



COMMUNICATION ON PROGRESS

GLOBAL COMPACT

LIGIER GROUP 2020

LIGIER
GROUP

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CHAIRMAN'S STATEMENT OF SUPPORT



Since 2018, Ligier Group has been a member of the UN Global Compact.

European leader on the light and heavy electric quadricycle segment, we support the ten principles of the Compact in the areas of human rights, international labour standards, environmental protection and anti-corruption.

This year again, we are renewing our responsible commitment and our social policy upholding these UN principles. With this new Communication on Progress (COP) we can take stock of the actions carried out at our company. Although we have achieved our goals, we must still strive to be even more ambitious in the years to come!

The values of our employees, partners and stakeholders drive us to aim ever higher! In the coming years, we plan to set new goals, build our resources and achieve concrete, measurable results.

This continuous improvement policy is part of our STEP 2023 business strategy plan. Launched in 2018, it unites all our employees, partners, suppliers, subsidiaries and shareholders with the common goal of growing the company for the long term. With STEP 2023, we are transforming, building and enriching our business in order to better respond to current market challenges and achieve our objectives.

We are proud to renew our commitment to the ten principles of the United Nations Global Compact and determined to promote our Made in France values.

Yours sincerely,

François Ligier
Chairman
LIGIER GROUP

THE 10 PRINCIPLES OF THE GLOBAL COMPACT



HUMAN RIGHTS

Principle No. 1: Businesses should support and respect the protection of internationally proclaimed human rights

Principle No. 2: Businesses should make sure that they are not complicit in human rights abuses



INTERNATIONAL LABOUR STANDARDS

Principle No. 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining

Principle No. 4: Businesses should uphold the elimination of all forms of forced and compulsory labour

Principle No. 5: Businesses should uphold the effective abolition of child labour

Principle No. 6: Businesses should uphold the elimination of discrimination in respect of employment and occupation



ENVIRONMENT

Principle No. 7: Businesses should support a precautionary approach to environmental challenges

Principle No. 8: Businesses should undertake initiatives to promote greater environmental responsibility

Principle No. 9: Businesses should encourage the development and diffusion of environmentally friendly technologies



ANTI-CORRUPTION

Principle No. 10: Businesses should work against corruption in all its forms, including extortion and bribery



ABOUT THE LIGIER GROUP



LEADER IN INNOVATIVE MOBILITY

A French manufacturer renowned for its expertise for almost 40 years, Ligier Group is a niche player with an agile and innovative approach and a deep commitment to ensuring the satisfaction of its customers. The 2008 joining of forces between Ligier and Microcar under a single structure, Ligier Group, has enabled the creation of a strong group and market leader. Its distribution network is comprised of almost 180 specialist centres in France and more than 550 retail points in 11 European countries. Ligier Group is therefore able to offer every customer maximum accessibility to its full range of models across all countries. The group is also a leading pioneer in Europe in the electric vehicle market, providing European postal service operators with innovative 3- and 4-wheeled vehicles (PULSE 3 and PULSE 4). This professional fleet is a testament to the Ligier Group's continuing ability to effectively satisfy the specific mobility requirements of both its professional and individual customers.



100% made in France at 2 sites: Abrest (03) and Boufféré (85)



€157 million in turnover



14,430 vehicles produced each year
(light and heavy quadricycles, electric utility vehicles and autonomous vehicles)



More than **46%** market share
in the light quadricycle market in **Europe**



418 employees (fixed-term, permanent and temporary)



Leading partner of European postal service operators
(France, Italy, Belgium, Portugal) for over 10 years



Ligier Group relies on an extensive distribution network of 550 entities throughout Europe.

- **4 distribution subsidiaries:** Germany, Austria, Italy, Spain
- **12 importers:** Sweden, Norway, Finland, the Netherlands, Belgium, Estonia, Lithuania, Poland, Portugal, Czech Republic, New Caledonia, England (Ligier Professional only)
- **180 Ligier-Microcar Specialist Centres** throughout French territory



