



Shape and share **sustainable links**

2023
INTEGRATED
REPORT

lisi

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LISI Summary

€1.63 Bn

SALES REVENUE

€90.7 M

EBIT

€22.2 M

FREE CASH-FLOW (*)

€37.5 M

NET PROFIT

€96.7 M

INDUSTRIAL CAPEX

(*) Net operating cash flow minus net capex and changes in working capital requirements.

LISI is a global industrial group, specializing in the manufacture of assembly solutions and high value-added components for the aerospace, automotive and medical sectors. A partner of the greatest world leaders and driven by its long-term family values, LISI innovates and invests in research and development for tomorrow's products.

Its purpose – Shape and Share Sustainable Links – guides its action, unites its teams around common values and sets the course for future stakes.

To meet the challenges of tomorrow and follow market developments, the LISI Group is adapting its industrial tools, particularly in terms of quality, safety and performance. It bases its development and growth on two strategic pillars: operational excellence and innovation.

Together, LISI's 10,000 employees are committed to the industry of tomorrow: a safer, more efficient industry in line with environmental issues.

Maintaining and strengthening long-term strategic decisions

Emmanuel Viellard
LISI CEO

Jean-Philippe Kohler
LISI Chairman

In 2023 the Group consolidated its positions on its 3 markets with strong growth in overall activity to post sales revenue close to its historical records at €1,630.4 million. Despite this strong momentum, the economic and cyclical context, including high inflation on all expense and investment items as well as the recruitment difficulties already experienced during the previous financial year, did not make it possible to achieve the full potential of the expected activity. However, inflation was partly offset by increases in sales prices without compromising the commercial relationship.

However, courageous and organized actions have reinforced our long-term strategic decisions. The Group has thus been rewarded by its customers for its innovations and its quest for performance: differentiation based on the two strategic pillars – operational excellence and innovation – is recognized as a major asset.

The ability to attract new talent and retain know-how has been placed as a top priority. This action involves making an unprecedented effort on training, safety and quality of life at work. It therefore includes a major communication component. The Group's long-term positioning will be reinforced by the effectiveness of its CSR policy – a key element in nourishing the employer brand – measured against an ambitious trajectory.

The Group has had a historical responsibility for 250 years. This is expressed through its purpose: "Shape and Share Sustainable Links" with all of its stakeholders.

Our confidence in the future remains intact if we relentlessly pursue our efforts towards excellence and if our strategic choices remain selective. Our ambition is to win the global battle for innovation and operational excellence by positioning ourselves in niches chosen for their strong differentiation.

We believe in the quality of our teams, capable of meeting the challenges of tomorrow and adapting quickly to the volatile conditions of demanding markets.

We are confident in the LISI Group's ability to offer differentiating services to major clients.

This long-term confidence is reflected by the strengthening in 2023 of the two founding family shareholders in majority control of the Group who have supported LISI's growth for so long.

We would like to thank all our stakeholders who make it possible to continue the wonderful LISI adventure.



Jean-Philippe Kohler, LISI Chairman (left) and Emmanuel Viellard, LISI CEO (right).

*“The Group should benefit from the positive dynamics of its various markets and thus **improve its performance** on both financial and extra-financial criteria.”*





PROFILE

Shaping a sustainable future



As of the elaboration of its purpose – Shape and Share Sustainable Links – LISI places issues of social and environmental responsibility at the heart of its strategy and collective approach. By thus giving meaning to its action, the Group lays the foundations for its future development and defines the operating mode for achieving the ambitious objectives it sets. A commitment shared by all of its employees.

LISI GROUP

For more than two centuries, the LISI Group has designed and produced assembly solutions and high value-added components for the aerospace, automotive, and medical sectors. The positions it occupies and its international dimension allow it to support its clients in their projects wherever they are located.

3 activities

LISI AEROSPACE

€838.9 M (+17.0% / 2022)

52% OF GROUP SALES

5,871 EMPLOYEES

19 SITES IN 8 COUNTRIES

LISI AEROSPACE produces fasteners and assembly and structural components for the largest global players in the aerospace sector; this division participates in the production of safer and more environmentally friendly aircraft.

LISI AUTOMOTIVE

€610.4 M (+ 9.5% / 2022)

37% OF GROUP SALES

3,202 EMPLOYEES

19 SITES IN 8 COUNTRIES

LISI AUTOMOTIVE produces metal and plastic assembly solutions, and mechanical safety components intended for automotive manufacturers and equipment suppliers throughout the world; this division contributes to the transformation of vehicles: more reliable, safer, connected, autonomous, lightweight and electrified.

LISI MEDICAL

€181.9 M (+ 20.6% / 2022)

11% OF GROUP SALES

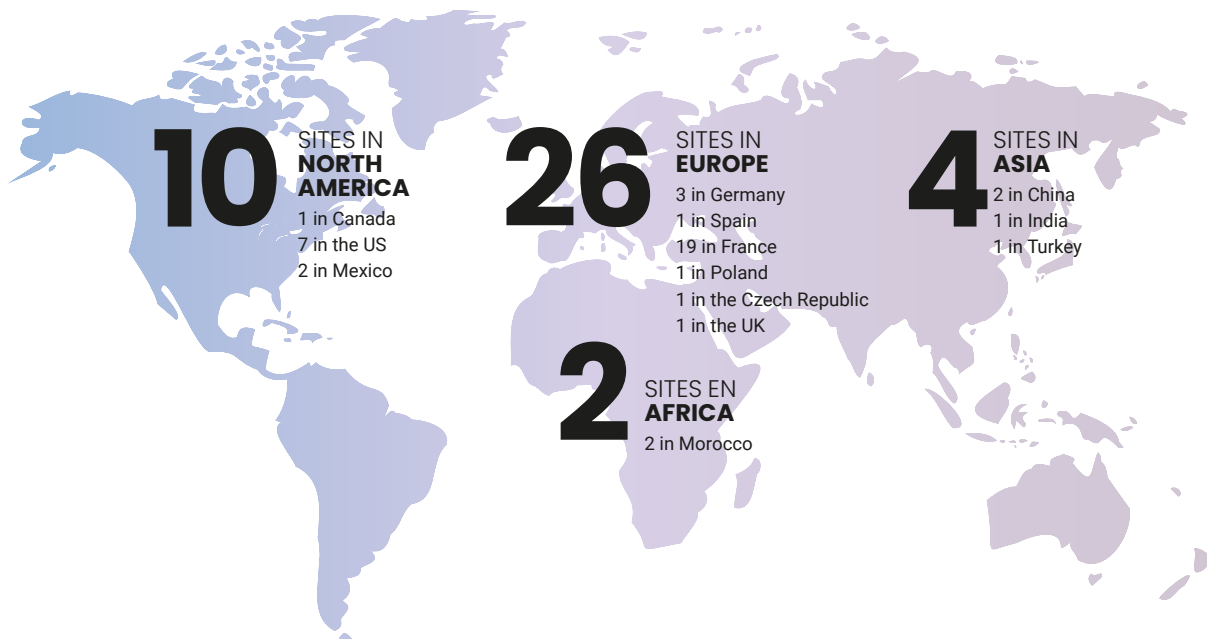
846 EMPLOYEES

4 SITES IN 2 COUNTRIES

LISI MEDICAL produces medical implants, ancillaries and minimally invasive surgery instruments with high added value; this division manufactures cutting-edge products to facilitate access to surgery for everyone.

Sites

42 SITES ACROSS
13 COUNTRIES



History

1777

The origins around steel wire

Frédéric Japy created a watchmaking factory in Beaucourt. He was joined a few years later by other families from Montbéliard and Belfort, in industrial territory. LISI was born from the merger of these family businesses around a common technical base, namely steel wire work.

1962–1968

Creation of an industrial group: GFD

The Bohly, Dubail-Kohler and Viellard family businesses, present from the start, merged to form *Générale de Forgeage Décolletage* (GFD), with the ambition to develop the French metallurgical industry. GFD became the leading French manufacturer of standard and automotive screws and bolts.

1977

The aerospace business kicked off

The Group started designing and manufacturing fasteners and assembly solutions for the aerospace industry with Blanc Aero Industries. In France first, and then internationally.

2002

The Group was renamed LISI

To differentiate itself from its competitors and position itself as one of the only multi-specialist players in fasteners on an international scale, the Group took the name LISI: *Link Solutions for Industry*.

2007

The Medical division was created

Between 2007 and 2010, LISI expanded its offering and positioned itself in reconstructive surgery with LISI MEDICAL. In 2016, the division entered the market for the manufacture of minimally invasive surgery instruments.

2023

Heading towards the industry of the future

The LISI Group now focuses its strategy on the major industrial challenges of the future: decarbonization to optimize the impact of its activities, attractiveness to recruit the talents of tomorrow, and productivity, to aim for leadership in each of the markets in which the Group operates.

2023 markers

10,000+

EMPLOYEES

220,472

HOURS OF TRAINING

3 SITES WITH THE LABEL
VITRINE INDUSTRIE DU FUTUR

23 PATENTS FILED*

* Invention registered in the form of a *soleau* envelope or first patent filing.

