common IT platform for accurate CO₂ measurement
- Sharing good practices and existing data on energy efficiency and CO₂ emissions in plants
- Shared action plan in order to reduce the total CO₂ footprint

COVID-19
Sharing priorities with suppliers to ensure supply chain for a safe restart

Convinced that a safe restart could only happen if the entire supply chain was ready, Faurecia held two web conferences with more than 1,000 of its suppliers. In April 2020, the Group shared the current estimation of production levels during the first half of the year, Faurecia's measures to support its suppliers' liquidity, and the Group's "Safer Together" measures for the safety and protection of its employees.



Faurecia evaluated as a supplier for its customers, ranks Gold with a score of 69/100 in the 2020 EcoVadis sustainability rating, and is in the top 1% of the companies in its category rated by ecovadis.

Key Highlights

- **Faurecia Speak Up line and receipt of alerts open to suppliers**
The alert procedure was opened to all Group suppliers via the website. A systematic reminder is sent during business reviews with each supplier.
- **2020 EcoVadis Awards**
In 2020, Faurecia won the EcoVadis Outstanding Program Leadership award that recognizes the Group's sustainable purchasing strategy.
- **Faurecia assessed by suppliers**
1000 suppliers' satisfaction (representing 70% of the volume of direct industrial purchases) is measured every year, awarding the Group a score of 2.94 out of 4 in 2020.
- **Faurecia Supplier Council**
In October 2020, Faurecia created a Supplier Council that brings together representatives of 12 suppliers quarterly to discuss the challenges and trends for tomorrow. Three thematic working groups have been initiated on: Common PPA (Power Purchase Agreement); good practice sharing for energy saving; Increase usage of greener materials.

Key Figures

Responsible supply chain	2019	2020	2025
% of suppliers assessed on sustainability by EcoVadis	80%	87%	95%
Minimum EcoVadis score for suppliers in panel	35/100	35/100	55/100

People

Supporting teams and individuals in increasing their employability, preparing for change and working in a fulfilling environment.

Faurecia's people represent an essential pillar of the Group's success, which must be able to rely on the best teams around the world to maintain a competitive advantage, anticipate future trends, remain agile and invest in innovation.

The Group is committed to becoming a learning organization, supporting teams in developing skills, exploring professional interests and getting people to reach their full potential,

whilst offering managers and professionals the career management and development tools necessary in an industry in constant evolution. As well as being willing to attract top talent in all businesses, the Group aims to foster a learning environment that supports talent retention.

Diversity and Inclusion are also rooted in the Group's convictions: diversity in the workforce with regards to gender, place of origin, cultural or educational background, experience, or any other difference is a source of strength for the Group and its 114,000 employees worldwide. Finally, societal commitment is at the foundation of Faurecia's attention to people.

In support of employees' engagement in their local communities, the Group created the Faurecia Foundation in March 2020 to support local solidarity actions and projects carried out by employees to promote education, mobility and the environment.

2019	2020	2021
<p>Top Employer certification in 10 countries</p>	<p>Diversity target included in leaders' variable compensation</p>	<p>Commitment to maintain 1,400 jobs for apprentices, young graduates & VIEs</p>
<p>Faurecia Foundation creation</p>	<p>Faurecia signs the UN Women's Empowerment Principles</p>	<p>Diversity & Inclusion Digital Events: first WW Recognition Program</p>
	<p>Faurecia signs the UN Women's Empowerment Principles</p>	<p>Faurecia Foundation selects 11 employee projects</p>
	<p>Faur'ESO, Faurecia Employee Shareholding plan</p>	<p>Virtual recruitment fair with more than 800 apprenticeship contracts & internships</p>

Commitments for People

Further caring for our employees and communities

1 Learning organization

KEY PERFORMANCE INDICATORS	2019	2025
 Number of training hours per employee and per year	21.6h	25h

2 Diversity & inclusion

KEY PERFORMANCE INDICATORS	2019	2025
 % of women managers & professionals hired	30%	37%
 % of women who are managers & professionals	24.4%	30%
 % of non-Europeans among the top 300	34%	39%
 % of women among the top 300	15%	24%
 Engagement index based on the employee survey	64 pts	72 pts

3 Local solidarity actions

KEY PERFORMANCE INDICATORS	2019	2025
 % of employees involved in local projects	10%	15%

1. Learning organization

Our Vision

Faurecia's core businesses are undergoing a rapid transformation. The Group strives to ensure the employability of its employees throughout their working lives through learning, professional mobility and on-the-job training. This is the best guarantee for ensuring that everyone can reap the benefits of technological advances, innovation and changing work practices, whilst being prepared for change and challenges.