■ Subsidiaries ■ Importers

HISTORY



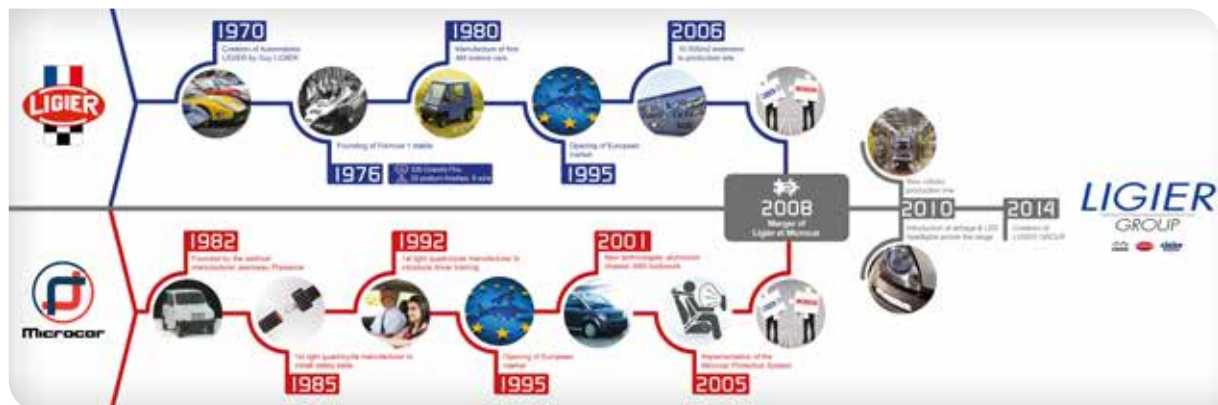
Guy Ligier

During the 1960s, top sportsman Guy Ligier, French Motorbike Championship winner and Formula 1 driver, began developing his own sports car, designed for both the race track and the road. This personal and technological adventure would lead the team to build over 20 Formula 1 cars. In the 1980s, with vehicles ranging from prestige models to competition cars, Guy Ligier diversified his range with the addition of tractor cabs, going on to transform them into AM licence vehicles with the first LIGIER JS 4.

Ligier Group was born out of the union, in 2008, of two major players in the European light and heavy quadricycle market: Ligier Automobiles and Microcar. Drawing on Ligier's top-level sports experience and Microcar's 30 years of technological expertise, the group strives daily to respond to specific, ever-changing and innovative demands. These 40 years of experience are behind the Group's continuing success in developing new light quadricycle models and innovating for increased efficient mobility.



MADE
IN
FRANCE

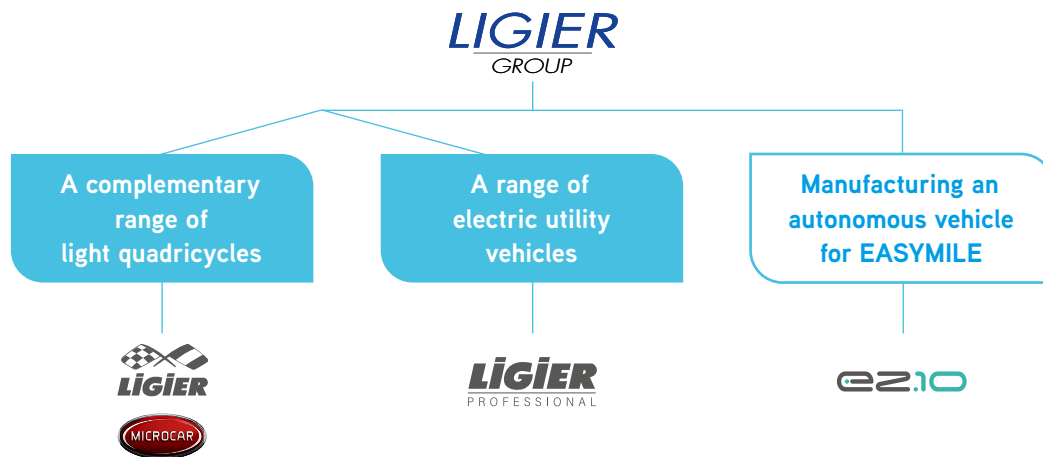




Today, Ligier is celebrating its 50th model, with the JS 50, and continues to pay tribute to the driver and great friend of Guy Ligier, Jo Schlessler, with the use of his initials "JS" before each serial number.

A DIVERSIFIED BUSINESS

Committed to a policy of continuous innovation, Ligier Group endeavours to develop vehicles and services that satisfy specific, changing creative demands. As a manufacturer of niche technology vehicles, Ligier Group has a diverse range of products:



LIGHT QUADRICYCLES ARE CONSTANTLY EVOLVING...

They make up the largest share of the group's activity. Within this regulated market, Ligier Group has nevertheless succeeded in developing an unlimited series of innovations: design, comfort, drivetrain, environmental footprint, etc. for its Ligier and Microcar models.