LISI AEROSPACE



“LISI AEROSPACE’s innovations will be integrated into the technological building blocks of the aircraft of the future.”

Emmanuel Neildez
CEO

FIND OUT MORE



What strategy are you implementing to decarbonize your activities?

Our action plan is part of a trajectory whose objectives will be met in 2030. It is structured around three axes.

The first one concerns the reduction of our direct footprint and concerns our manufacturing sites. The cutting-edge installations and equipment that we deploy in our factories are more efficient and allow precise monitoring of our consumption. We are also increasing the use of renewable energies as part of a multi-year equipment plan. For example, the roof of our English factory in Rugby was equipped with solar panels in 2023; that of our site in Tangier, Morocco, will be in 2024.

The second axis concerns our suppliers and more specifically those who supply us with raw materials. We challenge them to use an increasing proportion of recycled material in their manufacturing cycle. We encourage them to implement action plans for their CO₂ emissions. This is the axis with the most significant impact in the decarbonization of our activity.

The third axis relates to the products and innovations that we put on the market, such as the OPTIBLIND™ fastener system, which allows the development of aircraft with lighter architectures that consume less fuel.

What impact does this trajectory have on your innovation strategy?

It irrigates our thinking! Our strategy is guided by the efforts of our customers towards this objective of overall reduction of CO₂ emissions: to produce lighter parts which allow us to imagine more economical aircraft. It is also encouraged by public authorities, who direct development projects in this direction. In October 2023, the OPTIBLIND™

fastening system received recognition from Airbus. This is a major event of which we are particularly proud. Regarding structural components, our new process for manufacturing alloy parts makes it possible to reduce the quantity of material and the power required to deform the metal. It arouses very strong interest from our customers.

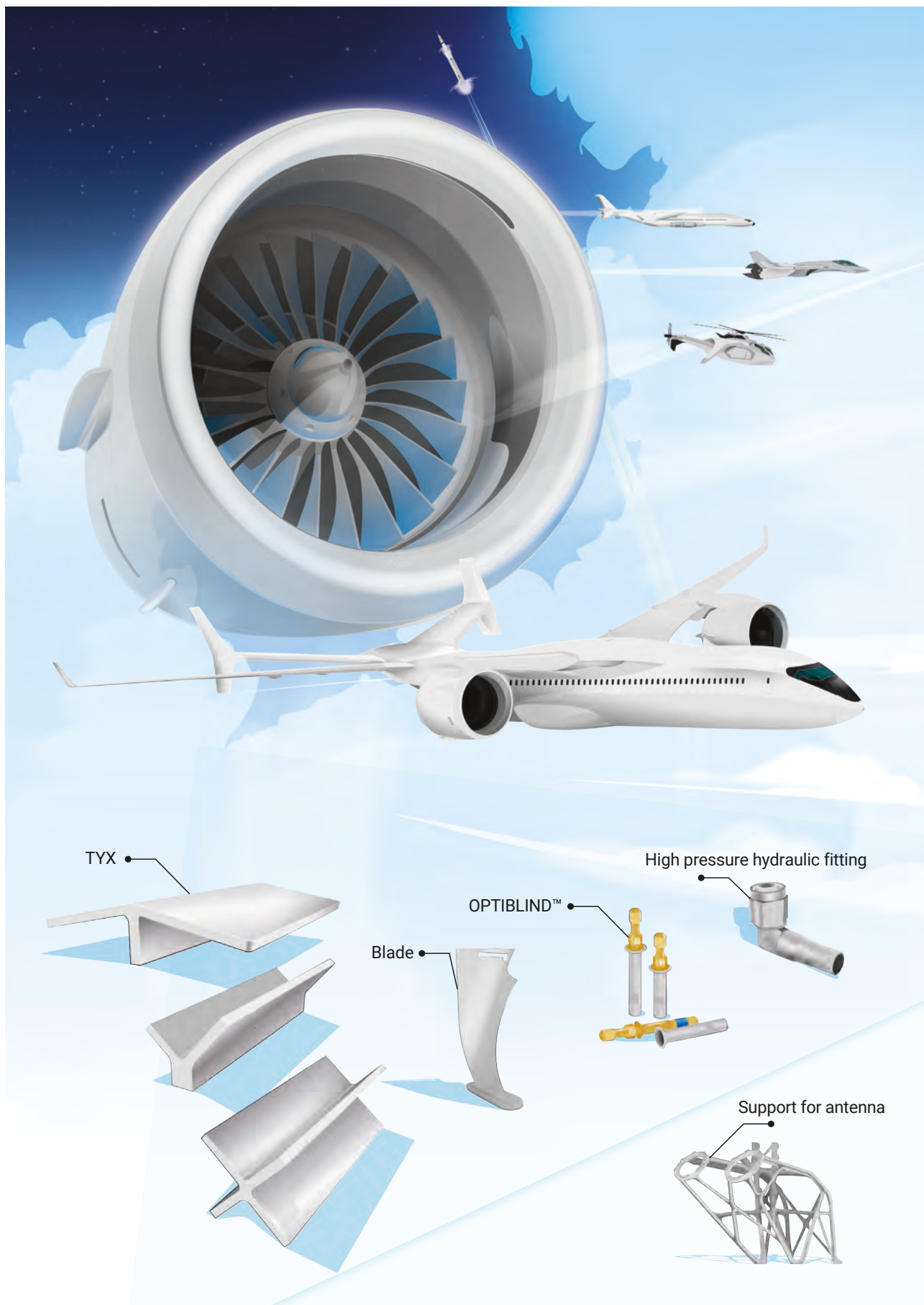
What impact do these moves have on your lines of business?

In the new manufacturing processes that we are implementing, data is becoming a central element and this development is transforming our lines of business. In the years to come, we will need several dozen engineers capable of extracting, analyzing, and interpreting data to improve our operations and our control processes. This structural move will be spread over 5 to 10 years.

How do you see LISI AEROSPACE 20 years from now?

In 2044, the aerospace industry will have completed its ecological transition and the impact of air transport will be completely changed. LISI AEROSPACE’s activity will continue to grow until then since several of our products are already integrated into the technological building blocks that will constitute the aircraft of tomorrow. Much more efficient in terms of energy, they will be driven by two waves of major innovations: the incremental improvement of conventionally powered aircraft with the use of Sustainable Aviation Fuel (SAF) coupled with a high level of electrification. This upgrade will take place between 2035 and 2040. The second wave, a disruptive one, will likely see the advent of hydrogen. Airplanes that use this fuel will then be in full development. The challenge for us will be to be present on these major programs.

Our flagship products



LISI AUTOMOTIVE



“Today we are reaping the rewards of our early positioning on the electrification of vehicles and their related functions.”

François Liotard
CEO

FIND OUT MORE



What strategy are you implementing to decarbonize your activities?

Our roadmap has two aspects: a plan to decarbonize our manufacturing processes and a product plan to adapt our offering to electric and connected vehicles. The mapping of our carbon footprint, conducted in 2023, allowed us to define specific objectives for 2030, the first stage of our decarbonization. On scopes 1 and 2, which relate to the energy you consume to produce and that you purchase, we plan a 50% reduction in our direct footprint by 2030. On scope 3, which relates to the share of materials and components that enter your nomenclature, the reductions should reach 15%. The agreement with ArcelorMittal to develop steel that emits less greenhouse gases is a major component of this action plan.

What impact does this trajectory have on your innovation strategy?

On the product front, we are now reaping the rewards of our early positioning on the electrification of vehicles and their related functions, such as electric seats or electric brake systems. Our market shares in these segments are growing today in Europe, China and North America. Our new LISI-μ MACH ASSEMBLY PROCESS® multi-material assembly process also positions us in battery cell fastening and assembly solutions with a real differentiating edge. All these innovations actively contribute to reducing vehicle CO₂ emissions and position us as an innovative player.

What impact do these moves have on your lines of business?

The digitalization of our processes, such as real-time supervision of manufacturing and the evolution of our research methods towards simulation and digital calculation require new profiles, capable of managing and analyzing data. Likewise, we are in the process of modeling business relationships with CRM (Customer Relationship Management) tools capable of tracking all the contracts for which we tender in order to optimize our success rate and to be more selective in the projects we choose to handle.

How do you see LISI AUTOMOTIVE in 2044?

20 years from today, parity between women and men will be achieved in our management teams. Our 4,000 employees will be distributed between the Euromed, North America and Asia zones. Industrial and administrative processes will rely to a large extent on artificial intelligence. Our plants will be decarbonized, with a CO₂ equivalent level reduced to zero on scopes 1 and 2 and reduced by 80% for scope 3. The automotive market will be electrified to a large extent, with batteries or fuel cells. Combustion vehicles will only amount to 20% of sales. LISI AUTOMOTIVE will occupy a leading position in multi-technology, multi-material fastening solutions, mechatronics components and advanced low-resistivity battery cell connection solutions. Our performance will rely on our two historic pillars: operational excellence and innovation, with digitalized processes reinforced by significant use of artificial intelligence.

Our flagship products



LISI MEDICAL



“We will focus on the development of minimally invasive surgery as growth opportunities are stronger there for LISI MEDICAL. Orthopedics remains a major strategic focus for our division, due to its size and stability.”