Since talent management is a key component of employee development, Faurecia has defined an HR strategy and best practices to attract and retain people in line with business needs, while fostering the development of all talents.



Our Approach

1.1 Promoting managerial values

The Faurecia corporate culture and management model seeks to promote three managerial values - entrepreneurship, accountability, autonomy, and three behavioral values - energy, respect, exemplarity. To bring this culture to life, Faurecia developed its Management Code, which is a practical guide for managers that provides a clear description of the exemplary behavior expected.

1.2 Training to support the Group's transformation

22,000 managers & professionals have access to Faurecia corporate university programs and services to support the development of skills required for the Group's transformation. All employees have access to the Learning Lab, the internal digital platform. The dedicated learning community "All on Board Connect" was also created to help employees have a better understanding of transformation issues.

Key areas of training

- Plant performance and optimal production start-up
- Customer offerings
- Technological expertise
- Managerial skills
- Value creation and entrepreneurial spirit
- Working methods for excellence or creativity
- International and intercultural management

1.3 Managing talents

Faurecia Talent management approach covers recruitment and onboarding as well as development and retention. The Group uses international volunteer programs as a key driver for achieving its young graduate recruitment goals and offers all new hires a personal induction program. Offering a great career and strong development opportunities are real retention assets. Faurecia ensures the competitiveness of its package in comparison to local markets through an annual assessment.



COVID-19

In the midst of the health crisis, an extraordinary meeting of the committee's officers was held to discuss the situation, the consequences of the crisis and the measures taken to ensure the gradual and progressive restart of the production activity under the best possible conditions.

1.4 Strengthening social dialogue

Faurecia pursues an active policy of dialogue and negotiation with employee representative bodies. In 2018, Faurecia created a **European company committee** composed of 25 members - distributed in proportion to the headcount of the countries where the Group operates in Europe -, which is committed to reinforcing economic and social dialogue. Additionally, 373 agreements (a record number) were signed in 2020 related to working conditions, pay and other forms of compensation, profit-sharing for employees, working hours and the provision of tools and/or digital processes.



Key Highlights

- **Apprentices, VIE contracts and PhD opportunities**
 In July 2020, the Group committed to maintaining existing recruitment programs for 2020 and 2021. The Group's human resources teams were mobilized to manage the recruitment of these positions until the end of 2020 in accordance with this ambition.
- **Faurecia Learning Lab**
 In 2020, the drastic reduction in face-to-face training was mainly offset by Faurecia's Learning Lab, which has become the essential training tool with more than 450 courses available in more than 20 languages. It saw an 80% increase in activity during the first lockdown in Europe.
- **"Top Employer Europe" label**
 Following audits carried out by the Top Employer Institute, Faurecia is among the companies which were awarded the "Top Employer Europe" label for 2021, which rewards companies for the excellence of their practices in terms of management of human capital.



Key Figures

Learning organization	2019	2020	2025
Number of training hours per employee and per year	21.6h	19.2h	25h

2. Diversity and inclusion

Our Vision

Faurecia is stepping up the promotion of diversity as a true strength and asset, generating a positive impact on performance and a source of innovation and motivation for all of the Group's employees.

Diversity, managed on a daily basis in line with the Group's values, convictions and Code of Ethics, encompasses all dimensions such as origin, religion, gender, handicap, sexual orientation, training experience, or any other difference.

Diversity is already part of Faurecia's culture and identity, with the 103 nationalities and backgrounds that have been key to its success. To create an inclusive culture where all forms of diversity are seen as real value for the company and to support this conviction, the Group adopted a gender diversity target and inclusion action plans and will create an internal Board Committee.



Our Approach

2.1 Promoting gender diversity

In order to promote gender equality, a Diversity Officer was appointed in 2019. Recruitment agencies were reviewed to raise awareness and Faurecia's country recruitment officers also promote gender balance. Since 2019, it has been mandatory to shortlist at least one female candidate in a recruitment process. A review of women's careers is also planned every year and the People Review was adapted in order to include a specific section on female talent at various levels within the Group.

In addition to these initial actions, the Group launched a program for recruiting high-potential female executives and reaching gender balance among Faurecia's 300 most senior executives. A program for the development of female talents, which will be built on mentoring, coaching and sponsorship, is also currently being finalized.

