

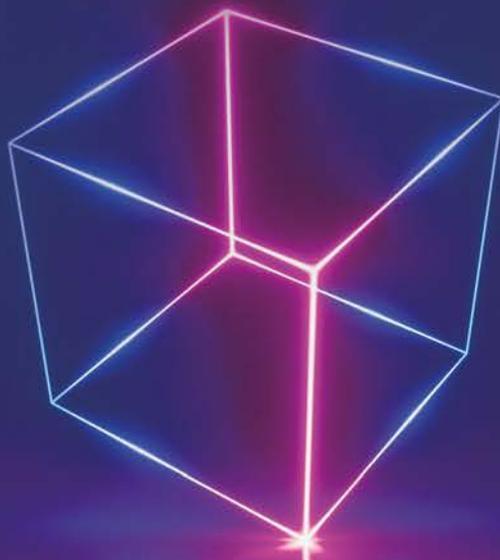
# MOBILITY IS EVOLVING

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# SO ARE WE

2021 Integrated Report

**FORVIA**  
faurecia



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This integrated report 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.

Faurecia is deeply engaged in meeting the challenges of the mobility revolution with innovative and sustainable solutions. This year we have driven a number of historic changes making us a stronger, more resilient and future-focused Group.

This document is the introductory chapter of Faurecia's 2021 Universal Registration Document. For further information please consult the Group's website [www.faurecia.com](http://www.faurecia.com)

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“Faurecia has the privilege to be supported by two very strong family investors with a long-term vision.”

**Michel de Rosen,**  
Chairman of the Board

**2021 has been a historic year for Faurecia. With the spin-off from Stellantis, we have said goodbye to the past. With the acquisition of HELLA, we enter the future.**

We successfully achieved the spin-off from our long-term shareholder Stellantis, which, as PSA, supported the development of our Group over the past twenty years. Becoming fully independent has been a long-term goal of Faurecia for many years. It followed naturally from the creation of Stellantis in early 2021. We have valued the continued support from PSA and look forward to serving Stellantis as a technology partner and customer in its own strategic ambitions.

The Board of Directors carefully follows industry evolutions, to ensure Faurecia is well positioned to respond to automotive megatrends such as electrification, automated driving, cockpit experiences and circular economy. In the context of the acceleration of key fast-growing

## | Foreword |

### from Michel de Rosen, Chairman of the Board

“With the acquisition of HELLA, we enter the future.”

technology areas, notably electronics and software, we decided to present an offer to acquire HELLA – a highly complementary and compatible company. We were delighted and proud that our offer was selected by the Hueck and Roepke family and the board of HELLA. This transformational acquisition broadens our portfolio, strengthens our leadership position in our different business activities and creates the conditions for future sustainable and profitable growth.

Since August, when the deal was announced, Faurecia and HELLA teams have worked closely together to structure our future collaboration for the benefit of our customers and all stakeholders. This next step in the Group's development also reflects a true Faurecia mindset. In a difficult context, with considerable pressure, we are accelerating our transformation.

Responsibility and sustainability are strongly shared convictions for both our companies. Faurecia has created a robust governance driving our environmental, social and societal commitments, embedded into decision-making at Board, Executive and all levels of the Group. Given the essential role of sustainability in the Group's strategy, in 2021 we expanded the scope and renamed one of our

three permanent Board committees as the Governance, Nominations and Sustainability Committee.

During this past year, we have also strengthened our governance and increased its independence, welcoming Jean-Bernard Lévy as Board member and Chairman of the Governance, Nominations and Sustainability Committee. We also welcomed Judy Curran as Board member on February 18, 2022, who will bring additional automotive and technology expertise. Following the acquisition of a controlling interest in HELLA, the appointment of Dr Jürgen Behrend to Faurecia's Board of Directors, as representative of the Hueck and Roepke family, will be proposed at the 2022 Faurecia shareholder meeting. Dr Behrend has forty years of automotive experience and will bring valuable operational expertise. Faurecia now has the privilege to be supported by two very strong family investors with a long-term vision - Peugeot 1810 and the Hueck and Roepke family, alongside our other significant shareholders, Exor and Bpifrance. We are convinced that the presence of such shareholders in our share capital and in our Board of Directors is a key asset and signal to the market of the Group's stability and strength.

Faurecia's annual shareholders meeting was an important occasion to present the Group's results, prospects, and strategy, as well as governance. It was also very special for us as we welcomed all the new shareholders coming from the distribution of Faurecia shares by Stellantis.

Last but not least, in order to support our new ambition, Faurecia and HELLA recently announced that the newly combined Group is named FORVIA. FORVIA embodies a Group committed to driving change in the mobility transition ahead and relies on the complementary technology and industrial strengths of Faurecia and HELLA. As we enter 2022, we look forward to collaborating on a common strategy to meet the major changes transforming our industry.

In this momentous year for Faurecia, on behalf of the Board, I thank Faurecia's management teams for their engagement, all employees for their performance throughout 2021 and all our shareholders for the confidence they have shown in our Group in this new page in our history.

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“We are now  
a system enabler  
combining hardware  
and software.”

**Patrick Koller,**  
Chief Executive Officer

## | Interview |

### Patrick Koller, Chief Executive Officer

#### 2021 was a foundational year for Faurecia. Before we go into detail, can you share the highlights?

**Patrick Koller:** Firstly, I want to thank our teams for their incredible resilience, commitment and performance in a year that has been a turning point in Faurecia's history. Together we have seen three key highlights. In March we became independent from Stellantis (ex PSA), with an enlarged international shareholder base, bringing us more visibility and greater autonomy. I would like to thank Stellantis for its continuous support over the years as a shareholder backing our company's transformation. A second was the success of our employee share ownership plan with a high subscription rate of 22%. It symbolizes employees' confidence in Faurecia's strategy and sustainable future, and their commitment to our CO<sub>2</sub> neutrality and diversity ambitions, and I would like to thank them again for that. Third, last August, we launched our operation to combine with HELLA, a major step forward in our ambition as a global technology leader. Within five months, we successfully achieved all the necessary steps to this significant acquisition, enabling us to launch our new Group – FORVIA – opening many new horizons for our business and people. We did all that while keeping a strong focus on delivering results despite a very challenging environment and a crisis lasting much longer than expected.

#### How does the acquisition of HELLA accelerate your strategy?

**P.K.:** It is an acquisition with a strong strategic rationale and growth path, giving us a broad portfolio across six Business Groups – Interiors, Seating, Electronics, Clean Mobility, Lighting and Lifecycle Solutions. This makes us a global player, and seventh largest Tier-1 supplier, designing and manufacturing solutions for safe, sustainable, advanced and customized mobility. To find an acquisition of this quality – in terms of technology, customer and geographic fit – is rare, and has been a unique opportunity for Faurecia. We will reduce our exposure to the internal combustion engine to about 10% of sales by 2025, while retaining great quality and profitability in our remaining activities in this business. This foresight has given us a leading edge within our industry.

“As FORVIA, we will be a stronger and more robust Group. We are targeting sales of above €33 billion in 2025.”

We share with HELLA strong convictions, especially for a low-carbon future. It's a combination that increases the scale and scope of two highly complementary companies with a shared automotive and performance culture. We are now a system enabler combining hardware and software. As FORVIA, we are targeting sales above €33 billion in 2025. Customers have reacted very positively to the news, especially as we will have a more international footprint, closer to them in different regions with an expanded network of R&D and production sites. Enhancing our technology offer and global presence will make FORVIA a more sought-after partner, as well as more attractive for the talented people we will need for our future.



### Does this also strengthen Faurecia's role in electromobility?

**P.K.:** Absolutely. HELLA has an interesting technology portfolio for battery-powered vehicles. Faurecia, for its part, is very advanced in hydrogen mobility, with notable contracts in 2021 with key players like SAIC, Stellantis and Renault. The success of these solutions has been demonstrated in different applications, from light commercial vehicles to heavy-duty trucks. Combining Faurecia and HELLA is positioning us more strongly on battery (BEV) and fuel cell electric vehicles (FCEV). In addition, we also have a market-leading expertise in solutions for hybrid powertrain, allowing us to support customers moving from ultra-low to zero-emissions mobility.

### Following the acquisition of Clarion in 2019, what additional electronics and software expertise does HELLA bring?

**P.K.:** It will enable us to grow from a €1 billion to €7 billion electronics business by 2025, reaching a critical size and capability that is important for our customers. Together, we offer a comprehensive technology portfolio covering Automated Driving, Energy Management, Sensors & Actuators, Lighting and Body Electronics, HMI and Displays. As software becomes increasingly central to automotive systems, we will be able to support our customers with solutions that can be adapted and upgraded over time. This supports our vision for Lifecycle Solutions of extending product lifecycle and vehicle value.

**“We will grow from a €1 billion to €7 billion electronics business by 2025 reaching a critical size and capability.”**

Also, combining HELLA's electronics, software and lighting with Faurecia's expertise in interiors, seating, HMI and displays, makes us uniquely placed to design attractive and customized user experiences in the cockpit of the future.

### 2021 was also marked by continued Covid-19 and a semi-conductor supply crisis. How have you managed these difficulties over the year?

**P.K.:** In terms of Covid-19, I would say that we have learned to live with it. The safety of our employees has continued to be our number one priority. We remain very attentive to the evolving health situation and have continuously adapted our “Safer Together” protocols in line with the latest research and public health recommendations.

Production has been more significantly affected by the semi-conductor crisis that disrupted our customers' activity and generated a permanent stop-and-go for Faurecia, requiring an incredible flexibility at operational sites. Our teams have done a great job in finding solutions to satisfy customer demand. There will be an easing of this situation, but not until H2 2022. Overall, 2021 has been a convergence of “crises”: Covid-19, supply disruptions and costs inflation. These have impacted Faurecia's results, but we have demonstrated our ability to continue to create value during this challenging period.

Next year, worldwide automotive production should rebound and the chip shortage is expected to ease in the second half of the year.

### What's your outlook for 2022 and beyond?

**P.K.:** 2021 was a foundational year for Faurecia as we gained our independence and accelerated our strategy. 2022 will be a year of consolidation, deleveraging and renewed ambition. From day one of our collaboration with HELLA we have been focused on enhancing competitiveness and driving new value creation, with a target of over €250m of synergies by 2025. Our key priority is performance – ensuring perfect execution of program launches, capitalizing on our expanded product lines, paying close attention to sustainable cash generation and deleveraging the company. I believe that our industry will rebound, and Faurecia will make a rapid return to profitable, long-term growth.

As FORVIA, we will be a stronger and more robust Group. We will continue to develop through the lens of sustainability by confirming a commitment to becoming CO<sub>2</sub> neutral in operations (scopes 1 & 2) by 2025 and CO<sub>2</sub> Net Zero no later than 2050.