Lionel Rivet
CEO

FIND OUT MORE



How has the division adapted to the market in 2023?

LISI MEDICAL is present on the market for minimally invasive surgery (MIS) instruments for soft tissues and the market for reconstruction implants for joint surgery. In 2023, we experienced very strong growth thanks to our robust MIS positioning in the US, combined with a good trend in Europe. We will focus on the development of minimally invasive surgery as growth opportunities are stronger there for LISI MEDICAL. Orthopedics remains a major strategic focus for our division, due to its size and stability.

How do you adapt?

Our strategy is focused on supporting our clients in their growth dynamic with significant investments, while offering the best in terms of quality, cost, and service. Regarding quality – an essential dimension in the medical sector – we are recognized for being extremely demanding. Regarding costs and deadlines, we systematically optimize our processes as part of the LISI SYSTEM, our continuous improvement program. A first wave of automation, now completed, has allowed for significant productivity gains. Today we are embarking on a second wave of robotization which will focus on more complex phases of production, such as forging or the installation of autonomous cells integrating several consecutive operations. This step, which has already mobilized significant capital expenditures in 2023, constitutes an important challenge for the division.

What are the impacts on the business lines, on production?

This new wave of robotization and autonomy improvement will require significant work on optimizing production processes. At the individual business line level,

on the other hand, although there is a need for adaptation, the impact will remain limited insofar as these developments and new digital tools are designed to facilitate the work of our employees.

How do you tackle environmental challenges?

LISI MEDICAL is fully part of the Group's overall plan. Actions to reduce our energy consumption should allow us to save 1,400 MWh over the period 2024-2027. In terms of renewable energy, we aim to produce 850 MWh of electricity annually from solar panels by 2030, which will represent 3% of our consumption. We will also install electric charging stations in our French factories to allow our employees to come by electric car. In terms of governance, we aim to have 30% women cadres, and to ultimately evaluate more than 70% of our suppliers on CSR criteria.

How do you see LISI MEDICAL 20 years from now?

We anticipate relative stability in our orthopedics activity and significant growth in our MIS activity, all of which should enable us to pass the €300 million mark by 2027. In the longer term, our ambition is to reach a critical size and become a key player in these two markets in their consolidation phase. To achieve this, we must rely both on internal growth – which we have done over the last two years – and on external operations to meet, tomorrow, the needs of major global clients under the best conditions.

Our flagship products



2023

Highlights

The Group is awarded the “Saga Familiale” Prize

LISI received the Saga Familiale Prize at the *Territoires et Industrie* event organized in October in Belfort (France). This prize awarded by *L'Usine Nouvelle Events La Gazette des Communes* is a tribute to the Group's long industrial history, its local roots, and its loyalty to the territory where it was created. A commitment to continuing innovation efforts, an essential component of its attractiveness.

LISI, Best Managed Companies 2023

The LISI Group was awarded the Best Managed Companies 2023 label for the second consecutive year. Awarded in June by Deloitte, this label rewards companies for the quality of their management and their level of performance based on four criteria: long-term strategy, talent management, innovation capacity, CSR policy, governance and financial management. This label, awarded to 14 companies in France, supports LISI's ambition to inspire the talents of tomorrow, women and men, to transform the industry.



New edition of the LISI SYSTEM Forum

In March, the LISI Group held its 3rd webinar dedicated to the LISI SYSTEM, the operational excellence management program used within the Group's factories and support services. The forum made it possible to highlight good factory practices, share results and discuss LISI's vision in terms of continuous improvement, in relation to the Group's values: looking beyond, together.



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2023 PARIS AIR SHOW

A highlight for LISI AEROSPACE

LISI AEROSPACE's participation in the [Paris Air Show](#), from June 19 to 25, 2023, represents a particularly strong moment for the division's teams. A major event in the economic life of the industry and the global aerospace ecosystem, the Paris Air Show gathered nearly 2,500 exhibitors, including 300 start-up companies, and welcomed 293,000 visitors and 1,850 journalists. This key event also offers LISI AEROSPACE an opportunity to showcase its product and process innovations, ongoing collaborations with partner start-up companies (Fabriq, Mercateam, Ellistat, Oplit & Aletiq), to introduce its businesses and to share the vision of the Group's industry of the future. The constant success of the show, particularly among a young audience, has also made it possible to introduce the division's activities to as many people as possible: as part of the "*Elles Bougent*" association. On this occasion, 6 groups of female students were thus able to discover the high-level scientific and technical careers offered by LISI. Finally, the show was an opportunity to introduce the division's roadmap on the path to decarbonization.





STRATEGY

Sharing our vision for tomorrow



LISI's mission, expressed in our purpose, consists in designing and delivering reliable and sustainable assembly and component solutions for the aerospace, automotive, and medical sectors. To achieve this, we rely on our two pillars: operational excellence and innovation. We also strive to do better with less, by aiming for concrete targets in terms of social and environmental responsibility. Sharing our vision of the future, with our employees and all stakeholders, will enable us to succeed in achieving these objectives.

“We are ready for the future and are focusing our actions on decarbonization.”

Emmanuel Viellard

LISI CEO



What strategic vision do you share within the LISI Group?

The LISI Group was built over a span of nearly 250 years of history and has always looked toward the future. Our strategic plan, set up for 4 years, is constantly updated. We are already thinking about 2030 to plan further and are structuring our action around 3 major ambitions: **decarbonization**, because sustainable development is a conviction that has become a prerequisite for any development initiative; **attractiveness**, to keep our ability to attract the best talents intact, and finally **productivity**, which is a necessary condition to maintain our performance and best meet customer needs. We are convinced that financial and non-financial results form a whole; they live together and must therefore be integrated into the strategy and expected objectives.

How do you measure progress in decarbonization and CSR?

We are present on the main programs of Corac, the Council for Civil Aerospace Research, which established, with the DGAC (French Civil Aviation Authority) and the GIFAS (French Aerospace Industries Group), the roadmap for the decarbonization of aviation. We are also very active in the automotive industry and electromobility, where these issues are key. Even though we operate way upstream for

the time being, we already have all it takes to lighten our parts and our fastening systems adapted for the engines of the future, the Fit for 55 and the decarbonization of our applications. Regarding the overall CSR strategy of our activities, we have set for ourselves a specific long-term roadmap, with ambitious objectives for 2030, whether regarding the reduction of our water consumption or energy, our greenhouse gas emissions, safety at work or even advancing diversity within the company. From the climate emergency to the transformation of the mobility sector through the creation of a more inclusive society, our stakeholders expect LISI to act, with strong measures that have a real impact on society and the territories where we operate. This is the mission that we have set for ourselves and it is a conviction that inspires and involves all of LISI's 10,000 employees around the world.

What challenges are you faced with in terms of attractiveness?

Like all industrial companies, we must be sufficiently compelling if we want to win the battle for talent. Innovation, with the quest for operational excellence, is at the heart of the Group's strategy. If it is everyone's business – at LISI we deploy participatory innovation approaches and programs which are aimed at all of our employees – our capacity to attract talent, to mobilize energies, to offer attractive career paths in an open and varied environment, are powerful levers for collective success. This is why we increase training, experience and partnerships, to introduce people to the “LISI culture”, its business lines, its vision of the industry of the future, the cutting-edge technologies implemented in each division, the disruptive solutions that we offer to the market which meet the needs of the most prominent manufacturers and equipment manufacturers, in the automotive, aerospace, and medical industries.

What levers do you rely upon to improve LISI's productivity?

We must remain agile, and adjust constantly. Productivity is one of the keys to success. We must work and constantly improve our performance results.



To achieve this, we rely on two essential pillars: the quest for operational excellence which is based on the LISI SYSTEM, the program which guides our practices and our procedures both in the plants and in the support functions. Innovation allows us to be positioned upstream with customers on the new products and applications they are developing, and to gain market share. Today we are focused on combining financial and non-financial performance over a long-term trajectory. By combining profitability and responsibility, we are opening a new chapter in our history. Our CSR approach, structured around the **3Ps People, Planet and Profit**, represents a decisive asset for the creation of value in the short, medium and long term. We are about to launch a major initiative on the “People” component by fully integrating it into the LISI SYSTEM.

*“By combining profitability and responsibility, we want to prolong our history. Our CSR approach, structured around the 3Ps People, Planet and Profit, represents a **decisive asset for the creation of value** in the short, medium and long term.”*

Our business model

OUR RESOURCES

Our teams

- 10,014 committed and involved employees spread across 13 countries.
- A corporate university: LKI.

Our know-how

- 150 experts within an internal LISI network.
- 30 members of the digital community spread across all sites.
- 23 patents filed in 2023⁽¹⁾.

Our industry

- 42 production sites spread across 13 countries.
- 3 sites awarded with the label *Vitrine Industrie du Futur*.
- Ratio of 426 robots for 10,000 employees.
- 15 collaborations with startup companies.

Our responsibility

- ISO 14001 & ISO 45001: a certification policy for all our sites.
- LISI E-HSE internal excellence program and 6.3% of investments dedicated to HSE.
- Signatory of the Global Compact, French Business & Climate Pledge.