In 2020



The gender diversity engagement is steered by a Group Diversity Development Director who reports to the member of the Executive Committee in charge of Human Resources. Since 2016, an annual statistical analysis of pay equality has been carried out, showing no major differences. To involve the Group's 300 senior executives in the rollout of our diversity strategy, 10% of their long-term variable compensation is linked to the achievement of the gender diversity targets.

2.2 Developing people for diversity

Faurecia University ensures that diversity management is an integral part of the training delivered to managers and has handled training programs targeting women's leadership. A training course tailored for management committees designed with the consulting firm Korn Ferry was also rolled out in 2020 and delivered to more than 450 managers.

In 2020



2.3 Monitoring employee engagement

Since several years, Faurecia is monitoring the engagement of its population carefully through a satisfaction survey, which became annual in 2019. The survey mainly focuses on: the level of job satisfaction, the level of recommendation of Faurecia as a responsible employer & inclusion, the level of pride of belonging to the Group, and the level of trust and confidence in the strategy. This survey has been designed to give a view of all permanent employees' engagement providing key insights that are shared at site level.

2.4 Developing local employment with local managers

83% of Faurecia managers are recruited locally. The Group is making a point of promoting local employment for managerial positions in order to better understand and perform in specific cultural contexts.

Key Highlights

- Diversity & inclusion digital events**
In May 2021, Faurecia hosted a first-of-its-kind global event dedicated to diversity and inclusion. Two virtual sessions were organized to celebrate the many initiatives happening across the company. Focus was placed on gender diversity, an area where Faurecia is committed to progressing.
- Diversity champion network**
In 2020, Faurecia launched a diversity champion network of 40 ambassadors worldwide. Their role is to promote a Diverse & Inclusive culture in countries where the Group operates, through advocacy, events, workshops, and local activities.
- UN Global Women's Empowerment Principles**
In support of **WOMEN'S EMPOWERMENT PRINCIPLES**
Since 2020, Faurecia is a signatory of the UN Global Women's Empowerment Principles and commits to promoting gender equality and women's empowerment in the workplace.

Key Figures

Diversity & inclusion	2019	2020	2025
% of women managers & professionals hired	30%	33%	37%
% of women who are managers & professionals	24.4%	25.1%	30%
% of non-Europeans among the top 300	34%	34%	39%
% of women among the top 300	15%	16%	24%
Engagement index based on the employee survey	64 pts	76 pts	72 pts

3. Local solidarity actions

Our Vision

Faurecia is a member of the community in each region where it operates worldwide.

The Group contributes to economic development and the creation of social value locally and has a responsibility to maintain a frank and ongoing dialogue with the communities that surround its sites to ensure that its operations are harmoniously integrated into each region.

The Group aims to strengthen its commitment to local communities by initiating or contributing to projects and programs that address local needs and by offering its expertise and resources in support of such efforts.

The Group's societal engagement approach is based on local economic development, local solidarity actions as initiated by employees and the Faurecia Foundation.



Our Approach

3.1 Implementing societal action programs



Faurecia encourages solidarity initiatives at all of its sites by facilitating the employees' involvement in projects serving society and by offering its expertise to the regions where the Group operates. Each site is invited to design its own local and annual societal action plan and employees contribute significantly to local communities through voluntary initiatives, donations and time. In addition, the global initiative called FUELS ("Faurecia unites its employees around local solidarity actions") regularly mobilizes Faurecia sites and employees around initiatives with local communities. A digital platform gathering and highlighting local solidarity initiatives will be implemented to give the means to employees to act and to step up their social impact in the communities.

3.2 The Faurecia Corporate Foundation

In 2020, the Group officially launched the Faurecia Foundation, putting significant resources into supporting projects internationally in the countries in which the Group has a presence, focusing on three pillars: mobility, environment and education. Through the Foundation, employees are invited to submit their ideas for projects that have a concrete social impact, enabling employees to develop and deploy larger projects.