“We have demonstrated our ability to continue to create value during this challenging period.”

### You mentioned the creation of FORVIA. What does this name signify?

**P.K.:** FORVIA symbolizes a Group committed to inspiring mobility. “For” evokes our foresight and role as a leading player in this major energy and environmental transformation. “Via” conveys the journey we are embarking on.

Our role in reshaping mobility of the future and our commitments to the planet, business and people will make us a company that will offer exciting careers for the next generations of talents who will join us, as well as those who are already part of our journey. I would like to thank everyone who is working in and with our Group to support this vision.

## HIGHLIGHTS 2021 & EARLY 2022

#### 08/03/21

Stellantis distributes its shares in Faurecia. Faurecia becomes an independent Group.

#### 16/03/21

Launch of Faurecia's first employee share ownership plan, Faur'ESO.

#### 31/05/21

Faurecia's first Annual General Meeting as an independent Group.

#### 30/06/21

Very high subscription to Faur'ESO. Employee share ownership around 2% of capital.

#### 14/08/21

Faurecia announces its intention to acquire HELLA to create a global leader in fast-growing automotive technologies.

#### 27/09/21

Launch of voluntary public takeover offer for outstanding shares in HELLA.

#### 31/01/2022

Faurecia holds a controlling interest with more than 80% of HELLA shares and becomes new HELLA controlling shareholder.

#### 07/02/2022

Creation of FORVIA.

# INNOVATION DRIVES THE AUTOMOTIVE INDUSTRY

|  
**SO  
DO  
WE**

Mobility is evolving fast. Our strategy is aligned with the megatrends shaping our industry: **onboard experiences, automated driving, zero-emissions mobility and sustainable automotive design – materials, energy efficiency, extending product life and increasing recyclability.** In 2021, we accelerated our transformation, creating a global technology leader thanks to our acquisition of a controlling interest in HELLA.

# A UNIQUE COLLABORATION TO DRIVE OUR TRANSFORMATION

With the acquisition of a controlling interest in HELLA, Faurecia and HELLA create FORVIA - a global automotive supplier with an advanced technology portfolio and innovation capability. Aligned with key industry megatrends and fast-growing technology areas, FORVIA is uniquely placed to bring solutions for a safe, sustainable, advanced and customized mobility.

**150,000**

EMPLOYEES  
& OVER 150 NATIONALITIES

**300**

PLANTS

**1 IN 2**

VEHICLES GLOBALLY EQUIPPED  
WITH FORVIA PRODUCTS

**#7 GLOBAL  
AUTOMOTIVE  
SUPPLIER**

**35,000**

ENGINEERS

**77 R&D  
CENTERS**

**800**

ACTIVE PROGRAMS IN 2021

PRESENCE IN

**42 COUNTRIES**

**>80**

CUSTOMERS

## FORVIA

## 6 BUSINESS GROUPS

**CLEAN MOBILITY**

**A full technology offer for every step of the zero-emission transition, from ultra-low emission powertrain technologies to power and energy management for battery and fuel cell electric vehicles.**

- Ultra-low emissions solutions for passenger vehicles
- Ultra-low emissions solutions for commercial vehicles
- Zero-emissions solutions

**LIGHTING**

**State-of-the-art lighting technologies, providing highest safety and comfort, efficiency and design.**

- Headlamps
- Rear Lamps
- Interior Lighting
- Car Body Lighting

**INTERIORS**

**Full interiors systems capability including the seamless integration of smart functionalities and development of new, sustainable materials.**

- Instrument Panels
- Door Panels
- Center Consoles
- Sustainable Materials
- SAS Cockpit Modules

**SEATING**

**Seats and seating systems that optimize the safety, comfort and wellbeing of occupants and eco-designed for customization and premium quality.**

- Complete Seats
- Mechanisms & Frames
- Covers & Comfort Solutions

**ELECTRONICS**

**A comprehensive portfolio for all market trends, drawing on technologies, capabilities and integration competencies of both Faurecia and HELLA.**

- Sensors & Actuators
- Automated Driving
- Lighting/Body Electronics
- Energy Management
- Cockpit Electronics
- HMI/Displays

**LIFECYCLE SOLUTIONS**

**Solutions for specialists, extending the vehicle lifecycle with spare parts as well as workshop equipment and applying OE know-how for special target groups.**

- Independent Aftermarket
- Workshop Solutions
- Special Original Equipment

SALES AMBITION FOR 2025

**>€33bn**

| WE SHAPE |

# SAFE MOBILITY

**WE RELENTLESSLY ENHANCE  
MOBILITY SAFETY – INSIDE AND OUT.**

**Safety is the most critical aspect of every vehicle and component, ensuring a secure environment for drivers, passengers and other road users.**

Many of FORVIA's technologies inside and outside the vehicle play a vital role in the design of safer mobility solutions. For example, Faurecia has developed active safety management systems linking seat structures, safety components and electronics to provide a safety cocoon in any position. Camera-based monitoring systems are essential for tracking driver drowsiness, distraction, handover readiness and mental availability.

Light is not only essential for both seeing and being seen: HELLA's high-performance technology also supports the energy efficiency of vehicles.

User-centered design expertise also allows us to develop intuitive HMI systems that play a key role in building trust between driver and vehicle as we shift to highly automated driving modes.

**Leveraging our expertise across a range of hardware, software and electronics, FORVIA provides a seamless integration of the different technologies that ensure a smoother, smarter and safer mobility.**

# -80%

**HELLA FLATLIGHT TECHNOLOGY CAN REDUCE  
ENERGY CONSUMPTION BY AROUND 80% COMPARED  
TO A CONVENTIONAL LED TAILLIGHT**





## TECH HIGHLIGHT



HELLA lighting technologies deliver superior performance, high design quality and improved energy efficiency.

| WE SHAPE |

# SUSTAINABLE MOBILITY

**WE FRAME EVERYTHING THROUGH THE LENS OF SUSTAINABILITY**

**Climate change affects every single person and community on our planet. We are playing our role in limiting its progression and ensuring sustainable development for future generations.**

FORVIA will continue to develop mobility solutions through the lens of sustainability, committed to becoming CO<sub>2</sub> neutral in operations (scopes 1 & 2) by 2025, and CO<sub>2</sub> Net Zero for all scopes including product usage by 2050 at the latest.

Electrification is a fundamental shift for the automotive industry. Faurecia and HELLA together support the powertrain needs of passenger vehicles, commercial trucks and industrial applications with efficient aftertreatment solutions for ultra-low emissions and comprehensive solutions for electrification - battery-powered and hydrogen mobility.

**With a broad technology portfolio and market-leading expertise, FORVIA is a unique partner supporting customers at every step in the transition to zero-emissions mobility.**

The switch to electric powertrains will extend vehicle use in the future, driving demand for replacing, improving or upgrading elements that wear out, age or go out of date. Combining the aftermarket repairs, services, special applications and sustainable materials development of Faurecia and HELLA also allows us to develop ways to extend product lifecycle and vehicle value, in line with a more circular economy approach.

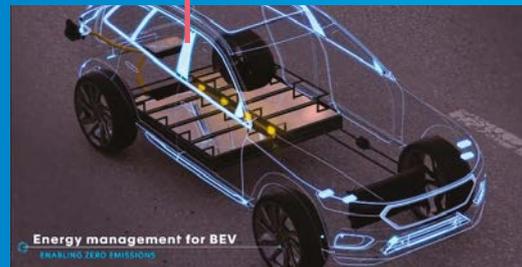


# €240m

**INVESTED BY FAURECIA SINCE 2018 IN R&D, MANUFACTURING, STRATEGIC PARTNERSHIPS AND ACQUISITIONS FOR HYDROGEN MOBILITY**



## TECH HIGHLIGHT



Faurecia and Symbio supply Stellantis with fuel cell stacks and hydrogen storage systems for its light commercial vehicle (LCV) ranges. This first LCV hydrogen mobility system at scale highlights our capability as a full systems provider.

| WE SHAPE |

# ADVANCED MOBILITY

**WE PROVIDE SOLUTIONS TO KEEP PEOPLE CONNECTED, PRODUCTIVE AND ENTERTAINED WHILE ON THE MOVE.**

**80% of vehicles will be connected by 2025, driven by safety legislation, customer expectations for infotainment and developments for automated and autonomous driving.**

Connectivity makes the car a digital enabler for today's always-on lifestyles. With seamless digital continuity, integrated wireless charging, customizable content and services, our advanced solutions feature all the technologies for a fully connected onboard experience.

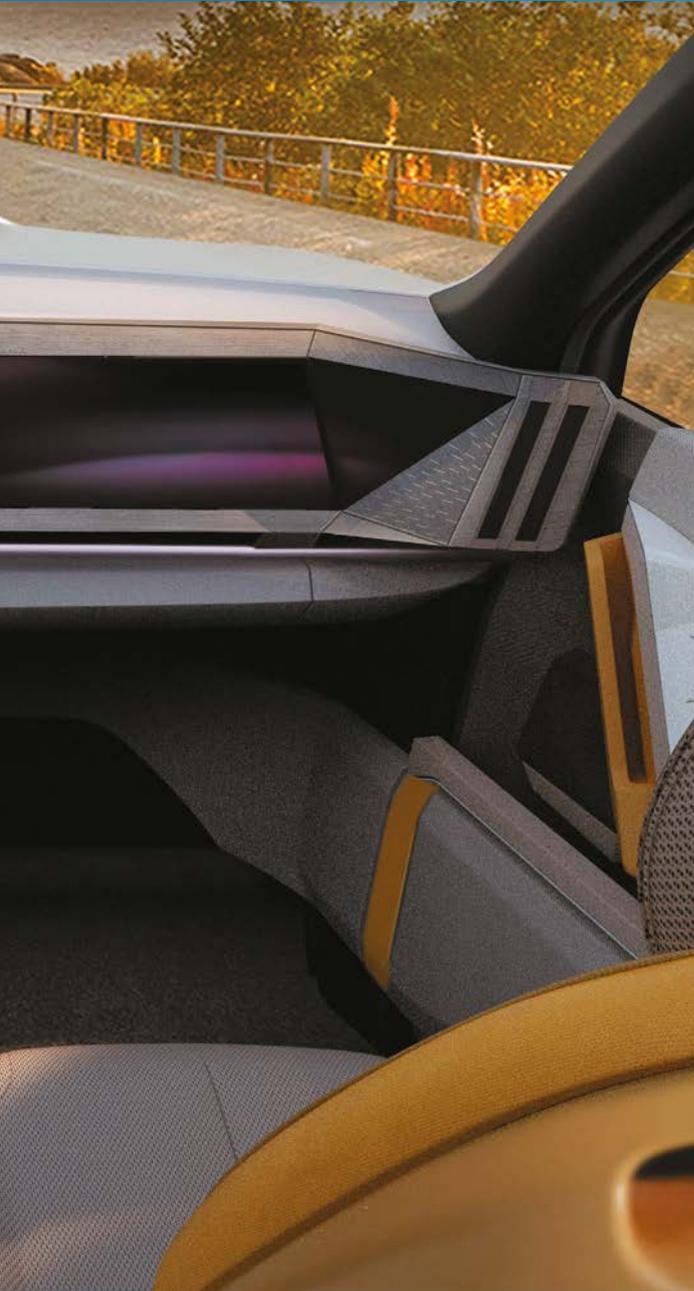
The connectivity and onboard intelligence required for automated and, in the future, autonomous driving requires a wide range of technologies. The higher the level of automation, the more complex the features and functions become.