Our robust financial position

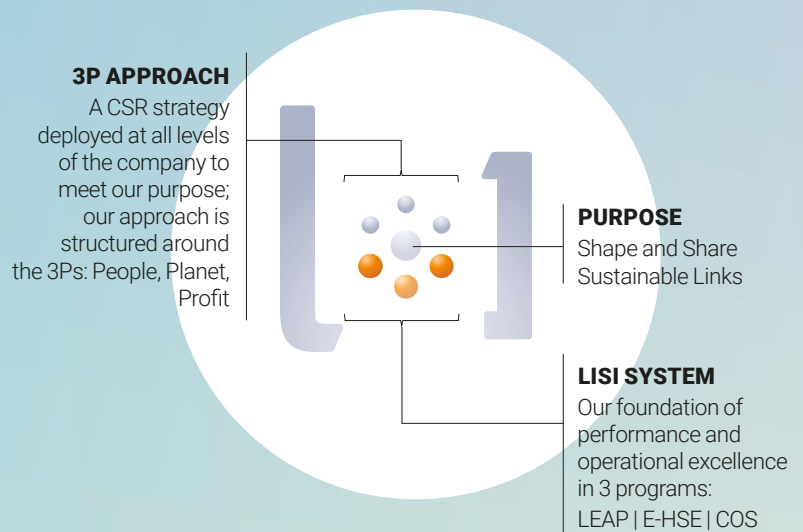
- €939 M shareholder equity.
- Net debt (€501 M, excluding OPRA €289 M).

⁽¹⁾ Invention registered in the form of a soleau envelope or first patent filing.

OUR PURPOSE

Shape and Share Sustainable Links

In line with our CSR policy, the LISI Group is accelerating its strategy around the **3P - PEOPLE, PLANET, PROFIT**, relying on the fundamentals of the **LISI SYSTEM**, our standards and our tools and on our major levers **operational excellence and innovation** which constitute our DNA.



2 PILLARS

- Operational excellence
- Innovation

OUR 3PS WITH OUR 7 AXES

SDG*



People



1 Protect our employees



2 Retain our talents



Planet



3 Protect our environment



4 Work with our territories



Profit



5 Go beyond our customers' expectations



6 Involve our suppliers



7 Secure our financial resources



* Sustainable development goals.

OUR ADDED VALUE

Our teams

- A favorable and attractive social model: participation, profit-sharing, employee shareholding and employee savings.
- €611 M in personnel costs, or 37.5% of sales revenue.
- 28.1% women cadres.
- TF1⁽²⁾ = 6.7

Our customers

- €29.4 M in capital expenditures to expand our plants' capacities, or 30% of total CAPEX.
- €32,3 M in R&D expenses.

Our suppliers and partners

- €513 M in purchases (raw materials, goods, tools and other supplies).
- 57% of key suppliers assessed as per CSR criteria.

Our environment

- -37% of greenhouse gas emissions/2019 on partial scopes 1, 2 and 3 and €4.3 M in CAPEX dedicated to carbon footprint reduction projects.
- 1.7% of energy savings in MWh due to the projects compared to the N-1 consumption (on a same scope basis).
- 0.4% of renewable energies produced on site.

The State and communities

- 100% of sites in water stress zones have an action plan.

Our shareholders and financial partners

- Free Cash Flow: 1.4% of sales revenue.
- €0,31 dividend per share.⁽³⁾

⁽²⁾ Number of workplace accidents with and without lost time per million hours worked.

⁽³⁾ Dividend suggested to the General Meeting of 04/26/2024.



“3 action principles to structure our roadmap.”

The LISI Group has structured its sustainable development strategy to mirror the pondering that resulted in wording its purpose: Shape and Share Sustainable Links. Guided by the desire to contribute to a sustainable and inclusive world, such CSR strategy was naturally organized around three entry points, called the **3Ps: People, Planet, Profit**.

People is focused on the health and safety of the Group's employees, diversity and inclusion and the development of our attractiveness. **Planet** is structured around three central topics: carbon footprint reduction, efficient use of resources and our actions with local communities. Finally, **Profit** focuses on meeting the expectations of LISI's customers and suppliers and on securing its financial resources in compliance with environmental, social and ethical rules.

These **3Ps** were defined and designed in consultation with all of the Group's stakeholders: its suppliers, its customers, its shareholders, its employees, staff representative bodies, etc. Driven by strong convictions, they fuel our values and guide our action. By integrating sustainability and societal impact into every aspect of our business, we create long-term value for all stakeholders and ensure profitable growth.

€4.3 M
CAPEX DEDICATED
TO CO₂ REDUCTION

– 37%
REDUCTION OF OUR CO₂
EMISSIONS/2019

6.7
TFI

28.1%
WOMEN CADRES

57%
KEY SUPPLIERS ASSESSED
AS PER CSR CRITERIA



*“Our roadmap is clear and our determination is complete: thanks to the energy, know-how, commitment of our teams and the support of our stakeholders, LISI is confident in **its ability to move forward together** and make progress on our sustainable development goals for the benefit of all.”*

– **Anne-Delphine Beaulieu**
LISI Chief Sustainability Officer &
Digital Transformation

People



The first P of LISI's sustainable development strategy, **People** focuses on two major objectives: protecting employees and retaining talent. In 2023, the Group implemented a number of actions to develop its employer brand. The "Welcome to the Jungle" platform, for example, helps boost our visibility and recruitment; more than 47,000 visitors to our showcase and more than 900 job offers published. LISI is also a partner of the "Elles Bougent" association to strengthen the diversity of talents within its teams and in particular on the feminization of jobs.



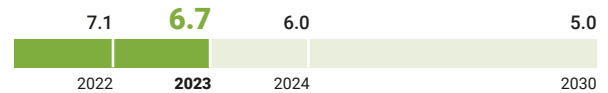
#1 Protect our employees

Objectives assessment

- TF1⁽¹⁾ down.
- 0 level 1 machine non-compliances maintained.
- 100% of staff trained in safety at least once a year.
- Breakup plan for accident-prone sites.
- ISO 45001 certification.

Challenges & Objectives

TFI



SDG⁽²⁾ 3: Good health and well-being
GRI⁽³⁾ 403-2



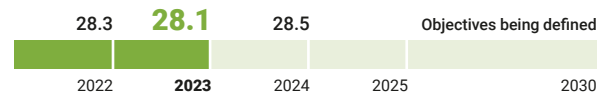
#2 Retain our talents

Objectives assessment

- LISI Group promoted to attract talent.
- Guarantee a working environment conducive to development and fulfillment.
- Develop diversity.
- Engage the teams.

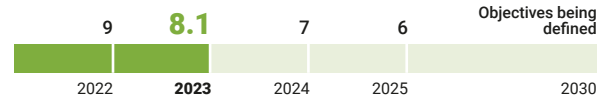
Challenges & Objectives

% of women cadres



SDG 5: Gender equality
GRI 401-1

% of resignations



SDG 5: Gender equality
GRI 401-1

⁽¹⁾ TFI: Number of workplace accidents with and without lost time per million hours worked.

⁽²⁾ SDG: Sustainable development goals.

⁽³⁾ GRI: Global Reporting Initiative.

People



Diversity

***“Elles Bougent”* to strengthen the position of women in the industry**

In 2020, the LISI Group joined the *“Elles Bougent”* association whose objective is to strengthen diversity and deconstruct stereotypes about jobs in the industry. Created in 2005, the association multiplies its actions to open young girls’ horizons to careers that they often know nothing about. Supported by a host of industrial groups, by engineering schools and by several ministries, *“Elles Bougent”* organizes forums, challenges, offers plant visits and specialized tradeshow to inspire vocations via testimonials.

The LISI Group welcomed groups of students to the [Paris Air Show](#) (read opposite).

The diversity of talents in plants is one of the Group’s priorities. *“We wanted to mobilize to fight the stereotypes that weigh on the industry and encourage women to consider careers in this sector,”* emphasizes Élisabeth Willocq, R&T Director – Engine and Structural components at LISI AEROSPACE. *“The industrial sector must open up even more to women to enrich the world of work.”* Since joining forces with the association, 38 employees (25 in 2022) of the LISI Group and its divisions have accepted to take on a role as ambassadors and pass on their passion and encourage callings. Although the Group still needs to make progress on this indicator, it remains in motion and is taking a host of actions to increase the feminization of positions in its plants.

People



Diversity

Ambassadors mobilized at the Paris Air Show

As part of the actions carried out by the Group with the “Elles Bougent” association, LSI AEROSPACE welcomed six groups of students to its booth to make its jobs visible and explain them. Elisabeth Willocq (on the photo, left), R&T Director – Engine and Structural components and Mina Khalij (on the photo, right), Central documentation manager, accepted the role of “ambassadors” to guide them. A unique experience: *“To me it was very important to take advantage of the show to explain and demonstrate to young girls that careers in the industry are not only male jobs. I think diversity is essential in industrial jobs; it enriches the working environment and increases collective performance,”* insisted Elisabeth Willocq during her speech at the 2023 Paris Air Show. For her part, Mina Khalij remembers having had a chance to discover the industry during an identical visit organized during her studies. She admitted to having “fallen in love with this sector” on that occasion.