Today, light quadricycles are aimed at an ever-wider and younger customer base: it is now possible to drive from 14 years of age!

Ligier and Microcar AM licence vehicles are the best solution in terms of mobility for anyone that wants to move around freely.





LIGIER PROFESSIONAL: ELECTRIC VEHICLES FOR PROFESSIONALS



Ligier Group takes advantage of Ligier's technological and sporting experience and Microcar's expertise to manufacture custom utility vehicles for professionals. Quality, innovation, functionality, accessibility, adaptability... Ligier Professional strives to meet the needs of professionals concerned with the quality of their employees' working conditions and the environmental impact of their activities.

Providing modes of transport better suited to urban mobility and new short supply chains, the Ligier Professional range offers an efficient solution to a number of logistical problems: traffic, noise pollution, parking, downtime, etc.

EZ10 BY EASYMILE: THE ALL-ELECTRIC DRIVERLESS SHUTTLE



"Energy efficiency, enjoyment, on-board comfort and practicality are all areas with unlimited potential for improvement in today's radically-changing transport sector. We believe that the future belongs to those who are capable of offering continuous innovation across products and services."

François Ligier, Chairman of Ligier Group



VALUES

Seizing market opportunities, being attentive to our customers and employees, innovating in the name of excellence, proposing mobility products for everyone, while respecting environmental, societal and ethical concerns: that's Ligier Group's philosophy. These core values, which we have held since the very beginning, are founded on everyday mutual respect and attentiveness by all the group's stakeholders.

A FLAGSHIP OF FRENCH INDUSTRY



Ligier Group has two production sites in France: the original headquarters of the brand is located in Abrest (Allier), with a second facility based in Boufféré (Vendée). The entire value chain and all of the vehicles produced by the manufacturer are represented, conceived, designed, assembled and tested in these two factories. The group employs over 418 people across the two sites and produced 14,430 vehicles in 2019.

STRONG COMMITMENTS

As a responsible manufacturer, Ligier Group complies with all laws in force in the countries in which it operates, adheres to the international rules laid down by the United Nations, in particular the principles of the Declaration of Human Rights, the fundamental conventions of the International Labour Organisation and the OECD Guidelines for Multinational Enterprises. It is with this in mind that the group signed the United Nations Global Compact in April 2018. Ligier Group supports the ten principles of this convention concerning human rights, international labour standards, protection of the environment and anti-corruption. Ligier Group ensures that all stakeholders with which it works every day adhere to these principles and support these values.



LIBERTY, EQUALITY, MOBILITY

Our ambition is to offer everyone, regardless of their profile, age (14 years and up), geographical location, professional or family status, the right mobility for their preferences, needs, daily life and real-life situation. This is why, every day, the men and women of Ligier Group dedicate their time to designing vehicles that are best suited to the needs of each individual. More than just a philosophy, innovation and satisfaction of our customers are not only priorities for us but the very basis for how we work. Agile, attentive and expert in all we do, we provide you with freedom of movement from the outset.



STEP 2023

This business strategy plan launched in 2018 unites all our employees, partners, suppliers, subsidiaries and shareholders with the common goal of growing the company for the long term.

The acronym STEP 2023 stands for the basic goals of the strategy plan:

STEP 2023

Le projet d'entreprise
de Ligier Group

- S** for... Satisfaction of our customers and employees
- T** for... Transformation towards excellence
- E** for... Electrification of a future mobility
- P** for... Performance for the long term

Since the beginning of 2019, the strategic plan has resulted in concrete actions carried out in our administrative and industrial departments :

- Transformation of production streams: in order to meet demand, the group's plants were reorganized and the Pulse 4 production line was transferred from Abrest to Boufféré, grouping all Ligier Professional production activities at just one site. To get this done, we set up a project team and organized the move: dispatch, reception, organization of a new workshop, while training the teams to produce this specific vehicle.
- Transformation towards excellence: in order to reorganize the industrial streams and improve quality, the teams developed a continuous improvement policy. Change management processes were used to reorganize and optimize the workshops, transform quality management through training, and implement 7 levers to initiate the transformation. In 6 months, 60% of the transformation levers were deployed.
- Sales transformation: with ambitious sales objectives, the group has focused on building our teams and re-organizing our distribution networks to respond to the dynamics of the French and European markets. By adding more sales staff, we have developed and improved the distribution networks for quadricycles and professional electric vehicles. Ligier Group is now the leader in the light quadricycle market in Europe with a 46.5% market share (31/10/2019).