Combining the lighting, steering and braking systems, electronics, radars, sensors, software, AI, and cybersecurity expertise of Faurecia and HELLA, FORVIA creates reliable data-driven systems that make mobility safer, less stressful and more pleasurable.

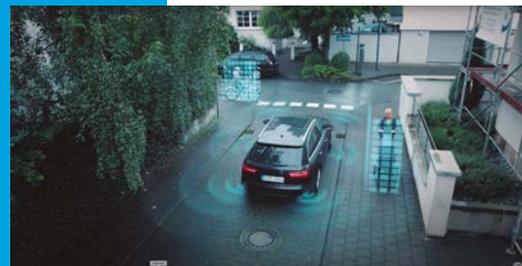


# 3 million

VEHICLES FEATURE FAURECIA  
APTOIDE'S APP STORE



## TECH HIGHLIGHT



Faurecia has achieved the highest global cybersecurity standard ISO 21434, ensuring safe hardware and software operations as vehicles become more connected and automated.

| WE SHAPE |

# CUSTOMIZED MOBILITY

**WE OFFER SOLUTIONS FOR CUSTOMIZED, AESTHETIC AND EMOTIONAL EXPERIENCES.**

**Because every occupant is different, we focus on designing a versatile and customized environment that adapts to each occupant's needs – whether it is for individual comfort or for shared activities and enjoyment.**

Our system engineering experience across the full cockpit interior allows us to create solutions that enhance user experience. Examples include thermal comfort systems that automatically adjust to each occupant, smart displays that improve visibility and readability, intelligent seating that alleviates potential back pain and counteracts fatigue, and ambient interior lighting. Integrating high-definition screens with dynamic lighting and user interfaces, we show how to transform the instrument panel into a unique and interactive smart surface, bringing occupants an intuitive and immersive experience.

**Informed by consumer intelligence and technology insight, with a portfolio spanning seating, interiors, lighting and electronics, we create solutions that enhance people's comfort, wellness and pleasure.**



# 30%

**FASTER TIME TO SENSATION WITH FAURECIA'S INDIVIDUALIZED THERMAL COMFORT SOLUTION**



## TECH HIGHLIGHT



Faurecia's Seat for Me aims to ensure people feel as good at the end of the trip as when they set out. It provides relaxing or reinvigorating experiences using haptic vibes, pneumatic massage and personalized sound through the headrest.

# INNOVATION AT THE HEART OF OUR STRATEGY



Faurecia has based its innovation strategy on a best-in-class ecosystem of partners to accelerate time to market and to integrate key competences for its safe, sustainable, advanced and customized mobility solutions.

INNOVATION

### Technology partnerships

with industrial companies such as ZF for the development of disruptive and differentiating safety technologies, or with Saint-Gobain Sekurit to collaborate on technologies for thermal comfort and energy saving.

Working with, or acquiring, **startups** such as IRYStec to enable the personalization of displays according to the driver's vision and ambient light conditions giving a safer and more comfortable user experience at a lower cost.



Partnering with **academic institutions** such as the École Centrale de Nantes for composites, the Collège de France for polymers and fuel cell technologies, Technische Universität Dortmund for metals, Centrale Supélec-Esigelec for mechatronics and the Indian Institute of Science for sensors.

### Creating Joint Ventures

to share investment and benefit from complementary expertise such as with Michelin for fuel cell systems or Aptoide for an onboard app store.

### The Group has also developed **key partnerships for its major initiatives:**

- With Schneider Electric, Engie, KPMG and Artelia to accelerate Faurecia's CO<sub>2</sub> neutrality program ;
- With Accenture for Artificial Intelligence, Microsoft for cloud strategy, Palantir for data analysis and GuardKnox for cybersecurity to accelerate digital transformation.

In addition, Faurecia plays a key role in associations and think tanks such as Movin'On, the Hydrogen Council and the World Materials Forum for sustainable mobility.

## FOCUS

**LIGHTING INNOVATION**

New use cases for driver safety and wellbeing are stimulating innovation around interior lighting, from ambient surface lighting, lighting for driving alerts or to enhance thermal comfort. Faurecia and HELLA have been collaborating since 2018 on innovative interior lighting solutions, providing an integrated approach across lighting systems, software and electronics to surface materials and assembly into interior modules. Pooling expertise and resources accelerates leading-edge design and innovation, reducing development and tooling costs as well as providing a simpler and more efficient way of working with customers. This has led to a series of lighting projects with leading German and European customers, ranging from interior lighting in door panels to dynamic surface lighting and decorative backlighting. All have benefitted from Faurecia and HELLA innovation around immersive lighting concepts and next-generation cockpit experiences.

**FORVIA**

## R&amp;D CENTERS

**77**SOFTWARE & DATA  
ENGINEERS**2,650**TOTAL PATENT  
FILINGS IN 2021**1,493**PATENTS IN  
PORTFOLIO**14,476****A SCIENTIFIC COUNCIL  
TO BRING TECHNOLOGY INSIGHTS**

The automotive industry is at the heart of a major technology evolution. Trends from energy applications, AI, material sciences, to cognitive sciences and circular economy techniques, have the potential to reshape the future of mobility.

Faurecia has always had a proactive approach to maintaining and increasing its technology leadership through an open innovation ecosystem of academic and research partnerships. To strengthen its ability to understand, analyze and anticipate new technology applications, the Group created a Scientific Council.

Faurecia's Scientific Council is composed of high-level representatives of globally renowned scientific institutions such as the Collège de France, the CNRS (French National Research Center) and the CEA (Alternative Energies and Atomic Energy Commission) and École Polytechnique. Its members provide a global and comprehensive overview on latest technology and science developments, propose new areas for investigation, make global assessments and define different scenarios to help in technology deployment.

# AN EVEN MORE VALUED PARTNER FOR CUSTOMERS

Faurecia has built a company culture centered on our customers and focused on continually improving how we serve them, with the goal of being their preferred supplier and partner. The confidence of Faurecia's customers in our strategy is expressed both through the numerous awards that customers give to the Group, and its record order intake over the past few years.



CUSTOMERS

## CUSTOMER CONFIDENCE AND RECOGNITION

Faurecia saw a marked increase in customer recognition this year, with over 70 awards in 2021 for global performance, manufacturing excellence, cost savings and innovation.

In particular, the Group received the Overdrive Award and General Motors Supplier of the Year Award, Best Supplier Performance from Renault, Nissan Quality Award and Hyundai Logistics Excellence Award.

For the third consecutive year HELLA was General Motors Supplier of the Year, this time even in two categories: Autonomous/Active Safety Technologies and Lighting & Bulbs.

**70**

RECOGNITION AWARDS IN 2021 FOR FAURECIA

FAURECIA

**€75bn**

3 YEAR ROLLING ORDER INTAKE 2019-2021

## STRONG COMMERCIAL MOMENTUM

By the end of 2021, Faurecia's three-year rolling order intake represented €75bn of sales. Key business awards demonstrate Faurecia's commercial momentum, such as Seating Division's success with the VW Passat and Skoda Superb, Renault Echo 5 and BMW NCAR platform for complete seats. For premium interiors, Faurecia was awarded the center console for the Fiat Chrysler DT Ram, VW Passat and Skoda Superb. Clean Mobility is providing complete aftertreatment systems for Stellantis, for on-road heavy-duty trucks from DAF (produced in Europe) and hydrogen storage solutions, notably for Stellantis and Renault zero-emissions vehicles. SAS Interior Modules won several major business awards including the cockpit and center console assembly of Porsche Macan and Panamera successor and the VW Nivus & Polo.

The Stellantis smart car IVI award for Europe, LATAM and Russia has been a notable win for Faurecia Clarion Electronics. Seating expanded its volumes in China with complete seats for Nissan Rogue and Qashqai X-Trail. Interiors continues to meet increasing worldwide demand for sustainable structural components based on its bio-composite ranges NAFI-Lean and NFPP.

### FAURECIA<sup>(1)</sup>

NEW PROGRAMS  
LAUNCHED IN 2021

**213**

NUMBER OF PLANTS  
INVOLVED

**142**

### HELLA<sup>(2)</sup>

NEW PROGRAMS  
LAUNCHED IN 2021

**382**

NUMBER OF PLANTS  
INVOLVED

**28**

FOCUS

### HELLA KEY PROGRAM LAUNCHES

**| ADAS**

First launch of 77 GHz radar sensors for passenger cars.

**| ELECTRONICS**

Launch of new steering electronics production in Mexico.

**| ELECTROMOBILITY**

Start of series production of high-voltage battery management system (second generation).

**| LIGHTING**

Further launches of SSL100 headlamp in Germany and China.

1- Faurecia figures: 01/01/21 - 31/12/21  
2- HELLA figures: 01/06/20 - 31/05/21

## TOTAL CUSTOMER SATISFACTION DRIVEN BY OPERATIONAL EXCELLENCE

Faurecia's focus on Total Customer Satisfaction (TCS) is a key driver of the Group's transformation. In order to understand our customers' view of Faurecia, we capture a holistic picture of both performance and perception across the entire value chain, from innovation to after-sales.

Using traditional quality metrics as well as sentiment analysis through our Five-Star Customer Experience app, we are able to understand more completely what we are doing well and where there is an opportunity to improve.

Faurecia has received over 3,260 customer responses via the Five-Star customer experience app used by over 1,100 unique users and recorded an average of 4.5 stars for 2021.

Faurecia has continued strengthening its customer-centered culture which is now fully embedded in the relationship between Faurecia and its clients. In 2021, we began deployment of a Five-Star Fundamentals

program, training over 1,300 employees and 40 experts/ trainers across our global business, and dedicated the theme of our 2021 World Quality Week to "seeing through our customers' eyes" in order to better understand the level of service we provide.



