

North America

2017

FAURECIA infos

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20,000 TRUCKS AND BUSES IN SEOUL EQUIPPED BY FAURECIA

Faurecia will equip vehicles with its Amminex technology to reduce NOx emissions and improve air quality in South Korea's capital city.



Seoul recently signed a contract with Faurecia as part of its campaign to improve air quality. The Group will supply its nitrogen-oxide (NOx) reduction solution through an agreement with two partners, ILJIN and CleanEarth, both of which hold contracts with the country's environment ministry. The acquisition of Danish tech company Amminex in 2016 made Faurecia the only supplier to offer the groundbreaking Ammonia Storage and Delivery System (ASDS™), a solution that has already proven its effectiveness in eliminating up to 99% of NOx emissions.

This latest contract is an excellent opportunity to prove the first-class performance of Amminex technology in curbing NOx emissions from commercial vehicles. Following deployment in several European cities, including London and Copenhagen, which are currently upgrading their bus fleets, the technology will be given its largest showcase to date in Seoul. Faurecia aims to supply complete clean mobility solutions to cities worldwide.

NEW MARKETS FOR FCM?

At the June 27 Investor Day in London, CEO Patrick Koller highlighted the Group's strong growth potential to around 100 attendees representing banks, investors, analysts and the financial press.

Sustainable Mobility is one of Faurecia's strategic priorities, backed by cutting-edge technologies that will primarily benefit the growing market for "clean" electric and hybrid vehicles. However, these solutions are also a good fit for trucks, trains, boats and high-power generators. Like the automotive industry, these sectors face the same pressing need to take steps to reduce NOx. All of this represents huge growth potential for Faurecia Clean Mobility, which could boost its sales to €10 billion by 2030.



NEW HQ AND TECHNICAL CENTER IN SOUTH KOREA

On May 19, Faurecia inaugurated its new headquarters and technical center in Seoul, South Korea. The building provides more than 8,000 square meters of space and will house Faurecia's three business groups, a testing and prototype center, and a showroom.

"It is essential for us to have all of our business groups and technical competencies grouped together in a state-of-the-art facility and close to our customers," CEO Patrick Koller said.

Faurecia has been operating in South Korea since 2003 and has enjoyed rapid growth in the country. The Group is targeting sales of close to €500 million by 2020.

The country's three Faurecia production sites – one in Jangan and two in Youngcheon – make clean mobility systems, seat frames, seat mechanisms and center consoles for Hyundai-Kia, Renault-Samsung Motor and GM Korea.



FCM CELEBRATES THE ARTS, HISTORY IN COLUMBUS

The FCM Faurecians of Columbus, Indiana recently partnered with the Bartholomew Consolidated School Foundation (BCSF), the Bartholomew Consolidated School Corporation (BCSC), the Heritage Fund and the Arvin Fund to permanently display a shared piece of history with the Columbus community.

In 1989, the Chairman of Arvin Industries (the company that later became EMCN, and ultimately Faurecia Clean Mobility) commissioned a sculpture by artist Seward Johnson to be displayed near the Arvin headquarters in Columbus. The sculpture, "When I was Your Age," pays homage to Arvin's history – highlighting the Noblitt-Sparks Tire Pump and a Ford Model A car. After many years in the Indiana weather, the sculpture was restored, and placed in storage at the Columbus Tech Center.

Earlier this year, a site was chosen to display the statue in a central location. An event was hosted this summer to unveil the sculpture, which was placed alongside two other art installations.

Nearly 130 people attended the community Celebration of the Arts, which garnered a Mayoral Proclamation from the City of Columbus. Thirteen local community partner organizations participated in the event – providing giveaways and games for the community. Local radio station QMIX was onsite and the Columbus East HS Jazz Band performed during the ceremony. The Model A Club of Columbus also gave community members an opportunity to see and touch a piece of living history.

"Faurecia is proud to be a part of this community," said Doug Thomas, Vice President of HR for FCM North America. "We look forward to more opportunities to partner together to make Columbus a wonderful place to work, play and live."

FORBES' NAMES FAURECIA A TOP EMPLOYER IN AMERICA

Faurecia was one of 500 companies named on *Forbes'* annual "Top Employers in America" list for 2017. Employers that made the list were based on the results of an independent survey conducted among 30,000 American employees working at large companies and institutions with a headcount of 5,000 or more. Costco Wholesale topped the list, which also included names like Google, REI and JetBlue Airways.