“To me it was very important to take advantage of the show to explain and demonstrate to young girls that careers in the industry are not only male jobs.”

Élisabeth Willocq,

R&T Director – Engine and Structural components,
at LSI AEROSPACE.

Recruitment

A showcase on the “Welcome to The Jungle” platform

A pioneer in the job search ecosystem and a specialist of trends in the world of work, *Welcome to the Jungle* makes it possible to identify and highlight inspiring companies and deliver general content on the groups that recruit and their values, their development strategies, etc. This is the reason why LSI chose to develop a “showcase”, to help discover its universe, highlight its profile, the job offers and career opportunities offered by the Group, as well as the reasons for joining its teams in France and around the world.



FIND OUT MORE



Planet



The LISI Group is committed to preserving the environment. As such, it takes its part in the collective effort involved in the energy transition. Deployed at all levels of the company, its strategy is structured around strong convictions: environmental issues constitute a major challenge for humanity and require long-term thinking. The world is subject to permanent disruption and requires organizations that are agile and able to adjust. Diversity is a strength and companies must have a positive impact on society and in the territories they occupy. LISI's actions are guided by these anchor points.



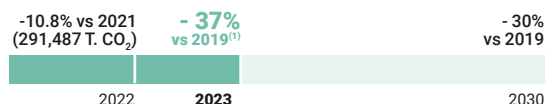
#3 Protect our environment

Objectives assessment

- Reduce our carbon footprint.
- Improve the energy efficiency of our plants and reduce energy consumption.
- Develop renewable energies.
- Control dependence on water.
- Develop the eco-design of products and the eco-responsibility of processes.

Challenges & Objectives

Reduce greenhouse gas emissions: Partial SCOPES 1 + 2 + 3

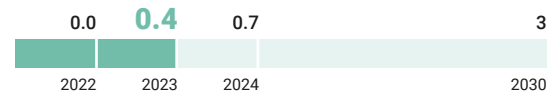


SDG⁽²⁾ 13: Climate action
GRI⁽³⁾ 305-1 / GRI 305-2

⁽¹⁾ on a comparable scope.

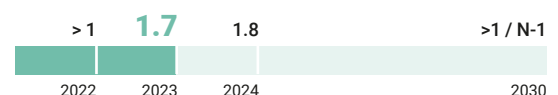
Challenges & Objectives

% of renewable energies produced on our sites



SDG 13: Climate action
GRI 301-2 / GRI 306-2

% energy savings in MWh due to projects



SDG 13: Climate action
GRI 301-1



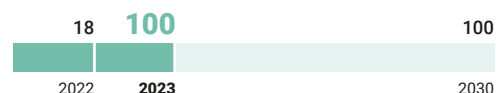
#4 Work with our territories

Challenges & Objectives

- Launch action plans for plants in water stress areas.

Challenges & Objectives

% of water stress area sites with an action plan



SDG 11: Sustainable cities and communities
GRI 303-1 / GRI 302-4

⁽²⁾ SDG: Sustainable development goals.

⁽³⁾ GRI: Global Reporting Initiative.

Planet

Key figures

3 PLANTS EQUIPPED
WITH SOLAR PANELS

0.4%
OF RENEWABLE ENERGY
PRODUCED ON SITE



Mellrichstadt, Germany plant
(LISI AUTOMOTIVE).

Territories

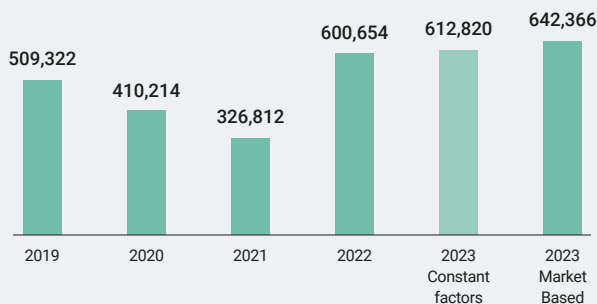
Act on water stress area sites

Eleven LISI Group sites are located in areas experiencing water stress. In 2023, they defined an action plan to reduce water consumption which will be implemented from 2024 onwards. Concurrently, the Group reduced its water consumption by -19.9% compared to 2022. Several sites at LISI AEROSPACE have also installed rainwater recovery basins. The Villefranche-de-Rouergue (south of France) site made it possible to recover 8,039 m³ of water consumed for production (22% of the site's requirements). The Rugby (United Kingdom) and Izmir (Turkey) sites have deployed similar equipment.

-19.9%

OF REDUCTION IN WATER CONSUMPTION
IN 2023 VS 2022.

Evolution of GHG greenhouse gas emissions in T. of CO₂
since 2019.



“We must stimulate the eco-design of products and innovation in processes and question the most costly investments from the angle of the Profit (€) / Planet (T. CO₂ eq.) balance”

Anne-Delphine Beaulieu

LISI Chief Sustainability Officer & Digital Transformation.

Carbon footprint

CO₂ emissions:

– 37% in 4 years (2019–2023)

The LISI Group's carbon footprint stands at 642,366 tons of CO₂. Overall greenhouse gas emissions are down 37% compared to 2019. Scope 1 and 2 emissions (direct and indirect energy-related emissions) represent 11% of the carbon footprint. Scope 3 (indirect emissions) alone represents 89% of the total. It includes purchased raw materials (34% of the Group's emissions), goods and services other than raw materials (33% of the footprint), and finally capital expenditures, which account for 10% of emissions. The challenges of sustainable reduction of the LISI Group's carbon footprint therefore lie in its ability to source less carbon-intensive raw materials, goods and services and to encourage its suppliers to reduce their carbon footprint. This is what is intended by the agreement signed by LISI AUTOMOTIVE with ArcelorMittal (read p. 33).

Planet



Fuenlabrada, Spain plant (LISI AUTOMOTIVE).

Renewable energies

Effective photovoltaic production at 3 plants

The production of renewable energies, which has been in the pipeline for several years, is a reality in the Group. In 2023, 3 Group plants – Fuenlabrada in Spain and Mellrichstadt in Germany at LISI AUTOMOTIVE and Rugby in the United Kingdom at LISI AEROSPACE put into production the installation of photovoltaic panels and managed to generate 14%, 3% and 1% of their annual consumption, respectively, i.e. 0.4% of the Group's overall annual consumption. Two of these facilities (Mellrichstadt and Rugby) went into production in the second half of 2023 and should reach full power in 2024. In Mellrichstadt, the 4,500 m² of panels should ultimately produce around 700 MWh/year and thus generate savings of 170 tons of CO₂. More modest in size, the Rugby project involves 1,270 m² of panels and should produce 248 MWh/year, representing savings of 48 tons of CO₂ equivalent. *"This equipment also allows employees equipped with electric cars – around twenty – to recharge their vehicles using the energy*

generated by the solar panels," commented Mark Capell, General manager of the Rugby plant. In Spain, the Fuenlabrada site, a Group pioneer in renewable energies, enjoys particularly favorable sunshine. *"With a surface area of 4,000 m² of panels which allow us to produce 1,130 MWh/year (437 T. CO₂ eq.), our site has managed to reduce its carbon footprint by 390 T. CO₂ eq. per year and should ultimately improve our production costs,"* commented Lorenzo Jimenez, General manager of the plant.

Hydroelectric power: a first in Canada

For the first time in its history, a LISI Group site is supplied with energy of 100% hydroelectric origin. The entire electrical consumption and 85% of the total energy consumption of the Dorval site at LISI AEROSPACE (i.e. 7,145 MWh) were actually produced from a hydroelectric production site. In May 2023, the site also signed a contract for the supply of biogas to replace natural gas.

Profit



The LISI Group strives to combine financial and non-financial performance over a long-term trajectory. It acts, as it has always done, in a responsible manner, respecting human and fundamental rights, applying business ethics, fighting corruption, and complying with tax laws. This conviction shared by all is the essential starting point to be profitable and sustainable. We remain convinced that our profitability, like our sustainability, rests on our ability to act together with our stakeholders in a responsible, ethical, and sustainable manner. As such, the Group is continuing its efforts and confirming its commitments.



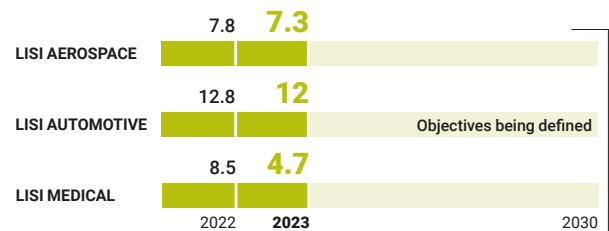
#5 Go beyond our customers' expectations

Objectives assessment

- Offer competitive products and services that meet the highest standards.
- Integrate and assess of our products' carbon footprint.
- Constantly seek to surpass our customers' expectations.