# OPERATIONS: CONNECTED, AUTOMATED, DATA DRIVEN

OPERATIONS |



In today's automotive environment, agility and flexibility are key success factors. Faurecia began its digital manufacturing transformation in 2017 with the objective of improving industrial quality, efficiency and cost competitiveness through a reactive production and supply chain. Actively supporting the goal of five-star Total Customer Satisfaction, as well as the Group's sustainability commitments, the program has already generated more than €250m of full year savings.

**T**his industrial strategy has driven the adoption of smart automation tools and new digital management control solutions - transforming the assembly and handling of products, as well as the monitoring of operational performance.

By the end of 2021 over 2,500 smart robots and Automated Guided Vehicles (AGVs) were in use across our plants. Data-driven analysis systems aim to further increase agility in plant management, improve predictive maintenance and boost efficiency in industrial processes. More than 15 data-driven use case projects were launched in 2021.



**DEPLOYMENT OF THE NEW MODEL PLANT APPROACH:**

from  
**22 plants**  
in 2021  
**to 170**  
in 2025



## THE MODEL PLANT APPROACH

Faurecia's Factory of the Future is a highly strategic program that sets out the foundation of the Group's digital production system. We have adopted an agile approach, defining digital manufacturing standards and a tool box, testing these in three pilot plants before rolling them out globally across our industrial footprint. In 2021, 22 sites adopted the model plant approach and we are aiming to deploy it in 170 plants by 2025. Pilots have shown an investment payback in less than a year and gains in operating income.

Large-scale data capture and analysis are vital for this digital transformation. Faurecia has also been strengthening knowledge and skills through the creation of new job profiles and training. The new role of Plant Digital Manager (PDM) will drive each site's digital roadmap, covering topics ranging from smart automation and model plant implementation, to connectivity and data management. Over the past two years, Faurecia has been ramping up its Digital Academy, focusing on four key digital skills areas. The model plant deployment achieved in 2021 is enabling the Group to develop a core network of internal experts who will become trainers for the next plants migrating to a digital production system.

## FOSTERING A PERFORMANCE CULTURE IN OPERATIONS

Continuous improvement is central to competitive industrial ecosystems. At Faurecia, teams are engaged in improving the performance of every single plant. In line with the Faurecia Excellence System principles, teams are involved in enhancing customer satisfaction, increasing operations efficiency and quality, speeding up digital transformation, and reducing production costs at their locations. To recognize efforts and celebrate results, Faurecia organizes internal "challenges" focusing on different performance enablers. Best teams and plants are recognized and local events held to highlight

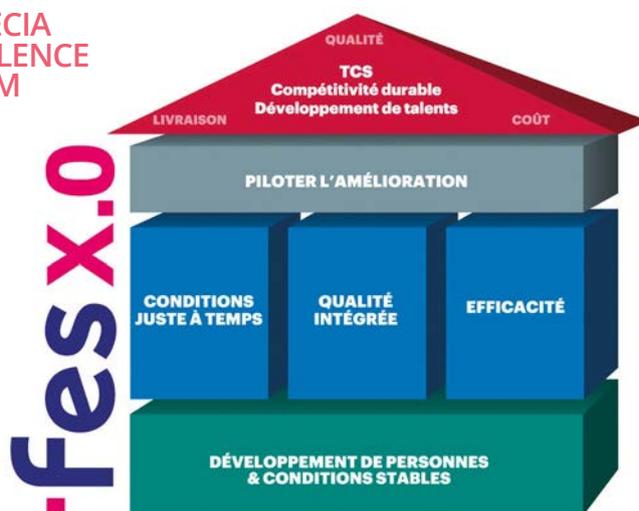
achievements. This healthy worldwide internal competition fosters not only performance but also the sharing of good practices between teams across the Group.

**292**  
PROJECTS

OVER  
**550**  
PARTICIPANTS

**10**  
GLOBAL  
WINNERS

### FAURECIA EXCELLENCE SYSTEM



# OUR VALUE CREATION MODEL

## FAURECIA RESOURCES



### PEOPLE

- **111,000** employees:
- **146** nationalities in **33** countries
- **5 Faurecia University campuses**
- **90,400** employees connected to e-learning platform, **51%** of whom are operators



### BUSINESS

- **€1,219m** gross R&D expenditure
- Global **innovation ecosystem**
- **213** programs launched in **27** countries and **142** plants



### PLANET

- **€13M** invested in environmental protection of which **70% (€9M)** for energy efficiency
- **85%** of sites ISO 14001 certified

## STRATEGY & OPERATIONAL MODEL

FORVIA

inspiring mobility



### STRATEGIC PILLARS



Safe mobility



Sustainable mobility



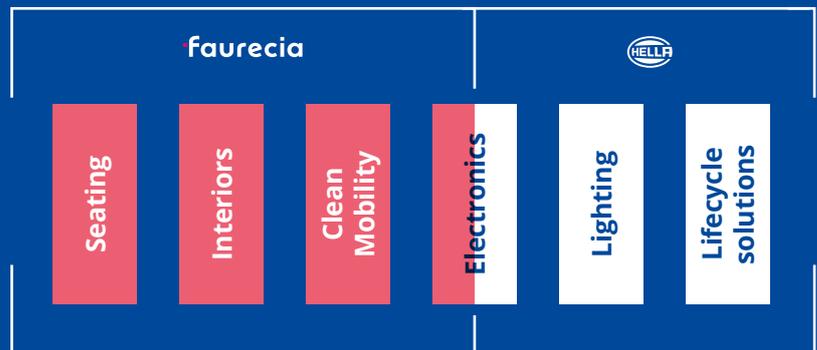
Advanced mobility



Customized mobility



### 6 BUSINESS GROUPS



CO<sub>2</sub> Net Zero by 2050

OPERATIONS EXCELLENCE

## SHARED VALUE CREATION - FAURECIA 2021

Investment  
in innovation  
& strong  
ecosystem

Convictions  
and Values  
for sustainable  
performance

Operational  
excellence and  
Total Customer  
Satisfaction



### PEOPLE

- **27%** female M&Ps in 2021, up from **25.1%** in 2020
- **21%** of women among the top 300, up from **16%** in 2020
- **22.6** hours of training per employee in 2021
- **FR1t 1.33** accidents in 2021, down by **17%** versus 2020



### BUSINESS

- **574** first patent filings in 2021
- **97%** of our supplier panel CSR screened by EcoVadis
- Customer satisfaction: **4.5** stars out of 5
- **70** customer recognition awards



### PLANET

- Energy intensity: **115 MWh/€** million of sales of which **18%** renewable energy
- Water intensity: **174,9 m<sup>3</sup>/€ million** of sales
- CO<sub>2</sub> intensity: **46.6** metrics tons of CO<sub>2</sub> equivalent/€ million sales (scopes 1 & 2)

#### 2021 REVENUES

**€15,618m**

#### EMPLOYEES' SALARIES & SOCIAL CHARGES

**€3,523m**  
24.4%

#### SHAREHOLDERS' DIVIDENDS

**€66m**  
0.5%

#### BANKS FINANCE COSTS

**€207m**  
1.4%

#### STATES/COMMUNITIES TAXES

**€190m**  
1.3%

#### SUPPLIERS PURCHASES & OTHER EXTERNAL COSTS

**€10,868m**  
75.2%

### ABILITY TO FINANCE FUTURE GROWTH

#### INVESTMENTS IN FIXED ASSETS

**€530m**  
3.7%

#### GROSS R&D EXPENDITURE

**€1,219m**  
8.4%

#### INVESTMENTS IN ACQUISITIONS

**€113m**  
0.8%

# SUSTAINABILITY IS A COLLECTIVE CHALLENGE

|  
**SO  
WE  
ACT**

Faurecia has always worked to inspire the future of mobility. Our convictions reflect our responsibility 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.



# FROM CONVICTIONS TO ACTIONS

## FAURECIA'S SUSTAINABILITY ROADMAP

Faurecia has translated its convictions into concrete action plans with quantifiable progress targets for 2025 and 2030 for climate. Our sustainability strategy has three key pillars:



### Planet

#### Care for the planet

- Environmental footprint in operations
- Circular economy for products
- Investments for sustainable technologies



### Business

#### Perform in a responsible way

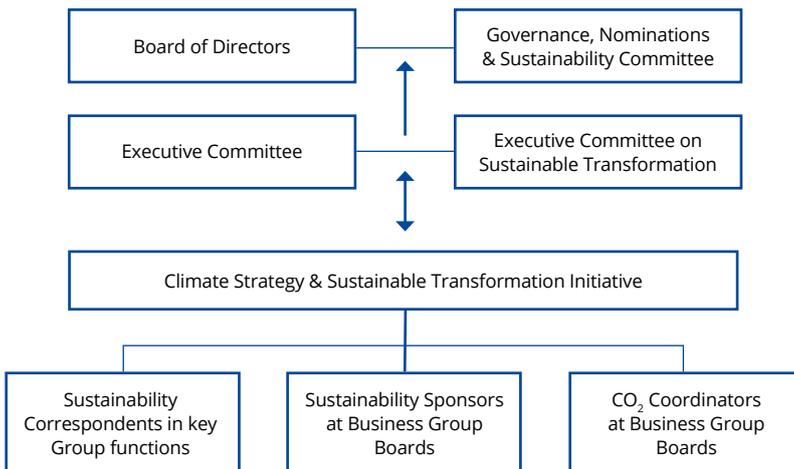
- Business ethics
- Safety
- Responsible value chain



### People

#### Contribute to society

- Learning organization
- Diversity & inclusion
- Local solidarity actions



## ROBUST GOVERNANCE DRIVING GROUP SUSTAINABILITY STRATEGY

Sustainability is integrated into Faurecia's corporate governance and embedded in the Group's strategy, decision-making and processes. From governance bodies at Board and Executive levels, to decision-making involving all levels of the company, Faurecia takes into account every financial, societal, social and environmental challenge.

Each governance body handles sustainability issues within its area of expertise. Sustainability is led at Executive level by Yann Brillat-Savarin, EVP Strategy and Sustainability, in conjunction with a dedicated Executive Committee on Sustainable Transformation.



## SUSTAINABILITY IS EMBEDDED IN THE GROUP'S PROCESSES AND DECISION-MAKING

### Integrating mapping of extra-financial risks

Faurecia's extra-financial risks and opportunities, which include key corporate social responsibility issues, have been identified through a materiality analysis. These are annually reviewed and updated as part of the Group's risk mapping and management process.

### Sustainability in internal strategic planning

Within the annual strategic plan process, each Business Group presents to the Executive Committee details (planning, budget, resources, KPIs) on how it will implement sustainability goals such as CO<sub>2</sub> footprint reduction.