With STEP 2023, we are transforming, building and enriching our business in order to better respond to current market challenges and achieve our objectives.



CHAPTER 1

HUMAN RIGHTS



PRINCIPLES

Principle No. 1: Businesses should support and respect the protection of internationally proclaimed human rights

Principle No. 2: Businesses should make sure that they are not complicit in human rights abuses



▪ Ligier Group is a 100% French company that is fully compliant with French law and undertakes to honour the international rules laid down by the United Nations, the Guiding Principles on Business and Human Rights (Ruggie Principles) and the fundamental principles of the 1948 Universal Declaration of Human Rights.



2 production sites in France: Abrest (03) and Boufféré (85)

▪ Breakdown of turnover:



COMMITMENTS

Protect and promote human rights and all fundamental freedoms within our spheres of influence: commercial partners, suppliers and service providers, employees, customers.

PRACTICAL ACTIONS

- We sent select suppliers a questionnaire to verify their commitment to the UN Global Compact, and 89% responded.
- 100% of the new suppliers approved at Ligier Group have signed the Responsible Purchasing Charter.
- The Responsible Purchasing Charter is sent to suppliers representing 80% of our revenue. To date, 48% of the suppliers in our target group have returned the signed charter.

OBJECTIVES

- Get 100% of suppliers to sign the Responsible Purchasing Charter
- Achieve a 100% response rate to the quality audit of suppliers



CHAPTER 2
INTERNATIONAL LABOUR
STANDARDS



THE PRINCIPLES

Principle No. 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining

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Principle No. 6: Businesses should uphold the elimination of discrimination in respect of employment and occupation

A 100% French company, Ligier Group strictly complies with French regulations relating to fundamental principles and rights at work. The group's international ambitions means that it adheres to the fundamental conventions of the International Labour Organisation (ILO)

[http://www.adequations.org/IMG/article_PDF/article_a563.pdf]

and the OECD Guidelines for Multinational Enterprises

[<http://www.oecd.org/daf/inv/mne/48004323.pdf>]

COMMITMENT 1

Uphold the freedom of association and the effective recognition of the right to collective bargaining

PRACTICAL ACTIONS

- Existence of employee representative bodies

Since 5 March 2019, Ligier Group's employee representative bodies have been organised into a Social and Economic Committee.

SEC 24 members for the 2 sites



- Suggestion box put in place by employee representatives to encourage everyone to give their opinions. Questions are then addressed during meetings of the works council.
- Noticeboards in the common areas of production and administration buildings to communicate important information



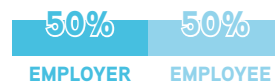
- Mandatory end-of-year annual negotiation on wages which helps to improve working conditions, pay and well-being

Introduction of sick child days:

2 days per year per employee

Group complementary health insurance scheme

with 50% of contributions paid by the company



Occupational benefits scheme

covered by the company as follows:



financed by the employer



financed by the employer

- **Leave for family-related events:** one day of leave for family-related events for couples who live together, just like for married couples, and one day of leave for the death of a step-parent.

COMMITMENT 2

Maintain and develop a healthy, pleasant and safe working environment

12
ANS

Average employee length of service

11,37%

Rate of turnover
(up due to several retirements in 2019)

34
ANS

Average age of new hires

TOTAL WORKFORCE AS AT 31/10/19



PRACTICAL ACTIONS



HEALTH AND SAFETY AT WORK

- Provision of PPE (shoes, clothing, gloves, goggles, earplugs, hard hats, aprons, etc.) to every employee
- Continuous prevention to reduce the number of workplace accidents
- Close relationship with company doctor: every employee must undergo a pre-employment medical examination (required under article 3 of the Ligier GROUP COMPANY BY-LAWS).
- Assessment, upon request, by an ergonomist of work stations to reduce the risk of musculoskeletal problems (possible funding from the disabled workers support organisation CAP EMPLOI for the adaptation of work stations and working hours) : accommodations were made on 3 workstations to improve working conditions and help retain three production employees (2 in Vichy and 1 in Boufféré).