Forbes worked with online statistics provider Statista to determine how likely employees at the companies surveyed were to recommend their employer to others. The resulting list comprised 500 employers across 25 industries where employees felt "right at home" at the office.

Employing approximately 10,000 people in the United States, Faurecia joined automotive OEMs Ford Motor Company, GM, FCA and Tesla, as well as suppliers ZF Group, Magna International and Tenneco on the list.

"Unemployment is at its lowest in a long time, and companies are vying to recruit, retain and develop top talent," said Chris Rau, Vice President of Human Resources for Faurecia North America. "We've been actively working to create a company culture that allows us to compete against companies like Google and Facebook, so that our employees are proud to call Faurecia 'home' – and we're honored *Forbes* has recognized us for these efforts."

INDUSTRIAL DESIGN VISITS FORD OF AUSTRALIA DESIGN STUDIO

Recently, Faurecia Industrial Design Managers Jean Baptiste Trolle and Olivier Boinais joined Mike Twork, Senior Customer Engineering Manager, Ford CBU – Asia Pacific, to visit the Ford of Australia (FOA) Design Studio.

FOA Studio is responsible for leading four platforms including the T6 Ranger / Everest Platform, as well as the Taurus, the Escort and the Figo / KA Platforms. FIS has interior content on three of these.

Mini Tech Day

For the morning session, Faurecia organized an Industrial Design Capabilities presentation and a mini-tech day focused on color and materials, and Smart Surface innovations. Key attendees included the Ford Asia Pacific Design Director & Chief, the PD Chief Engineer, nearly a dozen managers and their staff, including the Design Quality and Craftsmanship teams. Overall, approximately 60 people attended three property review sessions.

During the afternoon, the Ford Studio team broke into four teams to brainstorm over themes. Twork, Boinais and Trolle, along with Maurizio Tocco, Ford Design Chief, floated through the groups to consult, answer technical questions and observe.

The targeted outcome of the workshops was to identify areas of collaboration between Faurecia Industrial Design and the Ford Studio. Main areas of interest were Smart Surfaces, Upgradeable Interior, Cover Carving and Branded Senses. A joint report will be made to the Design Director and Chief Engineer with project recommendations.

Overall, the event was a great success with important, positive feedback.





A GOOD IDEA

Internal Innovation Challenge taps expertise of employees in 2 workshops

Across the globe, Faurecia has been making good on its commitment to innovation.

In June, employees at 14 R&D centers around the world participated in the internal Innovation Challenge. This was a one and half day session to focus on the innovation process and tap expertise across the Business Groups. A session was held in Holland, Michigan on June 6-7 for FAS and FIS. Another was held June 13-14 at the Columbus Tech Center for FCM. Almost 45 employees total participated in both events.

"We are all end-users, with our telephones, cars, etc," explained Che Franke, Corporate Director Product & Tech Strategy, based in Augsburg, Germany. "Which means we all have ideas on how to improve a product or service. That is what we set out to test with the first Innovation Challenge. The goal is to broaden our horizons when it comes to innovation at Faurecia, to open up to the world, and to make everyone realize they have a part to play. Nowadays, we need to grow and transform the way we innovate to anticipate the expectations of customers and consumers."

Participants came from many parts of the organization – from Finance to Program Management to Human Resources to Quality to Product Innovation to the team of Innovators in Holland.

"It's exciting that we have employees with such a high level of quality of thinking," said Jim Hotary, FAS Director and FAS Innovation Challenge Champion.

How to innovate

Each Innovation Challenge generally followed the same process. Research first – the groups reviewed current trends, what is happening inside and outside the auto industry with a strategic focus on mobility, autonomous driving and personalization. Then, broken up in to smaller group, personas were developed.

The idea was to create a typical person in a category, like a young family living in a city. The groups filled in more information about their lives and

their needs. Where do they live, how do they move around, what are their struggles, what conveniences do they have? What are their fears, their plans for the future, their jobs? The groups were encouraged to be very specific and to pull from real-life experiences if needed. With a shortened period of time, this helped the personas come together.

When the personas were finished, the groups were asked to identify problems for each persona. Then the groups chose one issue to solve.