### Compensation linked to sustainability criteria

Sustainability criteria are also integrated into the compensation of Faurecia's Chief Executive Officer, our Top 300 leaders and an additional 4,800 managers across the Group. These include qualitative objectives linked to the sustainability roadmap, on gender diversity targets (for long-term incentives) and starting in 2022 on CO<sub>2</sub> neutrality (for short-term incentives).

### CO<sub>2</sub> internal price to guide investment decisions

Regulations, taxes and incentives will soon penalize the CO<sub>2</sub> footprint of vehicles. Since 2021, Faurecia has defined an internal CO<sub>2</sub> price of €75/tCO<sub>2</sub> to steer investment decisions for the development of new products as well as incentivizing teams to improve CO<sub>2</sub> impact over serial life.

## SUSTAINABILITY ECOSYSTEM

Faurecia relies on recognized partners and methodologies to develop and monitor its sustainability strategy, as well as international reporting frameworks and certifications to ensure transparency and guarantee the quality of its management systems and processes.



Faurecia strongly supports the United Nations Sustainable Development Goals and contributes to environmental issues through its Sustainability roadmap.



Faurecia has been a signatory of the 10 principles of the Global Compact since 2004.



Faurecia's emissions reduction targets have been approved by the Science-Based Targets initiative under the most ambitious scenario of 1.5°C. Faurecia has committed to the new Net Zero standard by 2050.



Faurecia applies the recommendations of the Task Force on Climate-related Financial Disclosure and publishes it in its annual report.



Faurecia has been a signatory of the WEP principles since 2020, promoting gender equality and the empowerment of women in the workplace.



Faurecia prepares its Extra-Financial Performance Declaration and reporting in accordance with the Global Reporting Initiative standards, core option.



The Group has integrated the recommendations made by the Sustainability Accounting Standards Board in its materiality analysis.



Faurecia has been working with EcoVadis since 2017 to evaluate the ethical, social, and environmental practices of its suppliers.

# PLANET



Faurecia is committed to becoming CO<sub>2</sub> neutral by 2025 for scopes 1 & 2, and reduce by 50% its scope 3 controlled emissions focusing on three main levers: use less, use better, use longer. Through this, we aim to both reduce our environmental impact and create long-term value across our entire supply chain.

## BY 2025

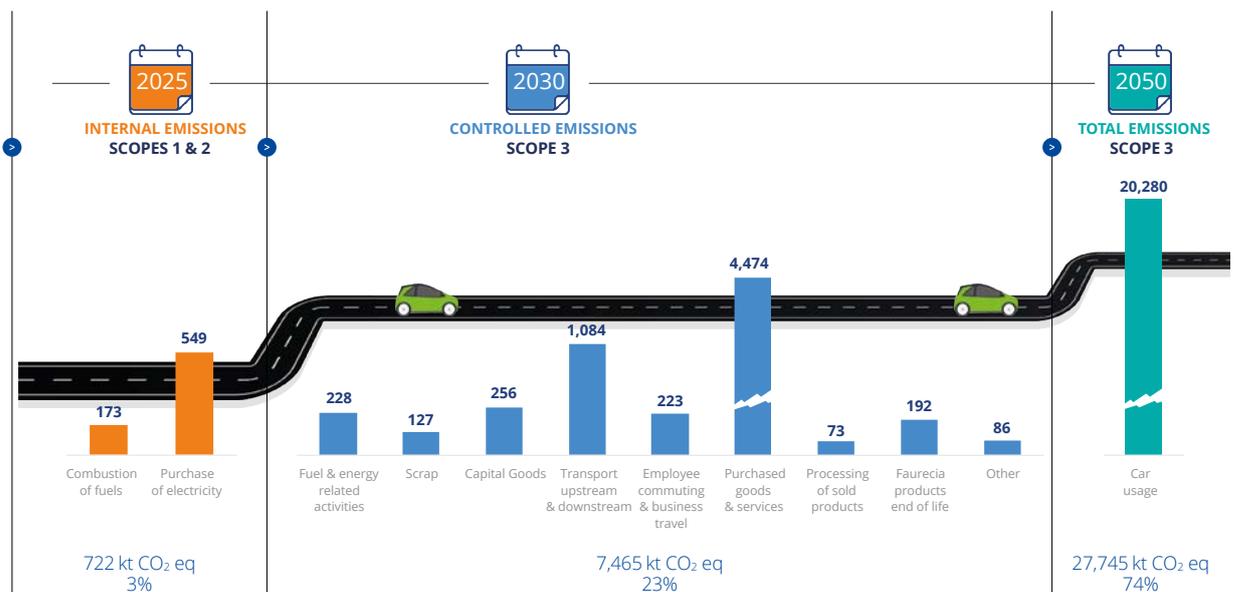
Neutralize the CO<sub>2</sub> footprint of all sites through energy saving and the use of decarbonated electricity and heat. A roadmap approved by the Science-Based Target initiative (SBTi).

## BY 2030

Reduce by 50% scope 3 controlled emissions through low-CO<sub>2</sub> transport and redesigned products using sustainable input, including recycled materials and biomass.

## BY 2050

CO<sub>2</sub> neutral for total emissions as the whole industry moves towards zero-emissions mobility and a circular economy.



Faurecia 2021 emissions (in kilo tons CO<sub>2</sub> equivalent)

## ENVIRONMENTAL FOOTPRINT IN OPERATIONS

Since our 2020 commitment to become CO<sub>2</sub> neutral in operations within five years, Faurecia has been ramping up deployment of actions to reduce and control our impacts on the planet.

### Use less: energy efficiency

In 2021, we conducted energy-saving audits in 140 sites together with Engie and Schneider Electric, representing an annual baseline of about 800 GWh worth of energy consumption. Our target is to reduce this energy consumption by 15% in 2023 compared to 2019.

### Use better: renewable energy

With the support of KPMG, we have signed a framework agreement with Engie and EDP to equip 150 sites globally with solar panels for a cumulated power of 150 MWp by mid-2023. This will represent a scope 2 CO<sub>2</sub> footprint reduction of about 5 to 7% compared to 2019.

## CIRCULAR ECONOMY APPROACH

We are moving away from a "take, make and waste" paradigm in favor of a circular economy by considering the full lifecycle of products. Faurecia focuses on improving eco-design - increasing the use of sustainable materials, lean architecture, low-energy manufacturing and extending product life through the possibility of recycling at end-of-life.

### Use less: industry partnership for sustainable design and circular economy

In 2021, Faurecia, with Renault, the CEA and MTB Recycling, created the DECORE consortium to accelerate sustainable cockpit solutions using bio-sourced and recycled materials, and increase vehicle lifetime through retrofit and refurbishment. Faurecia is contributing the expertise from its Seat for the Planet innovation, which for example has already found ways to reduce the complexity of seating components from 80 to 20 modules in order to facilitate assembly and

disassembly for upgrading and simplify recycling. Backed by over €10m of government financing to develop circular economy approaches, DECORE aims to design cockpits using 40% recycled materials and with -85% CO<sub>2</sub> impact by 2030.

### Use better: fossil-free steel

Steel represents around 40% of Faurecia's CO<sub>2</sub> emissions for its controlled scopes. Partnering with Swedish steelmaker SSAB, Faurecia will be the first to develop and equip ultra-low CO<sub>2</sub> seat structures with

fossil-free steel by 2026. SSAB's fossil-free steel uses hydrogen and zero-carbon electricity instead of coking coal and other fossil fuels.

### Use longer: electronics repair

Faurecia Clarion Electronics offers a multi-brand repair service throughout Europe for a wide range of components including monitors, infotainment, engine and body control units, and instrument panels. By refurbishing, repairing and replacing electronic components, we can reduce their CO<sub>2</sub> footprint by up to 85%.

# -15%

ENERGY CONSUMPTION  
IN INDUSTRIAL SITES  
BY 2023 VS 2019



## INVESTMENTS FOR SUSTAINABLE TECHNOLOGIES

In June 2021, we created a dedicated Sustainable Materials division, drawing on Faurecia's expertise and unique portfolio of innovative materials. It will focus on enriching the Group's range of low CO<sub>2</sub> materials, such as alternatives to animal leathers, more sustainable carbon-fiber used for hydrogen tanks or new material compounds. Supported by a best-in-class industrial and academic ecosystem, this Division is targeting sales of €3bn by 2030.

TARGETING SALES OF  
**€3bn**  
BY 2030

# BUSINESS



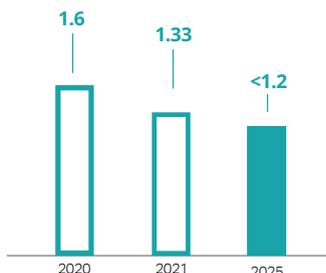
**Faurecia has become a leader in the automotive industry thanks to its dedication to innovation, quality, safety and business ethics. These essential values are incorporated in all aspects of Group activities to ensure total customer satisfaction, product safety, the health and wellbeing of employees and a strong and sustainable ecosystem of suppliers and stakeholders across the value chain.**



## SAFETY

We seek to provide a safe work environment to all our employees while putting quality and service at the core of operational excellence. The Faurecia Excellence System (FES) supports the safety of people at work on a daily basis. It is based on active methods to prevent risks in all production activities, and is used in parallel with CARE, Faurecia's occupational safety management system. In addition to continuous training and communication, we conduct annual audits at all sites to evaluate risk, prevention and compliance with safety fundamentals.

Accidents per million hours worked without a day lost (FR1t)



By implementing a zero-defect culture, we ensure the safety of products. FES, designed to continuously improve quality, cost, delivery, and people performance, is aligned with quality, environmental, and safety standards of the automotive industry. We also deploy a program management system, including program audits, to track quality. Comprehensive tests are carried out in design and production for all products that support safety to ensure full quality control.

## FAURECIA PRODUCT QUALITY & SAFETY CERTIFICATION

**100%**  
Faurecia sites are IATF 16 949 certified (automotive market requirements including ISO 9001)

## BUSINESS ETHICS

We grow our business through strong ethics and a strict respect for compliance. The Group's ethics and compliance program implements an extensive system of policies, processes, training and communications to drive a culture of integrity everywhere the Group operates. Further details on this are outlined on pages 48-49.

# 95%

OF TARGETED  
EMPLOYEES TRAINED ON  
THE CODE OF ETHICS



## RESPONSIBLE SUPPLY CHAIN

We are building strong, lasting and value-added relationships with suppliers whose business priorities, values and practices are aligned with our own. Faurecia has partnered with EcoVadis since 2017 to conduct in-depth assessments, focusing on suppliers' ethical, social, and environmental practices. This assessment is a prerequisite to joining the Group's panel of suppliers and the minimum threshold is increased over the years to reach 55/100 in 2025. In terms of Faurecia's standing as a supplier for our customers, we attained a score of 69/100 in the EcoVadis 2021 sustainability rating, in the top 1% of companies in our category. Sustainability and compliance are embedded in all our processes. We integrate supplier risk management into the Group's risk mapping, as well as using external data analytics tools to alert on any material, reputation, and compliance risk. All suppliers have access to Faurecia's Speak Up line to raise concerns or report violations of any Group policies, processes and applicable laws.