Challenges & Objectives

New products (% of sales revenue)



SDG⁽¹⁾ 9: Industry, innovation and infrastructure
GRI⁽²⁾ 201-1



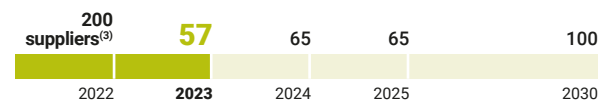
#6 Involve our suppliers

Objectives assessment

- Responsible procurement that takes into account our suppliers' CSR performance.
- Commitment of key suppliers to reducing their carbon footprint through a CSR evaluation plan.

Challenges & Objectives

% of sensitive suppliers assessed as per CSR criteria



SDG 9: Industry, innovation and infrastructure
GRI 414-1 / GRI 308-1



#7 Secure our financial resources

Objectives assessment

- Rigorous management of working capital requirements and inventory.
- Currency hedging for up to 3 years to secure dollar contracts.
- Differentiated funding sources.
- Positive Free Cash Flow maintained each year.

Sales revenue:

€1.63 Bn

Free Cash Flow:

€22.2M



SDG 8: Decent work and economic growth
GRI 202-1

⁽¹⁾ SDG: Sustainable development goals.

⁽²⁾ GRI: Global Reporting Initiative.

⁽³⁾ The number of suppliers identified as "sensitive" increases each year.

Profit

Procurement

Low carbon steel: agreement between LISI AUTOMOTIVE and ArcelorMittal

“By allowing us to combine sustainability and performance, this partnership is a new step for the automotive industry. We are determined to push the boundaries of innovation to create solutions that benefit the planet and future generations.”

– **François Liotard**
 LISI AUTOMOTIVE CEO



CO₂ emissions linked to Scope 3 (products or services purchased by LISI) accounted for 67% of LISI's carbon footprint in 2023. They therefore constitute a major challenge for the Group. As part of the plan to reduce its carbon impact, LISI asks its suppliers of goods and services to commit to reducing their carbon footprint. By working with their raw material suppliers to move towards manufacturing processes that emit less CO₂, the Purchasing departments collaborate fully in this effort, as illustrated by [the signing of an agreement between LISI AUTOMOTIVE and ArcelorMittal](#). This major strategic agreement entered into in 2023 provides for the joint development of steel that emits less greenhouse gases – called XCarb® steel – suitable for transformation by cold forming and compliant with the requirements of the automotive market (specifications, cost, availability, etc.).

100% renewable electricity

This low-carbon steel, produced from recycled and renewable sources – it uses 100% renewable electricity – allows the ArcelorMittal plants in Hamburg and Warsaw to manufacture wire rods with less than 700 kg of CO₂ per ton of steel. This process reduces CO₂ emissions by 70% compared to traditional methods. The impact for LISI is considerable since it will generate a 45% reduction in LISI AUTOMOTIVE's carbon emissions linked to the purchase of raw materials from ArcelorMittal and a gross reduction which could reach 10,000 tons of CO₂ by 2030. LISI AUTOMOTIVE plans to qualify this new steel on its own products and is developing the initial applications with its German customers. ArcelorMittal will reserve sufficient volumes for LISI AUTOMOTIVE to meet its future demands for green steel. Other initiatives are currently being reviewed at the Purchasing level regarding the optimization and reduction of CO₂ emissions linked to the transport of goods.

Compliance

New supplier policy kicked off

The supplier policy formalizes LISI's expectations from its suppliers and service providers. It defines the rules of business ethics which govern the rules of work in common. An essential tool for establishing strong and lasting partnership relationships, the policy was updated in December 2023 in order to be adjusted to the new regulatory framework and to strengthen some of its requirements (CSR, certifications, anti-corruption rules, protection of information). The new policy, which incorporates the Group's new requirements, will soon be disclosed to all suppliers.

Innovation

€32.3 M

R&D EXPENDITURES

23

PATENTS FILED IN 2023*

* Invention registered in the form of a soleau envelope or first patent filing.

Continuous efforts towards innovation, one of the pillars of LISI's development, allow each of the Group's divisions to operate at the highest level in their markets. The technological mastery offered by this innovation capacity constitutes an essential competitive edge. It is made possible by the commitment of all of the Group's teams and allows major innovations to emerge, in particular technological breakthroughs in our production processes.

Innovation

LISI-μ MACH ASSEMBLY PROCESS®

“A major breakthrough for multi-material assemblies.”

David Mercs

Chief Research and Innovation Officer,
Director of Expertise Manager of Experts' Network
LISI AUTOMOTIVE



How did this innovation come about and what is its significance?

Research into vehicle weight reduction led us in particular to focus on multi-material assemblies as early as 2019. The principle of a connection between steel and a lighter element such as aluminum opens up particularly interesting avenues to lighten the structure of vehicles, a challenge for lowering their consumption and related CO₂ emissions, or compensating for the significant weight of batteries in electric vehicles. From this point of view, LISI-μ MACH ASSEMBLY PROCESS® constitutes a major breakthrough.

This mechanical assembly process through the laser micro-machining of surfaces and *in situ* additive manufacturing makes it possible to produce numerous mechanical and electrical assembly configurations, without any limits as to geometry. The aluminum alloy-based assembly points are light and guarantee good mechanical resistance. The process is cold, and doesn't involve any oxidation or mixing of materials. It also offers extremely low contact resistance and thus optimizes the lifespan of batteries in electric vehicles. Finally, it allows for the production of electrical connections of higher quality and efficiency than what is available in the market today.

What milestones did you reach in 2023?

In 2022, we developed a demonstrator in order to test and comment with our customers on this full-scale assembly system on relatively simple geometries. The reception was very positive and revealed many fields of application.

In 2023 we focused on more complex parts, with assemblies at different points of the same assembly – a car door for example –, which complicates the robots' trajectory. For this project, supported as part of the *France 2030* Recovery Plan, an engineer from LISI AUTOMOTIVE was seconded for 23 months to the Technological University of Belfort-Montbéliard (in eastern France) to work on the optimization of trajectories. Now, the robot is capable of recognizing the part presented to it, checking its compliance, comparing it to the theoretical model, and then automatically adapting its trajectory to operate the steel-aluminum assembly points.

What are the upcoming development phases?

We have launched the test phases on the assembly of the side plates of the battery packs and the quality of their electrical connections which are the main applications of the system to date. Regarding the actual process, artificial intelligence should ultimately allow us to go further, to identify and process configurations that are beyond the model, such as a misaligned or defective part.

#AUTOMOTIVE #PROCESS

Innovation

SELF-LEARNING MACHINING SYSTEMS

“20 AI-controlled machines will be in service in 2025.”



Cédric Dejean

Senior VP General Manager
Business Group Fasteners Europe
LISI AEROSPACE

Where are you standing regarding the deployment of autonomous machining systems?

After the Alpha prototyping phase and the design of Beta series machines, we are in the process of receiving and commissioning one of our first four machines at WatchOutCorp, the partner with whom we have developed these systems. Everything is going according to plan. Twenty additional machines will be delivered by the end of 2025. The deployment plan provides for the installation of these machines at the Saint-Ouen-l'Aumône plant (north of France), which will operate as a subcontractor for the Saint-Brieuc (west of France), Villefranche-de-Rouergue (south of France), Izmir (Turkey) and Rugby (United Kingdom) sites. Before the transfer, an overall control phase will be conducted under real-life conditions in Bonneville, Haute-Savoie, in a fully integrated 4.0 site.

What is your long-term goal?

Today these AI-managed machining and integrated control systems allow us to digitize the turning stages – by integrating the geolocation of tools and the gripping of parts – but also to anticipate all the preventive maintenance stages of the machines, to measure and control our consumption of tools and consumables.



Saint-Ouen-l'Aumône plant, north of France (LISI AEROSPACE).

This equipment also constitutes a response to the labor shortage problems that we encounter today. Programming is managed directly by the machine as well as the optimization of cutting and feed speeds. Corrections of errors or anomalies are driven by AI in a fully automated manner.

#AEROSPACE #ARTIFICIAL INTELLIGENCE

Innovation



Autonomous machines: a disruptive breakthrough

These systems are developed by LISI AEROSPACE with its partner WatchOutCorp. They are controlled by optical sensors and perform permanent self-correction based on data analyzed in real time. These “self-learning” machines are capable of autonomously adjusting the machining settings on production runs that they have “learned” to conduct (*deep learning*). These disruptive technologies that use Artificial Intelligence have accelerated their progress since 2022.



OPTIBLIND™ : an Innovation Award from Airbus

LISI AEROSPACE won the 2023 Innovation Award at the Airbus Global Supplier Conference event for its new OPTIBLIND™ fastener system. The system, which allows assembly operations to be carried out from only one side of the fuselage, removes a strong technological barrier. By offering new paths to aerospace designers, it actively participates in the development of the aircraft of the future.

#AEROSPACE #FASTENERS



Excellence



– **Frédéric Balcerzak**
LSI Senior VP Industrial & Purchasing

*"A central element of LSI's collective industrial performance, **the quest for operational excellence is based on the LSI SYSTEM**, our reference for managing excellence within plants and support services. Structuring, articulated and applied across all of the Group's functions, a true pivot of industrial and operational performance, it is the guarantor of the dynamic of continuous improvement."*

Excellence



Mélieux plant, north-eastern France (LISI AUTOMOTIVE).