The next steps involved brainstorming, creating ideas, putting together models or sketches, and creating business plans.

"We approached it from really understanding the customer perspective," said Robin Willats, Director of Innovation and Methods for FCM NAO and Innovation Challenge Champion. "We brainstormed potential customer needs to generate how, within the scope of 'clean mobility', we could solve problems in a way that generates new business opportunities."

Teams were encouraged to think like CEOs, marketing managers, technical advisors and finance officers to develop business models.

Participants broke into teams to brainstorm ideas for autonomous vehicles, trying to answer the question, what's next?



Results

For many, this process was new and unlike any work they had done before.

"The success of this exercise is that participants have been open to shifting the way we solve problems," said Matt Benson, Advanced Innovation Manager and North America Champion for the Innovation Challenge.

"What this workshop teaches is that this is the first step in a long process," said Hotary. "Ideas don't spontaneously form. It takes time to review, change and focus an idea that leads to innovation."

At the end of both workshops, North America employees had created nine projects. After delivering presentations of their business plans, the participants voted on the idea they liked best. In Columbus, a panel of judges (set up like the TV show "Shark Tank") voted for the best FCM idea.

"We had five compelling, strong proposals," Hotary said of the Holland projects. "All of them are strategically interesting."

What's next

After all of the workshops have been held around the world, each of the R&D sites have been asked to submit an idea to a Group jury by September. This will create a shortlist of 14 finalist ideas.

So what happens to them?

"That is part of the challenge: we have yet to find out!" Franke admitted. "Given the positive feedback we have already received from participating teams and the quality of ideas, we hope we can target truly differentiating avenues for progress. Whatever happens, it's an enriching experience for everyone and an initiative that has boosted team bonding. Now it's up to us to build on their feedback to make the next edition even better."

NORTH AMERICA INNOVATION CHALLENGE PROPOSALS

"It was great that we were able to capitalize on the expertise of all of our BGs," said Katie Roco, Design and Development Manager for the Ford CBU and FIS Innovation Challenge Champion.

FCM

- Cit'Ease Traffic Congestion Solving Software
- SIMI Smog Reduction and Air Purification System
- The Cocoon Sound Enhancement and Sound Cancellation Innovation
- EASS Share Vehicle Cleaning System

FAS and FIS

- Zip Pod, My Stuff on Demand
- Journey Conductor Security and Assistance
- Trans + Form, Flexible, Safe Transit for Kids
- Clean Ride Reset, A Clean Cab for Every User
- Cockpit Concierge Flexible Shuttle



FCM TECH WINS LIGHTWEIGHTING AWARD

Faurecia was awarded the Altair Enlighten Award for its Adaptive Valve technology in August. The Enlighten Award is the industry's only award dedicated to lightweighting, and it is presented at the annual Management Briefing Seminars, hosted by the Center for Automotive Research.

Faurecia's Adaptive Valve enables the use of smaller silencers to achieve benchmark noise, vibration and harshness (NVH) levels. It also reduces exhaust system mass by up to 30 percent.

The Adaptive Valve is a one-of-a-kind technology. By canceling the low frequencies generated by cylinder deactivation, the Adaptive Valve enables this fuel-saving technology without the driver hearing any cues that the engine has changed from eight cylinders to four.

The Adaptive Valve's role in a vehicle's overall weight made it a leading candidate in the module category for the Enlighten Award.

"We are extremely proud of this honor and for being recognized as an industry leader in lightweighting," said Dave DeGraaf, President of FCM North America. "This technology is the result of hard work, dedication and creativity on behalf of our Faurecians, and I hope this will inspire others to continue innovating and excelling as we drive forward as an industry."

The Adaptive Valve also won *Automotive News'* PACE Award in 2016.

BOWMAN RECOGNIZED BY SAE FOR 'OUTSTANDING' PERFORMANCE



Ryan Bowman, JIT Manufacturing Lead for FAS North America, has worked at Faurecia for nearly 10 years. But it's his commitment to the industry beyond the company that has earned him some recognition.

Because of his work in 2016 with the Society of Automotive Engineers Detroit Chapter, Bowman was named "Outstanding Younger Member" at a recent event.

"I was surprised and honored to receive the award," Bowman said. "I didn't even know I was nominated."