# 2,000

SUPPLIERS ASSESSED FOR SUSTAINABILITY

# 97%

OF FAURECIA SUPPLIER PANEL



**"60% of Faurecia net sales are purchased goods and services provided by a very diverse supplier ecosystem with huge potential to create value. Purchasing teams are working more closely with suppliers to increase**

**innovation and accelerate the development of sustainable solutions. Initiatives include a Supplier Council that brings together a number of strategic suppliers and working groups with Faurecia internal experts on topics such as CO<sub>2</sub> footprint reduction. Sustainability goals are also embedded into Request for Quotations to accelerate progress in new programs being launched."**

**NATHALIE SAINT-MARTIN**  
Group Purchasing Vice-President

# PEOPLE



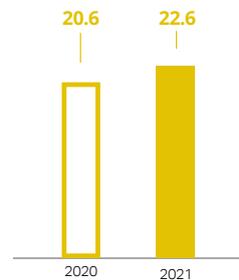
In shaping the future of mobility, Faurecia works on challenges that matter. People who thrive in this fast-moving environment and share our values are key to our success. We support teams and individuals in increasing their employability, preparing for change, and working in a fulfilling environment, including actively contributing to society through solidarity actions.

## LEARNING ORGANIZATION

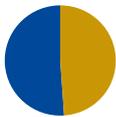
Faurecia offers every employee the career management and development tools necessary in an industry in constant evolution, fostering the development of all talents through learning, professional mobility and on-the-job training. 22,000 managers and professionals have access to training on subjects from operational excellence, to management skills at five Faurecia University campuses. All employees, from the shop floor to tech centers, have access to the Group's digital platform, the Learning Lab, which offers nearly 485 MOOCs in 23 languages on a wide range of subjects. In 2021, the Learning Lab celebrated 1 million cumulated learning hours.

We have an active policy of dialogue and negotiation with employee representative bodies. In 2021, 71% of employees were covered by a social agreement covering topics such as working hours and conditions, pay and other forms of compensation, profit-sharing and the provision of tools and/or digital processes.

Number of training hours per employee per year



THE LEARNING LAB  
**90,402**  
ACTIVE USERS



**49%**  
OFFICE WORKERS  
**51%**  
OPERATORS



**“For the fourth year in a row Faurecia gained a Top Employer label in 9 countries and 1 region in 2021. This recognition attests to our employee satisfaction and**

**helps to make us more attractive when recruiting talents in the market.”**

**DAVID JESTAZ**  
Faurecia University & HR  
Transformation Projects VP

## DIVERSITY & INCLUSION



Faurecia is committed to diversity in the workplace with regards to gender, place of origin, cultural or educational background, experience and any other difference. In 2021 we ramped up initiatives around gender diversity – training and HR processes to promote gender balance, coaching and mentoring for female talents, and maintained our recruitment of women managers and professionals despite a reduced hiring level. 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 achieving gender diversity targets.

Diversity & inclusion	2020	2021	2025
% of women managers & professionals hired	33.1%	36.1%	37%
% of women who are managers & professionals	25.1%	27%	30%
% of non-Europeans among the top 300	34%	33%	39%
% of women among the top 300	16%	21%	24%

## LOCAL SOLIDARITY ACTIONS

We support projects carried out by employees in their local communities that promote education, mobility and the environment. Each site designs its own societal action plan and employees contribute through volunteering and donations. In addition to local solidarity initiatives, the Faurecia Foundation has, over the past two years, accelerated social impact activities. The Foundation has financed 14 employee-led projects that are benefitting more than 4,000 individuals across India,

Mexico, Morocco, France, Italy, Romania, Spain, Germany, Portugal, China and the United States. In 2021 it also created partnerships with non-profit organizations such as the Fondation de France to support students in need during the Covid-19 crisis, Envie Autonomie for refurbishment of disability equipment in France, the Simplon Foundation for the inclusion of unemployed adults, Mobile School to help street children in Mexico and Romania, and local associations working on women's empowerment.



**Faurecia launched its first volunteering platform developed with Wenabi to centralize access to all solidarity actions across the Group: Faurecia Foundation projects, site actions and events, volunteering missions and donation campaigns. It will be opened to all Faurecians early 2022.**

**In September, employees from 50 Faurecia sites across Canada, Mexico and the United States mobilized behind a campaign to fight hunger and advance education for children, raising a total of \$245,890. During Faurecia China Volunteer Month in 2021 4,590 volunteers from 31 sites across the country participated in volunteer activities – over 7,300 hours in total.**



# STRATEGY AND GOVERNANCE GUIDE BUSINESS

|  
**SO  
WE  
OPERATE**

**Faurecia's governance relies on the best standards of independence, transparency, inclusiveness and responsibility. Our Board of Directors and Executive Committee oversee and implement a clear strategy, guided by robust risk management and a strict respect for compliance.**

# AN ACTIVE AND INDEPENDENT BOARD OF DIRECTORS

**Faurecia has two governance bodies, the Board of Directors and the Executive Committee, responsible for deciding and implementing the Group's strategy.**

The Board of Directors oversees Faurecia's business, financial and economic strategies and implementation. Meeting at least four times a year, Faurecia's Board, as of the date of this document, consists of 13 members, two of whom represent employees. Nine of its members are independent. Three permanent Committees are tasked with preparing discussions on specific topics: the Audit Committee, the Governance, Nominations and Sustainability Committee, and the Compensation Committee. They make proposals, recommendations, and give advice in their respective fields of expertise.



**Michel de ROSEN**  
Chairman of the Board  
End of mandate - 2024 AGM



**Patrick KOLLER**  
Chief Executive Officer  
End of mandate - 2025 AGM



**Daniel BERNARDINO**  
Faurecia employee  
End of mandate - 2025 AGM



**Judy CURRAN**  
Head, Global Automotive Strategy of ANSYS  
End of mandate - 2024 AGM



**Odile DESFORGES**  
Board member  
End of mandate - 2024 AGM



**Penelope HERSCHER**  
Board member  
End of mandate - 2025 AGM



**Valérie LANDON**  
CEO France and Belgium, Credit Suisse  
End of mandate - 2025 AGM



**Jean-Bernard LÉVY**  
Chairman & Chief Executive Officer of EDF  
End of mandate - 2024 AGM



**Yan MEI**  
Senior Partner, Chair of China - Brunswick group (China)  
End of mandate - 2023 AGM



**Denis MERCIER**  
Deputy Chief Executive Officer of Fives Group  
End of mandate - 2023 AGM



**Peter MERTENS**  
Board member  
End of mandate - 2023 AGM



**Robert PEUGEOT**  
Permanent representative of Peugeot 1810, Chairman of the board, Peugeot Invest  
End of mandate - 2025 AGM



**Emmanuel PIOCHE**  
Faurecia employee  
End of mandate - AGM 2025

- Independent
- Governance, Nominations and Sustainability Committee
- Compensation Committee
- Audit Committee

## THE BOARD OF DIRECTORS

|

6

NATIONALITIES

45%\*

FEMALE

AVERAGE AGE:

63 YEARS

82%\*

INDEPENDENT

AVERAGE TENURE:

3 YEARS

AND 5 MONTHS

13

BOARD MEETINGS

ATTENDANCE RATE

96%

## THE COMMITTEES

|

22

COMMITTEE MEETINGS  
INCLUDING 6 MEETINGS OF  
THE AD HOC COMMITTEE

97%

ATTENDANCE RATE AT  
COMMITTEE MEETINGS

### Audit Committee

4 members  
Chair: Odile Desforges

### Governance, Nominations and Sustainability Committee

3 members  
Chair: Jean-Bernard Lévy

### Compensation Committee

3 members  
Chair: Denis Mercier

## EXPERTISE AT THE SERVICE OF STRATEGY

With their diverse backgrounds, experiences and skills, Faurecia's Board members offer the Group their expertise and support in defining its strategy and tackling the challenges within the Group's evolution.

f

Experience in Faurecia's core businesses



Automotive technologies



International experience



Banking/Finance



Risk management



Experience in an industrial company



CSR



Artificial intelligence / digital expertise



Governance/ Management of large companies



Specific knowledge of a geographic market



Leadership &amp; crisis management

## EVOLUTIONS IN GOVERNANCE FOLLOWING THE HELLA ACQUISITION

Following the acquisition of HELLA, Faurecia holds a controlling interest with more than 80% of HELLA shares. As part of the transaction, the Hueck and Roepke family has become Faurecia's largest shareholder with a circa 9% shareholding. Dr Jürgen Behrend, as representative of the Hueck and Roepke family, will be proposed at the 2022 Faurecia shareholders meeting as a new member of the Faurecia Board of Directors, underlining the family pool's strong commitment to the combined Group's strategy and outlook.

Fully consolidated into the financial reporting of the Faurecia Group, HELLA will continue to be a listed company with its own governance. HELLA's

governance bodies are the General Partner, the Supervisory Board, the Shareholder Committee and the Annual General Meeting, it being noted that the Shareholder Committee is the decisive controlling body. Faurecia will be represented in the Shareholder Committee (5 members out of 8, including 3 independent members) and in the Supervisory Board (6 out of 16 members, including 2 independent members) of HELLA. This governance model, along with appropriate agreements providing for proper coordination and mutual cooperation will allow Faurecia and HELLA to work efficiently together in all domains and progress in the best interests of both companies.

\* Excluding employee representatives.  
Including Judy Curran coopted as Board member by the Board on 18 February 2022.

# A DIVERSE AND INTERNATIONAL EXECUTIVE COMMITTEE

Faurecia’s executive functions are performed by an Executive Committee that meets at least once a month to review the Group’s performance and strategy implementation. It discusses and prepares guidelines on important operational subjects and its decisions are then deployed throughout the Group.

Under the responsibility of the Chief Executive Officer, the Faurecia Executive Committee is comprised of the CEO and the 13 Executive Vice Presidents of the international Business Groups and support functions. On February 25, 2022, new appointments have been decided with Faurecia’s Executive Committee (see Chapter 3 of the Faurecia 2021 Universal Registration Document).