VALUE STREAM MAPPING

Mapping the value chain

VSM, or Value Stream Mapping, is a powerful value chain optimization tool. This continuous improvement technique has been deployed within the LISI Group since the beginning of its continuous improvement program.

Implemented in more than twenty Group sites around the world, the method of analysis and mapping of the value chain – Value Stream Mapping – provides a general view of all processes at work within the company, the links between these processes, and even the interactions between the company, its customers and its suppliers. “A powerful tool for continuous improvement, VSM is an analysis method structured around a simple and easy-to-use common language allowing the team to understand all the opportunities and project itself into an ideal state”, explained Philippe Babel, LISI LEAP Director. VSM applies to all product-related activities, from production to the supply chain, including support functions, design, and sales. It highlights the flows of added value creation and, by contrast, the sources of “non-added value”. It makes visible the strengths and weaknesses of the system

on the basis of data and factual observations, thus providing specific information on resource consumption, information flows, and material flows supplying these processes. “VSM will help us understand the obstacles that extend Lead Times, and identify the causes of potential bottlenecks in a clear and objective manner. It is an important approach to make a diagnosis and develop an improvement plan as part of a structured LEAP - LISI Excellence Achievement Program – approach”, continued Philippe Babel. “Finally, it helps to structure and support the company's vision.”

#GROUP #CONTINUOUS IMPROVEMENT #PROFIT

VSM and LISI SYSTEM: what's the connection?

VSM has been used in the LISI Group since the beginning of its continuous improvement program. It is a component of the processes defined within the framework of the LISI SYSTEM to document the current situation and project towards a target state making it possible to fuel our industrial strategy formalized in the A3 of each site.

Excellence

AUTONOMOUS SECURITY

The Rugby site, champion of “shared vigilance”

The Rugby site is a pilot in terms of workplace safety. The site, which won an award in 2023, has had a frequency rate of work accidents with and without lost time (TF1) of 0 since 2015.

Almost nine years without an accident with or without lost time (TF1). This is the reason why LISI AEROSPACE's Rugby site, in central England, won the 2023 *Engineering Manufacturing Award* in the Health, Safety and Well-being at Work category, awarded by *The Engineers Magazine*.

The plant, which produces titanium fasteners for Airbus, Embraer, and Bombardier, has made prevention a concept shared by all employees. Today the site is one of those where the safety culture is most developed. The source of such good results is to be found in the concept of autonomous security, which involves voluntary and shared responsibility for safety issues. The Rugby site has implemented a process for reporting dangerous conditions and behavior and “near misses”. This approach was then applied to the other sites of the Fasteners Europe Business Group and will be

deployed in 2024 across all of the Group's sites. By encouraging the sharing of these situations, each employee, from the operator to the site manager, is able to detect and report dangerous situations, and adopt appropriate behavior or change their habits to avoid injury, for themselves and their colleagues.

#LISI AEROSPACE #HSE #PEOPLE

HSE indicators at the heart of LISI's strategy

Occupational safety and health issues are deeply anchored in the Group's culture. They are at the heart of continuous improvement initiatives. Monitoring HSE indicators is just as important as tracking financial indicators. The progress objectives set as part of the E-HSE program plan to achieve a TF1 of less than 6 in 2024, and less than 5 in 2030.



Rugby, UK plant (LISI AEROSPACE).

Investing in the future

€96.7 M
OF INDUSTRIAL CAPEX IN 2023

The driving forces for development, capacity investments support the strategy defined by the Group as part of its development plan. They illustrate the Group's confidence in the future by accelerating its industrial competitiveness and supporting its growth across all sectors where it is present. Through these commitments, LISI contributes to the social, economic and cultural dynamism of the territories where it is established.

Investing in the future

Robotization and Industry 4.0 at Big Lake

In response to the strong growth in markets linked to minimally invasive surgery, the Big Lake site in the US (LISI MEDICAL) has practically doubled its production capacity in 3 years and plans to create new facilities in 2024. These extensions came along with a plan to automate production processes based on Industry 4.0 processes. Robotic systems operating in a closed loop should thus be added to the 12 existing automated lines. These new systems will integrate the manufacturing, handling and control of parts, as well as automatic machine adjustments based on the data collected and analyzed. This extension covers more than 10,000 m² of surface area and will be operational at the end of 2024.



"The automation of the Hérouville site covers all stages of production, from forging to finishing."

– **David Bogaert**, in charge of technical services at Hérouville-Saint-Clair (Northwest France).

Big Lake, US plant (LISI MEDICAL).

ROBOTIZATION

Speeding up automation at LISI MEDICAL

The automation of polishing and forging is included in the Group's development plan. It has now entered its operational phase.

In 2023, the activity robotization plan accelerated for the LISI MEDICAL division. "At Hérouville, automation supports the increase in the site's production capacities and covers all stages of production, from forging to finishing," explained David Bogaert, in charge of technical services at Hérouville-Saint-Clair (Northwest France). These transformations will come complete with a technical training stage in order to increase the skills and polyvalence of the on-site teams. These capital expenditures come about as a response to the strong development of business at Hérouville-Saint-Clair, a site that produces orthopedic implants (hip and knee prostheses), as well as at Big Lake, Minnesota in the US, which produces minimally invasive surgical instruments.

#MEDICAL #CONTINUOUS IMPROVEMENT #PRODUCTIVITY

Investing in the future



Rugby, UK plant (LISI AEROSPACE).

SMART FACTORY

Data-driven production at Rugby in the United Kingdom

LISI AEROSPACE Rugby's Smart Factory project includes the development of a new generation of machines and a skills reengineering plan.

Launched in 2017, Rugby's Smart Factory project has entered its final phase. An integral part of the Group's continuous improvement plan from the outset, it is designed to project the site into the industry of the future by meeting market requirements and societal and environmental challenges. The project includes the installation of autonomous production cells controlled by sensors whose data feed machine learning algorithms. The first generations of these "self-learning" machines are already in production on site. The first complete new-generation line, integrating tool handling and adjustment, will be operational by the end of 2024. Other lines will be deployed progressively between now and 2030. The project, developed in partnership with Advanced Manufacturing Research Centre (AMRC) at the University of Sheffield, has received support from the UK government as part of InnovateUK and from the Aerospace Technology Institute (ATI). It is accompanied by an extensive training program to develop in-house skills in data analysis (data literacy, software development) and production line management. These learning approaches have been developed in partnership with the universities of Cambridge iFM, Birmingham and De Montfort.

#LISI AEROSPACE #PLANT 4.0

"The Smart Factory project not only benefits us, it also has a direct positive impact on the local economy, with the development of new skills in the local job market."

– Mark Capell

Rugby plant General manager.

QUALITY CONTROL

Foundry defects tracked by AI

The Mélisey site (LISI AUTOMOTIVE) has commissioned two quality control applications assisted by artificial intelligence.

The first of these applications, launched in May 2022, was designed to detect cracks – foundry defects – and impacts on one of our parts. The second application deals with detecting impacts on dark-colored parts, for which the conventional control system, based on the reflection of light, was ineffective. "We turned to artificial intelligence when we couldn't get satisfactory results with the conventional optical system," explained Yves Jassey, in charge of sorting and packaging at the Mélisey site (north-eastern France). "In the first case, the two anomalies sought are very close visually and led to very high leak rates – "false" non-compliant ones." AI-assisted learning-based control has significantly reduced these "false negatives". "To achieve that, we had to set up a huge image database by checking tens of thousands of parts, compiling the defects, classifying them, and then teaching the algorithm how to recognize the parts to be discarded," continued Yves Jassey. "It is sometimes necessary to plan several iterations before finding the right level of adjustment; with each new defect encountered, the model must be corrected and enriched." While here artificial intelligence plays a very important supporting role, the deployment of a self-learning solution involves developing a robust database to achieve the desired results. However, the results are commensurate with the invested energy: the leak rate matches the degree of vigilance of a trained human controller.

#LISI AUTOMOTIVE #HSE #PEOPLE

"We turned to artificial intelligence when we couldn't get satisfactory results with the conventional optical system."

– Yves Jassey

Automatic Control APU Manager at the Mélisey site (north-eastern France).



GOVERNANCE

Overcoming the challenges of a responsible industry

"The global strategic thinking undertaken by the Group to develop its purpose has contributed to sustainably fuelling the values of the LISI employer brand. Agile, solid, innovative, forward-looking, attentive to the work environment of its employees, the Group has key assets to retain and attract talent. All these factors make up the value proposition offered by LISI to convince young people to join the company."

Raphaël Vivet, LISI Chief Financial Officer
Alexis Polin, LISI Chief HR Officer

“Fueling the employer brand sustainably”

CROSSED VISION — Confronted with the challenges facing the industrial sector in recruiting and attracting talent, **Raphaël Vivet**, Chief Financial Officer and **Alexis Polin**, Chief HR Officer of the Group, analyze together what are the strengths of the LISI employer brand.

In your opinion, what are the levers that have an impact on talent recruitment?