395 500€

invested in workplace well-being and safety and job retention



- Preventive actions for workplace health and safety:
 - Fastt Truck : a national tour to educate employees about health and safety in the workplace. The tour stopped for a day at the Abrest site.
 - Participation in the No Smoking Month initiative in collaboration with Santé Publique France
- Weekly communication of the number of accidents at the STEP briefings
- Internal redeployment of employees suffering from a disability
- Safety-awareness training for all employees when hired. All new employees are given the latest version of the HSE welcome booklet as soon as they arrive, with a multiple choice test at the end of the training.



EMPLOYEE BENEFITS

- Signature of a company-level agreement in 2017 on employee profit-sharing and incentives

842 929€

paid to employees in 2019 in profit-related pay for 2018

184 056€

paid to employees in 2019 in incentive bonuses for 2018



- Company-level agreement on the payment of an efficiency bonus twice a year to every employee
- Annual contributions offered by the works council in the form of holiday vouchers, gift vouchers, partnerships with various brands for promotions
- Company-subsidised canteen on the Boufféré site, provision of meal vouchers on the Abrest site



SOCIAL ACTIVITIES

- Organising of social gatherings in partnership with the works council:
 - 1 before the summer holidays
 - 1 before the Christmas holidays



- Christmas event: during the month of December, a “collaborative” Christmas tree was set up in the production buildings in Vichy and Boufféré. Everyone was invited to hang an ornament of their choice. We also held a Christmas costume or accessory day on the last day before the Christmas holiday to create a sense of community among employees.



- Provision of pleasant common areas in production and administration buildings:
 - 5 break rooms with coffee machines
 - 1 canteen per site
 - Mini golf course and outdoor eating areas
- Provision of donation boxes in partnership with the federation of municipalities to encourage recycling and donating instead of the creation of waste
- 8 digital screens in the common areas of production and administration buildings on both sites to disseminate internal information to all employees. News is displayed about recruitment, company events, retirements and so on.
- Dissemination of two internal newsletters, via e-mail for those with e-mail addresses or via noticeboards: internal communication on company life, external activities, noteworthy results, sales operations, etc.

33 newsletters sent in 2019

3 Step News. This is the name of Ligier Group's quarterly newsletter. Inspired by the STEP philosophy, the newsletter promotes communication and creates a sense of community among the employees, sharing news about company events and the actions carried out within the framework of STEP 2023.



WORKING CONDITIONS

- Modification and improvement of our welding fume extraction system.
- Renovation of 1990m² of workshop floors at the Abrest site (refurbishment of the prototype workshop).
- Renovation of some offices (shutters, windows, paint, flooring)
- 100% of the office chairs have been replaced.
- Promote work/life balance

11 voluntary part-time working hours

- Daytime working hours even in production (except if on team working 3x8 shift)
- Summer hours set up in case of heat waves

- Encourage access to professional training

1205 hours of training provided in 2019 for 57 employees: 17 managers, 15 technicians, 4 white collar workers and 21 operators. (18% of employees)

STEP
2023 Le projet d'entreprise
de Ligier Group



As part of the STEP 2023 strategic plan, STEP 5 / 15 / 30 briefings are held:

- 5 min in production every day
- 15 min in production with the supervisors twice a week
- 15 min in administration once a week
- 30 min with the industrial managers

OBJECTIVES

- Have all departments contribute to the dissemination of information on the internal digital displays



COMMITMENT 3

Eliminate and combat all forms of workplace discrimination

PRACTICAL ACTIONS



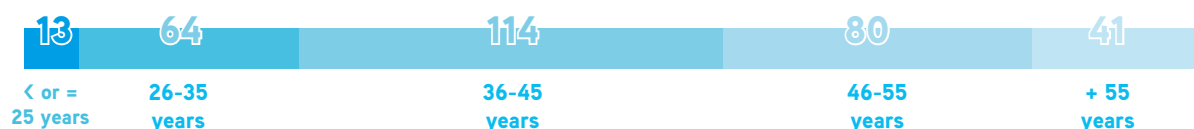
PRINCIPLE OF EQUALITY AND NON-DISCRIMINATION

- Signing of an agreement on gender equality on 18 January 2018 which came into force on 1 February 2018 for a period of 4 years in 4 action areas: recruitment, health and safety at work, working conditions and effective remuneration.
 - *Recruitment*: Remind managers, recruiters and temping agencies of the rules against non-discrimination when hiring.
 - *Health and safety at work*: Implementation of a system to prevent verbal abuse, gender-based violence and sexual violence.
 - *Working conditions*: The company is committed to examining all requests for changes to the organisation of working time, including voluntary part-time hours.
 - *Effective remuneration*: On returning from parental leave, employees will benefit from any general salary increases awarded during the period of their absence.