1. Yves Andres, Executive Vice President, Faurecia Clean Mobility
2. Yann Brillat-Savarin, Executive Vice President, Group Strategy and Sustainability
3. Victoria Chaniel, Executive Vice President, Group Communications
4. Nolwenn Delaunay, Executive Vice President, Group General Counsel and Board Secretary
5. Olivier Durand, Executive Vice President, Faurecia Clarion Electronics
6. Nik Endrud, Executive Vice President, North America
7. Michel Favre, Executive Vice President, Group Chief Financial Officer
8. Patrick Koller, Chief Executive Officer

**43%**

NON FRENCH

**52**

YEARS AVERAGE AGE

**6**

BUSINESS AND REGION EVPS

**14%**

FEMALE

**11**

YEARS AVERAGE GROUP SENIORITY

**7**

SUPPORT FUNCTIONS EVPS



9.



10.



11.



12.



13.



14.

**9. Jean-Paul Michel,** Executive Vice President, Faurecia Interiors

**10. Thorsten Muschal,** Executive Vice President, Sales and Program Management

**11. Christophe Schmitt,** Executive Vice President, Group Operations

**12. Jean-Pierre Sounillac,** Executive Vice President, Group Human Resources

**13. Eelco Spoelder,** Executive Vice President, Faurecia Seating

**14. François Tardif,** Executive Vice President, Faurecia China

**COMPENSATION OF THE CHIEF EXECUTIVE OFFICER & THE GROUP'S OPERATIONAL MANAGEMENT FOR 2022**

**CEO**

**TOP 100**  
(Excom + 1<sup>st</sup> line BG)

**ANNUAL FIXED COMPENSATION**

Results / performance and transformation of the Group

**ANNUAL SHORT-TERM COMPENSATION (AT TARGET)**

**75%** Quantitative criteria (60% financial and 15% ESG (new criterion))

**25%** Qualitative criteria (individual) (including HELLA integration and strategy execution objectives)

**LONG-TERM VARIABLE COMPENSATION (PERFORMANCE SHARES)**

**Submitted to presence and performance conditions:**

- Internal condition net income
- Internal condition gender diversity
- External condition EPS

# AN EFFICIENT RISK MANAGEMENT PROGRAM

The Group has developed a comprehensive global risk management program. This allows Faurecia to optimize the operations of its Business Groups through a process which starts from the context (strategy and objectives), the risk assessment (identification, analysis and assessment) and risk processing, including mitigation plans and a transfer of covered risks by insurance. This creates a virtuous circle, linked to internal control.

## A GLOBAL RISK MANAGEMENT PROGRAM SHARED WITHIN THE ORGANIZATION

Most Faurecia functions and governance structures are involved in the support of Faurecia's evolving business model through the global risk management program. The Executive Committee, Group Risk Committee and the Executive Management of each Business Group work together to avoid and contain all potential threats to the successful achievement

of Faurecia's objectives, through a risk mapping and monitoring of specific major risks. With this in mind, the Group launched the Faurecia Enterprise Risk Management Program (ERM) in 2017, to define and oversee risk management dynamically and in an iterative way, regardless of risk. Since 2021, the Group has innovated by integrating a risk analysis into its strategic planning exercise. In the fast-changing automotive equipment market, the introduction of three concepts (uncertainties, threats and opportunities) by 2035 has made it possible to identify the main emerging risks and then to anticipate the potential impact they could have on the Group's ambition.

## RISK MANAGEMENT: PROTECTING AND CREATING VALUE



The Board of Directors and its Audit Committee conduct continuous oversight of the process. The Group's internal control and audit organization, as well as external contributors, provide their specific expertise, from operational processes to auditing.

**BOARD OF DIRECTORS**  
**Board of Directors**  
Yearly review of the risk management program with major risks (Tier-1).  
**Audit Committee**  
Yearly presentation of the risk management program with major risks (Tier-1).  
Quarterly review of a specific Tier-1 risk

**EXECUTIVE MANAGEMENT**  
**Executive Committee**  
Monthly committee with review on specific risks  
**Risk Committee**  
Quarterly Committee with review of Tier-1 and Tier-2 risks  
**Other Committees**  
(CSR, Internal Control, Compliance)  
On a regular basis to review relevant risks



This table presents the main risks identified by Faurecia and detailed by type. Faurecia has implemented a variety of risk controls to mitigate them. They are detailed in Chapter 2 of the Registration Document (“Risk factors & Risk Management”).

## RISK CATEGORY

## RISK FACTORS

### Operational and industrial risks

Security and reliability of information systems, data and embedded software  
 Climate transition and its impact on the economy **CSR**  
 Risk associated with the automotive supplier business  
 External growth and HELLA integration  
 New product launches and program management  
 Product quality and safety **CSR**  
 Pandemic  
 Loss of a site due to industrial or environmental events  
 Supply chain failure  
 Safety at work **CSR**  
 Site environmental impact **CSR**  
 Talent attraction and retention **CSR**

### Financial and market risks

Liquidity risk  
 Interest rate risk  
 Currency risk  
 Risk related to raw materials  
 Customer credit risk

### Legal, regulatory and reputational risks

Regulatory developments and geopolitical tensions  
 Significant litigation  
 Responsible value chain **CSR**  
 Intellectual property  
 Business ethics **CSR**

— **CSR** Extra-financial risk



See Chapters 2 “Risk factors & Risk Management” and 4 “Extra-financial performance” of the 2021 Universal Registration Document.

# STRONG ETHICS AND COMPLIANCE



Internal audit leads special yearly missions related to the effectiveness and efficiency of Faurecia's anti-corruption and risks program. These missions include an audit of a random sample of transactions selected by the auditors. Faurecia communicates regularly on its ethics culture and related rules to ensure that all its business partners know the rules and are committed to respecting high standards of ethics and compliance.

## GOVERNANCE

The implementation of the Group compliance program relies on a dedicated organization and governance that arise from a deep and transversal analysis of Faurecia's main ethics and compliance risks.

Priorities and strategic decisions are submitted and discussed within the quarterly Group compliance committee chaired by the Chief Executive Officer. The Tier-1 and Tier-2 compliance risks are presented and discussed in the Risk Committee. The annual compliance roadmap, its results and the most important compliance issues are disclosed to the Audit Committee. Regional Compliance Officers (RCOs) facilitate and deploy the compliance program in the regions (North America-Mexico, South America, Asia, and EMEA (Europe, Middle East, Africa)) with the assistance of a local network led by Business Group Compliance Leaders. They lead periodic regional compliance committees to share priorities, issues identified and action plans.

## BUILDING A HIGH STANDARD OF COMPLIANCE WITHIN OUR GROUP AND IN RELATIONSHIPS WITH OUR STAKEHOLDERS IS A TOP PRIORITY

Faurecia's leaders are committed to a culture of integrity everywhere the Group operates, embodied in Faurecia's Code of Ethics. This is structured around four topics: respect of fundamental rights, development of economic and social dialogue, skills development, ethics and rules of conduct. It is part of the Faurecia Core Procedures and aims to develop employee accountability and empowerment.

Group compliance implements training accessible to all Faurecians (including part-time employees, interns, consultants, etc). These trainings include risks that targeted populations may face.

The Group has an anti-corruption Code of Conduct and a best practices guide concerning anti-competitive practices. These rules cover the following subjects: gifts and hospitality; donations and sponsorships; managing conflicts of interest and the "golden rules" of competition law.

Functions that operate a second line of defense regularly control Faurecia's corruption risks (pre- and/or post-acquisition assessment, corruption accounting controls by compliance, internal control, GBS and country chief finance officers). In addition, the Group's

## SPEAK UP

If someone feels that these rules are not respected, sees a behavior that does not comply with Faurecia's ethical standards or a situation at risk regarding certain rules, then this person has a responsibility to speak up, either through a usual contact (HR, Manager, Compliance Officer) or through Faurecia's whistleblowing line. Developing a Speak Up culture is a key element of one of Faurecia's Convictions - "power must have a counter-balance" - and aims to ensure that all employees can report a violation without fear of consequences. Faurecia has zero tolerance for non-compliance and encourages everyone, every time, everywhere to feel free to report issues without fear of retaliation.

All Faurecians and external third parties with whom Faurecia collaborates, are encouraged to raise concerns or report violations of Faurecia's internal policies, processes and applicable laws via the Speak Up line: [www.faurecia.ethicspoint.com](http://www.faurecia.ethicspoint.com).

Group Compliance widely communicates about the Speak Up process through internal channels, procedures and trainings. All alerts are received only by the Chief Compliance Officer and Group General Counsel. They ensure, with the Regional Compliance officers, the legal protection of the whistleblower when needed. Speak Up is accessible to any individual or entity (Faurecian and external third party) wishing to raise a concern.

### CULTURE



**No compromise with Ethics & Compliance, even in a more challenging market context**

Fundamentals for Total Customer Satisfaction  
Consistent with Faurecia's Convictions

### DISCIPLINE



**Set of rules to protect the business**

Code of Conduct to prevent corruption  
Managing conflicts of interests  
Gifts & hospitality  
Donations & sponsorship

### SPEAK UP



Everyone



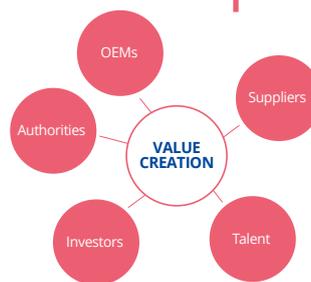
Everywhere



Everyday

Speak Up link [www.faurecia.ethicspoint.com](http://www.faurecia.ethicspoint.com)