Raphaël Vivet: The robustness of the financial indicators reassures about the solidity of the company and is a source of trust. The outlook allows us to project ourselves, judge the relevance of the vision and management's ability to anticipate changes in the environment. The overall credibility is based on the company's track record, its past achievements, and its capacity to adapt to market conditions.

Alexis Polin: LISI's image and reputation are indeed key elements in attracting talent: the promotion of our employer brand and the value proposition offered by LISI are essential factors in convincing applicants to join the company. And in that respect, we have a host of assets: the Group's history, the sectors in which it operates, its products and its business lines, its purpose, its values, its reputation, its financial solidity and its human resources management and the career prospects it offers, are a very positive fuel for the brand.

During the job interviews we conduct, we have noticed the impact of the values associated with LISI's purpose, which are so many powerful vectors for sharing the company's culture, its managerial culture, and its CSR ambitions, particularly among the youngest.

Co-optation, a process by which our current employees recommend potential applicants from their personal or professional network, is also a way of recruiting people to whom we would not necessarily have access with usual methods. The “co-opters” know the company, its environment, its culture and its values, which promotes the onboarding of the “co-opted”.

“Corporate culture and the work environment are the result of a long-term construction. They require consistency in decision-making, without sudden change of direction, and involve structured responses even in the toughest crises.”



Raphaël Vivet,
LISI Chief Financial Officer

R.V.: Corporate culture and the work environment are the result of a long-term construction. They require consistency in decision-making, without sudden change of direction, and involve structured responses even in the toughest crises. These are powerful factors of attractiveness and retention, just like the working atmosphere: a caring and supportive environment allows each employee to give the best of themselves.

What are the roles of the Administrative and Financial Department and the Human Resources Department in productivity strategies?

R.V.: Through management control, the Administrative and Financial Department gives operational staff the visibility and quantified expertise that allows them to measure their performance and identify the levers that will improve it.

A.P.: The teams in charge of human resources within the Group – whether they act at headquarters level, in the divisions, business groups or on sites – are key contributors in terms of performance and productivity. They help ensure that human resource requirements are met on time; they participate in the definition and organization of effective and efficient work and contribute to the quality of life at work, a guarantee of collective efficiency and employee commitment. The LISI Knowledge Institute, the Group's corporate university, is also a decisive asset. This training organization contributes to the deployment of the LISI SYSTEM excellence programs – our benchmark for the management of technical and functional excellence within the plants and support services: LEAP, E-HSE, COS – to the Group's organizational efficiency and to the operational excellence of all of our sites.

How do CSR decisions guide capital expenditures?

R.V.: Resources are not infinite. Therefore, we must make choices. At LISI, priority is given to ensuring the security of our facilities and preserving the physical integrity of our employees. As industrialists, we also pay close attention to capital expenditures that promote the future, innovation and development of new products, and

also those that improve efficiency and working conditions. People, the first of the 3Ps that structures our CSR strategy (read p. 26), is also reflected in our investment decisions, as shown by the ambitious maintenance, renovation and improvement programs focused on buildings and work spaces. Planet, the second P of our strategy, also comes as a top priority: LISI's ambition is exemplary here, whether regarding the objectives of energy consumption reduction, decarbonization, or resources preservation.

A.P.: In our industrial environment, improving working conditions is one of the keys to the attractiveness of our sites. This is why our decisions take into account the notions of quality and improvement of the quality of life at work. A significant part of these capital expenditures is also directed towards the robotization of physically demanding tasks in order to improve the working conditions of our employees.



Alexis Polin,
LISI Chief HR Officer

Operational Management

Executive Committee

10 members representing the Group's General Management and the directors of the three divisions. Its role is to share all of the Group's operational and strategic decisions.

LISI



Emmanuel VIELLARD
CEO



Raphaël VIVET
Chief Financial Officer



Frédéric BALCERZAK
Senior VP Industrial & Purchasing



Cécile LE CORRE
General Counsel



Christian DARVILLE
Senior VP Administration & Strategic development North America



Anne-Delphine BEAULIEU
Chief Sustainability Officer & Digital Transformation



Alexis POLIN
Chief HR Officer

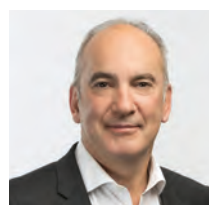


Pierre-Emmanuel KOHLER
VP Information and Technology

Leadership Board

25 members representing the key functions of each of the Group's divisions and General Management. The Leadership Board defines and implements the Group's operational strategy.

LISI AEROSPACE



Emmanuel NEILDEZ
CEO



Cédric DEJEAN
Senior VP General Manager Business Group Fasteners Europe



François-Xavier DU CLEUZIOU
Senior VP General Manager Business Group Structural Components



Bénédicte MASSARÉ
Senior VP Finance



Yannick MORVAN
Chief Quality and Technology Officer



Michael REYES
Senior VP General Manager Business Group Fasteners North America

LISI AUTOMOTIVE



François LIOTARD
CEO



Martin BELEY
Senior VP General
Manager Business
Group Safety Mechanical
components



Eric FERNANDEZ
Senior VP General
Manager Business Group
Threaded Fasteners



Thierry JULIAT
Senior VP General
Manager System
of Excellence and
Operational Support



Christophe MARTIN
Senior VP General
Manager Business
Development



Vincent QUINAUX
Senior VP General
Manager Business Group
Clipped Solutions



Wes J. GARDOCKI
CEO LISI AUTOMOTIVE
Termex



Françoise ZAUGG
Finance & Internal
Control Director

LISI MEDICAL



Lionel RIVET
CEO



Marie-Georges BOUCHET
Chief Quality and Regulatory
Affairs Officer



Kenneth DURHAM
VP General Manager
LISI MEDICAL US



The Board of Directors

as at December 31, 2023

Chairman of the Board of Directors

(1) Jean-Philippe KOHLER

Members of the Board of Directors

(2) Bernard BIRCHLER ●

(3) Isabelle CARRERE

(4) Françoise GARNIER ●

(5) SAS CIKO represented by
Capucine KOHLER

(6) PEUGEOT Invest represented
by Guillaume FALGUIERE

(7) Compagnie Industrielle de Delle
represented by Geoffroy KOHLER

(8) Marie-Hélène
PEUGEOT-RONCORONI

(9) Véronique SAUBOT* ●

(10) VIELLARD MIGEON & Cie
represented by Cyrille VIELLARD

(11) Florence VERZELEN ●

(12) Emmanuel VIELLARD -
Chief Executive Officer

(13) Mohamed EZZENZ
employee representative
board member

(14) Laurent GUTIERREZ
employee representative
board member

Secretary of the Board of Directors

(15) Cécile LE CORRE

● Independent board member

* Vice-Chairwoman and Senior Director.



Key Figures

11
meetings in 2023

94%
attendance rate

50%
female members

Composition
as at December 31, 2023

14 members,
who combine top-level
managerial, industrial and
financial skills

8 Board members
from family groups

4 Independent board
members

2 Employee-
representative board
members

The Committees

16

meetings in 2023

99%

attendance rate

The Audit Committee

Chairperson

- Françoise GARNIER

Members

- Isabelle CARRERE
- Florence VERZELEN

The NRG Committee

(Nominations, Compensations, Governance)

Chairperson

- Véronique SAUBOT

Members

- Françoise GARNIER
- Laurent GUTIERREZ
- Marie-Hélène PEUGEOT-RONCORONI

The Strategic Committee

Chairperson

- Bernard BIRCHLER

Members

- Capucine KOHLER
- Geoffroy KOHLER
- Véronique SAUBOT
- Cyrille VIELLARD

The CRS Committee

Chairperson

- Jean-Philippe KOHLER

Members

- Isabelle CARRERE
- Mohamed EZZENZ
- Guillaume FALGUIERE
- Marie-Hélène PEUGEOT-RONCORONI
- Cyrille VIELLARD

- Jean-Philippe Kohler and Emmanuel Viellard are permanent guests on all committees.

This annual report and the universal registration document can be downloaded
from our website at the following address: www.lisi-group.com

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+33 (0)1 40 55 16 66

LISI AEROSPACE

Immeuble Central Seine
46-50 Quai de la Rapée
CS 11233
F-75583 PARIS Cedex 12
Phone: +33 (0)1 40 19 82 00
www.lisi-aerospace.com

LISI AUTOMOTIVE

2 rue Juvénal Viellard
F-90600 GRANDVILLARS
Phone: +33 (0)3 84 58 63 00
www.lisi-automotive.com

LISI MEDICAL

19 chemin de la Traille
F-01700 NEYRON
Phone: +33 (0)4 78 55 80 00
www.lisi-medical.com

LISI

Headquarters:
6 rue Juvénal Viellard
F-90600 GRANDVILLARS
Phone: +33 (0)3 84 57 00 77

Paris office:
Immeuble Central Seine
46-50 Quai de la Rapée
CS 11233
F-75583 PARIS Cedex 12
www.lisi-group.com

The logo for lisi, featuring the lowercase letters 'lisi' in a bold, sans-serif font. The letters are dark grey and have a slightly irregular, hand-drawn feel.