€1 million
/year budget

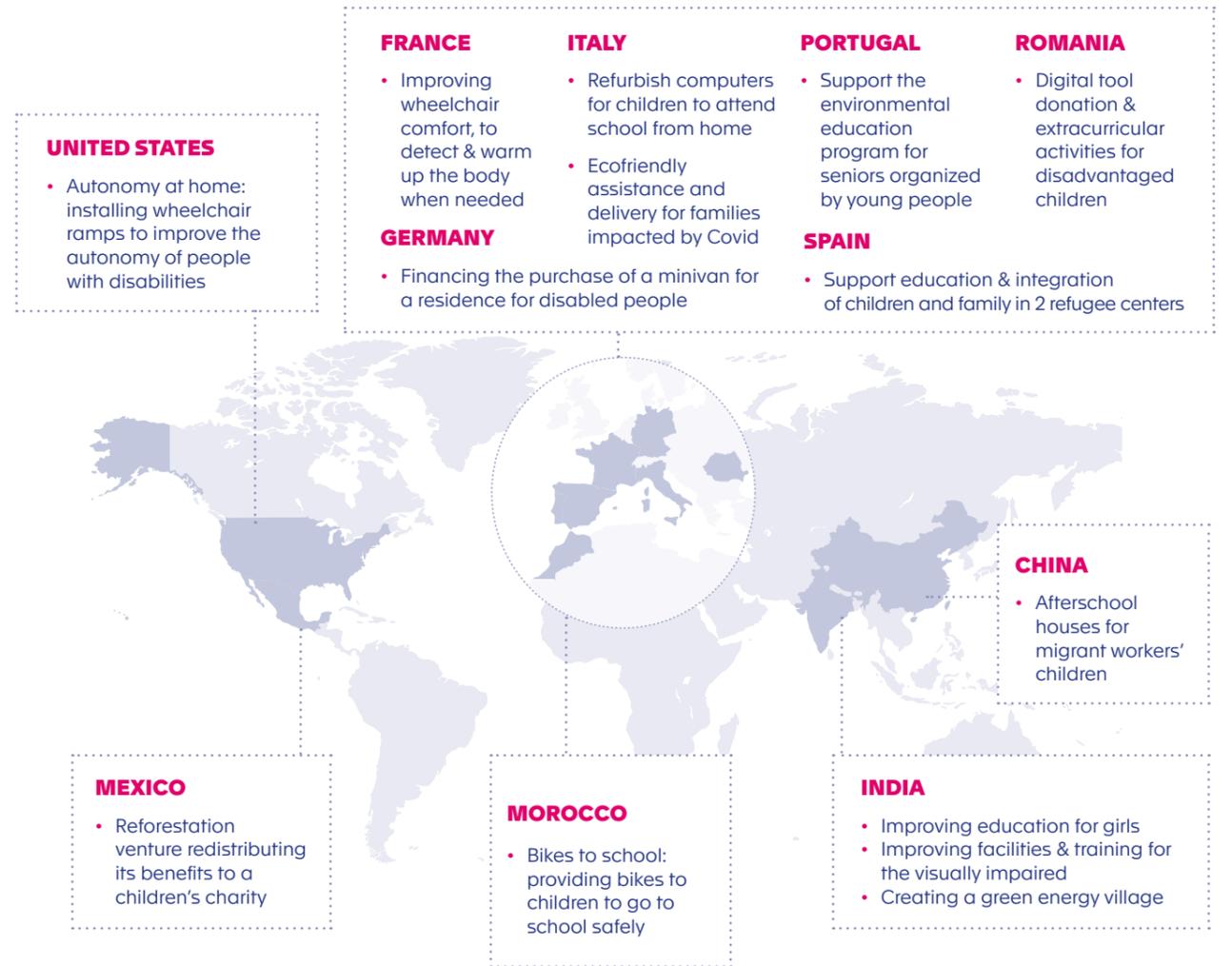


COVID-19

Faurecia solidarity in action during the pandemic

- Donation of masks and gowns to hospitals in Wuhan (China)
- Donation of 100,000 masks to a hospital in Colmar (France)
- Donation from the Faurecia Foundation to two French charitable initiatives:
 - €50,000 to Tous unis contre le virus, "All united against the virus" (support for health personnel)
 - €50,000 to #Gardonslelien, "#Keepintouch" (supporting contact between families and patients)
- Donation of 70% of the Group's internal visor production to "Visors of Hope"

EMPLOYEE SOLIDARITY PROJECTS SPONSORED BY THE FAURECIA FOUNDATION



Key Highlights

• Call for projects from the Faurecia Foundation

The second call for projects was launched in 2020 among Faurecia employees, who were mobilized to propose new projects. From the end of November 2020, the sites have selected the most promising projects, which ended in the hands of the Selection Committee in March 2021 for a final selection in April 2021.

• FUELS program

Each year, several solidarity and community-focused initiatives are led by employees worldwide, such as the FUELS program including fund-raising for local vulnerable populations in Brazil, road safety awareness days in Mexico, life saving actions in Poland and recycling and environmental protection in China.



Key Figures

Local solidarity actions	2019	2020	2025
% of employees involved in local projects	10%	10%	15%



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