### WORKING IN & FOR A SUSTAINABLE BUSINESS



Duty of care FCPA  
Sapin 2 regulation UK Bribery Act

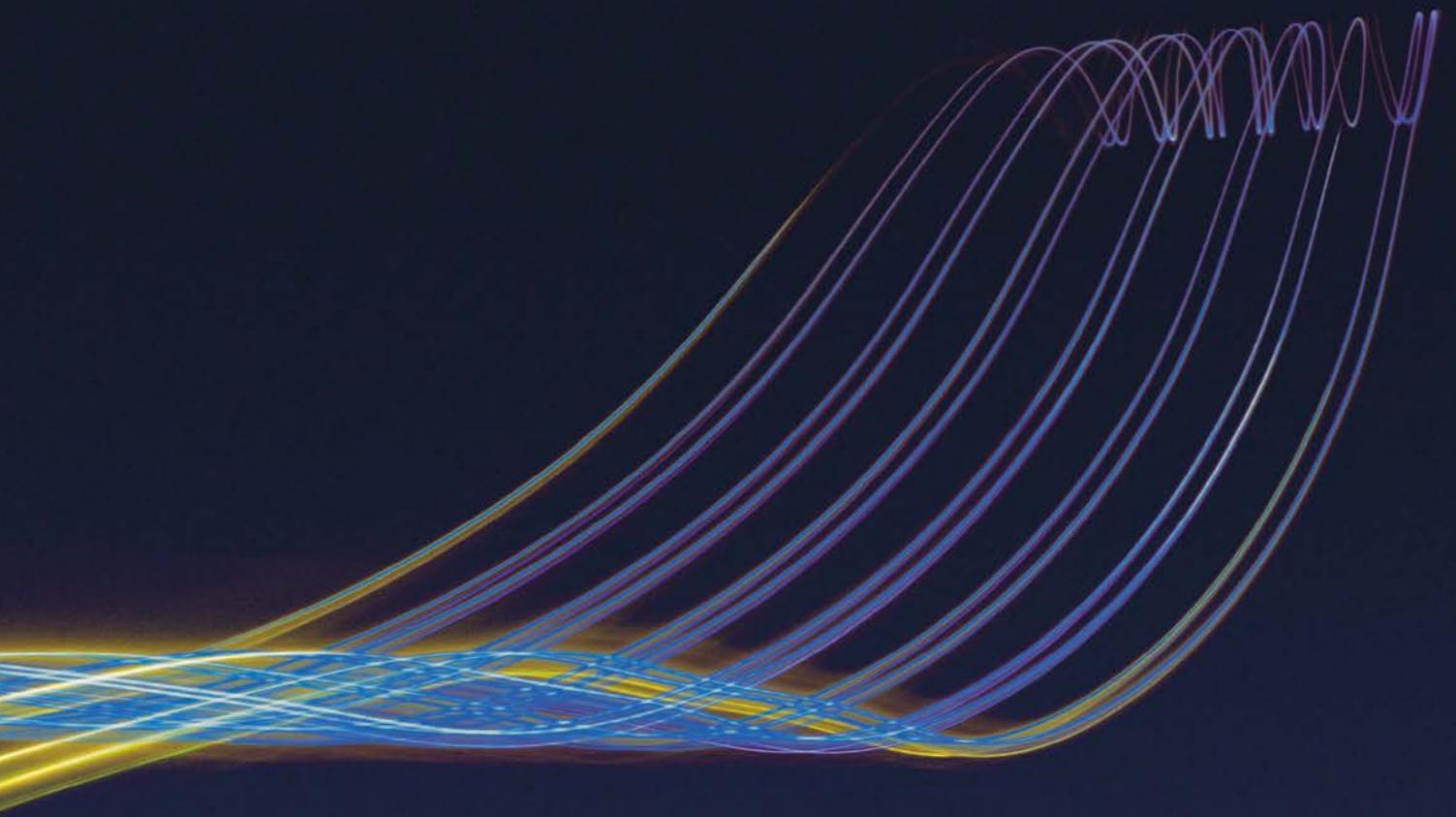
Anti-trust prevention  
Corruption prevention  
Intellectual property protection  
Export controls  
Conflict minerals  
Accounting rules protection

Conflict of interest management  
Fraud prevention  
Human rights protection  
Suppliers selection

**SUCCESS  
IS JUDGED BY  
PERFORMANCE**

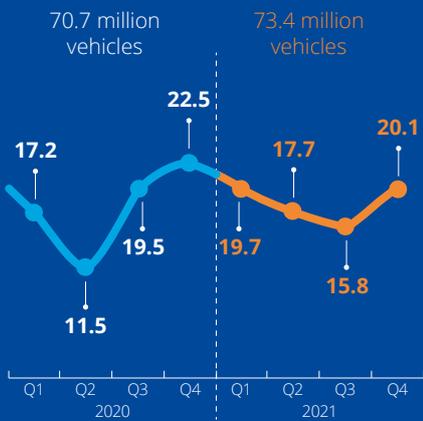
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**SO  
WE  
DELIVER**



# 2021 FINANCIAL PERFORMANCE

## Worldwide automotive production



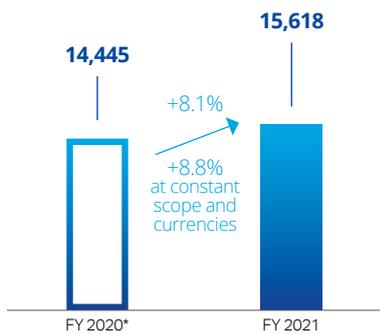
Source: IHS Markit as of February 2022 (vehicles segment in line with CAAM for China)



"In 2021, the automotive industry has been penalized by the shortage of semiconductors throughout the year and worldwide production only

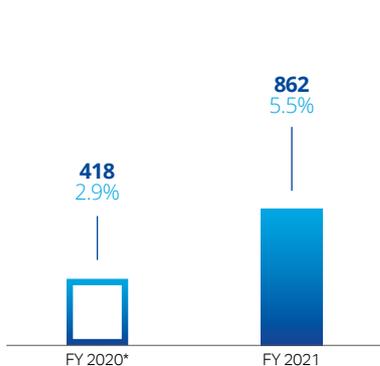
slightly increased versus 2020, in a year that was strongly impacted by the Covid-19 crisis. In this context, Faurecia displayed an improved performance, demonstrating again its resilience in the face of tough market conditions. We posted a strong sales outperformance with sales up 8.8% on an organic basis, our profitability significantly increased year-on-year, despite headwinds in H2, and we generated solid cash flow, contributing to reducing our debt ratio at year-end. We are ready for the next chapter of our history with the consolidation of the strategic and transformative acquisition of HELLA, as of February 1, 2022. This major step marks a dramatic upswing in the size and financial metrics of the Group and will add new opportunities to generate earnings and cash accretion, thus creating increased value for all our stakeholders."

**MICHEL FAVRE**  
Executive Vice President,  
Group Chief Financial Officer

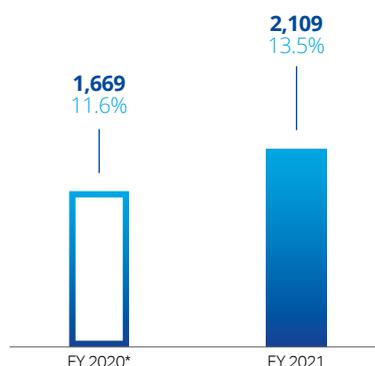


**Sales**  
(in millions of euros)

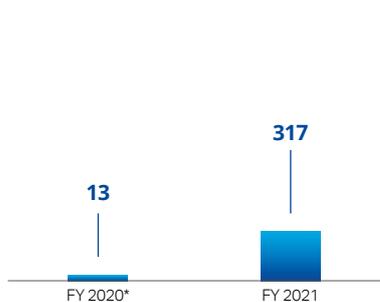
FY: Full Year  
\* Restated for IFRS5



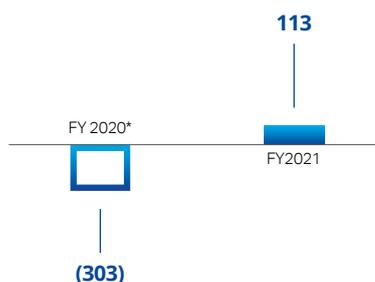
**Operating Income**  
(in millions of euros)  
% of sales



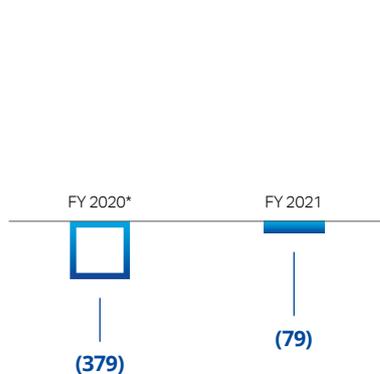
**EBITDA**  
(in millions of euros)  
% of sales



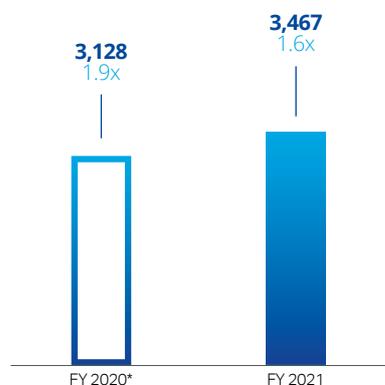
**Net cash flow before impact of HELLA acquisition**  
(in millions of euros)



**Net income from continued operations**  
(in millions of euros)



**Net income Group share**  
(in millions of euros)



**Net debt at year-end**  
(in millions of euros)  
Net debt / EBITDA ratio

FY: Full Year  
\* Restated for IFRS5

# 2021 CSR INDICATORS AND ROADMAP

Based on its six Convictions for sustainable development, specific action plans and a roadmap for 2025 have been developed.



## Care for the planet

### CO<sub>2</sub> INTENSITY

**46.6 metric tons** of CO<sub>2</sub> equivalent/€ million sales (scopes 1 & 2)

### ENERGY INTENSITY

**115 MWh** € million sales of which 18%

### WASTES INTENSITY

**13.3 tons** waste/€ million sales

**85%** of sites certified ISO 14001

**€13m**

invested in environmental protection of which 70% (€9M) for energy efficiency



## Perform in a responsible way

### SUPPLIERS

**97%** of supplier panel screened by EcoVadis, up from 87% in 2020

### CUSTOMER SATISFACTION

**4.5** ★★★★★ stars out of 5, up from 4.2 in 2020

### BUSINESS ETHICS

**95%** managers & professionals trained on the Code of Ethics



## Contribute to society

### SAFETY AT WORK

**1.33** FR1t accidents (number of accidents per million hours worked without day lost), down 17% over previous year

### DIVERSITY & INCLUSION

**27%** female managers & professionals, up from 25.1% in 2020

**33%** of non-European among the top 300 leaders

### EMPLOYEE ENGAGEMENT

**73** points, down three points compared to 2020

### EMPLOYABILITY

**22.6** hours of training per employee

### LOCAL COMMUNITIES

**14** employee-led projects supported by the Faurecia Foundation



## A CLEAR SUSTAINABILITY ROADMAP

### PLANET: Care for the planet

**CO<sub>2</sub> neutral in operations:** CO<sub>2</sub> neutral for scopes 1 & 2 by 2025

**Eco-design in products:** 40% recycled content in new products by 2025 and -46% of scope 3 controlled emissions by 2030

**Sustainable technologies:** €1.1bn cumulated 2021-2025

### BUSINESS: Perform in a responsible way

**Business ethics:** 100% of employees targeted trained on the Code of Ethics by 2025

**Safety:** < 1.2 accidents per million hours worked without a day lost (FR1t) by 2025

**Responsible supply chain:** 95% of suppliers assessed on sustainability by EcoVadis by 2025

### PEOPLE: Contribute to society

**Learning organization:** 25h/year/employee of training by 2025

**Diversity & inclusion:** 30% of women who are managers & professionals by 2025

**Local solidarity actions:** 15% of employees involved in local solidarity projects by 2025

See Chapter 4 "Extra-Financial Performance" of the Universal Registration Document.



# FORVIA

▪ faurecia

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