20% female employees in 2019

- Ligier Group, within the framework of the Global Compact, is fully committed to Human Rights and is particularly attached to the principle of gender equality. The Group's gender equality index is 79/100. This illustrates our determination to offer all employees the same opportunities and prospects for promotion. We track this index daily to keep it moving in the right direction, in line with our continuous improvement policy.

- Balance in average age of employees



AVERAGE AGE: 43 YEARS



CHAPTER 3

THE ENVIRONMENT



THE PRINCIPLES

Principle No. 7: Businesses should support a precautionary approach to environmental challenges

Principle No. 8: Businesses should undertake initiatives to promote greater environmental responsibility

Principle No. 9: Businesses should encourage the development and diffusion of environmentally friendly technologies


COMMITMENT

Comply with regulations in force. Prevent pollution from activities and continuously improve environmental performance.

PRACTICAL ACTIONS



REDUCTION AND RECOVERY OF WASTE

- Implementation of an environmental management plan with monitoring of results via indicators disseminated to all personnel on noticeboards in the production and administration buildings
- Working with all suppliers of Ligier Group to reduce packaging and increase use of recyclable containers:
 - Information included in all project specifications = essential condition when choosing a new supplier
 - With certain suppliers: delivery of orders in returnable reusable plastic containers to avoid throw-away packaging. The packaging form included in all new contracts that we send to our suppliers is part of our packaging reduction policy. To date, 100% of new contracts have been signed with this packaging form.
- Continuous research into new methods of processing waste to prioritise recycling
- Implementation of internal and external communication tools appropriate to the objectives of the environmental management programme:
 - Collaboration with printers that have been awarded the  label
 - Inclusion of the words "Please don't litter" on majority of marketing materials
 - Internal communication: use of e-mail rather than paper
- Raising awareness of environmental protection and recycling among all employees:
 - Information in the health and safety/environmental booklet provided to every employee when hired
 - Various notices in the production and administration buildings
 - Provision of containers for sorting of waste: paper/cardboard/plastic
 - Reorganization of a waste platform at the Abrest site
 - 76% of waste recycled in 2019 (identical to 2018)
 - The +6.55% increase in vehicle production compared to 2018 generated +3.11% additional waste



REDUCTION IN ENERGY CONSUMPTION

- Evolution of electricity consumption:

The **+9,8%** increase in revenue from 2018 to 2019 resulted in:

+4,38%

increase in electricity consumption

+6,85%

increase in gas consumption

- Implementation of several solutions to reduce our energy consumption:

- Installation of LED lighting inside and outside the workshops:

50%

of lighting changed

- Replacement of old machines with new more energy-efficient models:

1

investment in a variable speed compressor with heat recovery system

In 2018, we invested in 1 variable speed compressor at the Boufféré site. In 2019, the same investment was made at the ABREST site.

CO₂

REDUCTION IN CARBON FOOTPRINT

- We hold inter-site meetings by videoconference or telephone whenever possible in order to reduce fuel consumption.
- For certain projects, evaluation of the carbon impact associated with:
 - Manufacturing the vehicle
 - The materials used for manufacturing
 - Manufacturing-related waste
 - Use of the product and the end of its life



OBJECTIVE:

- Reduce gas and electricity consumption by 1% with respect to revenue
- Get 100% of our legacy suppliers to sign the packaging form
- Recycle 80% of waste
- Reduce heating consumption: lower temperature by 0.5°C in production workshops



CHAPTER 4 ANTI-CORRUPTION



THE PRINCIPLES

Principle No. 10: Businesses should work against corruption in all its forms, including extortion and bribery

COMMITMENT

Establish and develop independent, fair, transparent, honest and legally-compliant relationships with all of our partners (suppliers, distribution network, customers)



PRACTICAL ACTIONS

- Ligier Group includes several commitments in its Responsible Procurement Charter necessitating compliance with anti-corruption principles to combat all forms of corruption:
 - Refusal of gratuities or gifts other than of symbolic value from suppliers and service providers
 - No sending of gifts to suppliers except within the context of a general programme approved by the Purchasing Department
 - Exercise good judgement when dealing with suppliers and service providers to avoid any situations that could create or be perceived as creating a conflict of interest.
 - Use of purchasing methods that encourage genuine, fair competition between suppliers
 - Avoid any type of economic dependence between Ligier Group and its suppliers

To date, 48% of our suppliers have signed this charter.