Roxanne Loeffler, Event Coordinator for the SAE Detroit Chapter, who nominated him for the award, said she chose Bowman because of his commitment to the organization and his outstanding performance, particularly with the Young Automotive Professionals Conference. For this year, Bowman got other Faurecians involved by asking some of the company's experts to speak about the Cockpit of the Future at the event.

"Ryan helps at the meetings, offering up suggestions and provides feedback based on

his experience from past events," Loeffler said. "Ryan volunteers at YAPC, whether it be at registration or at the ride and drive -- he's always willing to help out where needed. YAPC would not be the success that it is without the help of dedicated volunteers like Ryan."

Before being employed in the industry, Bowman was on the Formula SAE race car team as a Manufacturing Cost Analyst in college. When he moved to the Detroit-area, continuing his membership with the group was a good way to be involved in the local industry.

"I've been a member for 16 years, and I've always been into cars," Bowman said. "I like the events they put on, like the vehicle events, the Young Automotive Professionals Conference, and the international SAE news about what's going on in the industry. Even if it's something in engines, and I don't do anything in engines, just hearing about new technology and things that are evolving in the automotive world is interesting."

A SHARPER EYE ON QUALITY

In 2017-2018, all Faurecia sites will begin audits to transition toward the new IATF 16949:2016 quality standard. The campaign is more than an upgrade; it requires a change of mindset.

When it comes to quality, the Faurecia Group is held to the same standard as others in the automotive industry. ISO/TS 16949:2009 is issued by the International Automotive Task Force, a group of American and European automotive manufacturers and their respective trade associations. However, in October 2016, the standard was upgraded to a new certification system, IATF 16949:2016 (often abbreviated to "IATF"), which marks a major change in the way we approach quality.

A highly customer-centric approach

"We face a huge challenge," explains Eric Jacquot, Group Quality & HSE Director. "The new IATF standard requires us to change the way we approach the quality management system; the goal is no longer to correct processes in the event of problems but to anticipate any potential issues and avoid them. There are also significant changes to relevant benchmarks, which include many more criteria related to risk assessment, service, management involvement and especially compliance with customer-specific requirements."

These changes will be the focus of the first Faurecia audit for the transition to IATF certification, which will begin in Europe in October. Every function and site will review its processes and determine any divergence from IATF criteria, all in record time; everything needs to be ready quickly.

"That's not a lot of time," admits Jacquot, "but this first audit will help us take a big step towards final certification in 2018. Which means we still have a year to get everything up to scratch."

And there's a lot at stake: by September 14, 2018, all Faurecia sites worldwide will need to be IATF 16949:2016 certified. If not, they will be unable to deliver to their customers.

165 CRITERIA FOR IATF 16949:2016 INCLUDING 62 FROM ISO 9001:2015

18 MONTHS FROM NOW,
ALL FAURECIA SITES
WILL NEED TO BE
IATF 16949:2016
CERTIFIED.

- October 2016 IATF 16949:2016 published
- October 2017 Transition audits begin
- June 2018 Transition audits end
- September 14, 2018 All sites are certified



FUELS INSPIRES ACTION IN 2017

The 2017 FUELS Community Food Drive kicks off the week of September 4! All of the sites in Canada, Mexico and the United States have started preparing. Here are some highlights from last year – will we be able to help even more local families and friends?

- Since 2010, the Food Drive has raised **more than 5.45 million meals!**
- Last year, sites raised **126% of the goal** before the company's donations.
- 76% of sites** beat their site goals!
- Last year, Chattanooga (FCM) and San Luis Potosi (FIS) **won the first SPIRIT awards** for going the extra mile.
- 42 million Americans** struggle with hunger.
- 72% of households** served by food banks live at or below the federal poverty level with an annual median income of \$9,175.
- 75% of counties in the U.S.** with the highest rates of hunger are in rural areas.



THE FAURECIA UNIVERSITY CALENDAR HAS MOVED



Search "Faurecia University" on FAUR's us to find its page.

View course descriptions under the heading "Your Learning Offer," which are then broken down into topic areas. Class sessions can be found in the Faurecia University calendars, which are broken down by region. They can be found under the heading "Calendar."

Be sure to follow the page by clicking the "follow" button in the upper right-hand corner of the page for updates on schedules, plus Learning Lab courses and other related content.

