

RESPONSIBILITIES & COMMITMENTS





#Responsible by nature

As a family enterprise with strong values and long-term vision, Plastic Omnium has always taken a signature hands-on approach to corporate social responsibility, respecting people and the environment. As an automotive supplier, reducing vehicle emissions is its products' purpose, the common theme of its research and a natural source of pride for its employees. In response to technological, climate and social issues, it is now reinforcing its CSR program and structuring it around the goal of being the partner of choice in the quest for sustainable mobility.



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CSR: 15 YEARS OF INITIATIVES



2001

- ISO 14001 certification
- EHS management



2003

- Engagement in United Nations Global Compact



2006

- OHSAS 18001 certification



2008

- CO₂ emissions management
- Chemicals management
- Top Planet program



2009

- Risk management

A measured, confirmed performance

In 2017, non-financial rating agency RobecoSAM put Plastic Omnium in 7th place among automotive suppliers worldwide and 3rd place in Europe with a rating of 65/100, a 10-point increase from 2015. The EcoVadis rating confirms Plastic Omnium's excellent performance among manufacturers of plastic and composite modules at 71/100 (Gold level).

Gold level (EcoVadis rating)

71/100



2012

- Engagement with communities (Focus Hope, Magic Bus projects)



2013

- ISO 50001 certification



2015

- CSR performance assessment by independent third parties (RobecoSAM, EcoVadis)



2016

- Supplier CSR Charter



2017

- Signature of French Business Climate Pledge
- Appointment of a CSR Manager
- Performance of a materiality analysis



7th

place among automotive suppliers worldwide (RobecoSAM ranking)

DAY-BY-DAY COMMITMENT

Action plans motivate all employees every day at all sites around the world, and annual awards presented by the Chairman in person recognize the progress made. The 2017 honor list.



BEST SAFETY IMPROVEMENT



ANDERSON,
USA

66%

reduction in Fr2⁽¹⁾
in one year

RAYONG,
THAILAND

Fr2 = 0

in 2016

(1) Fr2: injury frequency rate with and without lost time.



BEST WORKING CONDITIONS



REDONDELA,
SPAIN

71%

engagement
from
430 employees

BRITS,
SOUTH AFRICA

142

full meals served
to site employees
every day

BEST ENVIRONMENTAL MANAGEMENT



PUEBLA,
MEXICO

10-year

reforestation
of a 5-hectare
plot in a nature
park adjacent
to the site

SOROCABA,
BRAZIL

66%

reduction in water
consumption over
4 years

KEY CHALLENGES FOR OUR BUSINESSES

Our two business lines pursue a single mission: help to make the automobile cleaner and safer and to improve air quality in cities.



The Higate multifunctional tailgate innovations are protected by 36 patents

29 million bumpers are produced annually



Smart bodies

Plastic Omnium constantly strives to lighten vehicles in order to reduce their fuel consumption and thus their emissions. This effort is taken to a new level with the self-driving car. It is estimated that, by eliminating driver behavior as a factor, self-driving cars could reduce direct fuel consumption by up to 40%.

Plastic Omnium is in the race. Its increasingly light, multi-function bumpers and tailgates now incorporate – without adding weight and therefore with no extra CO₂ emissions – cameras, radar and other driver assistance and contact-free opening systems. In addition, this equipment is protected from impact and frost to ensure its operation under all circumstances. For example, the new-generation smart bumper replaces 7 body parts and is 5 kg lighter, while including state-of-the-art sensors.

€2.5

billion invested in R&D over 5 years



Clean propulsion

Plastic Omnium offers a clean solution for every type of propulsion system. Our SCR technology reduces NOx emissions from diesel engines by 95% and our water injection system reduces CO₂ emissions from internal combustion engines by up to 15%. The INWIN tank withstands fuel vapor pressure in plug-in hybrids while reducing their CO₂ emissions. We are now working toward the next breakthrough: a hydrogen tank and fuel cell system for a 100% clean electric vehicle. Over 120 people have joined the New Energies Business Unit. Starting in 2019, it will base its work at the new Δ-Deltatech research center being built in Brussels. The EPO-CellTech joint venture set up with an Israeli fuel-cell specialist and Plastic Omnium's membership of the Hydrogen Council's Steering Group place it in the forefront of world hydrogen research.

1 in every 4 vehicles worldwide is equipped with a Plastic Omnium energy storage system

Hydrogen + fuel cell = 100% electric and 100% clean

CHOOSING TO GO FURTHER

Confronted with climate change, regulations are tightening everywhere in the world and autonomous vehicles are opening up new prospects: just 5% of connected vehicles would be enough to eliminate traffic jams⁽¹⁾. Plastic Omnium is speeding up its efforts.

The challenges facing the automotive sector

The challenges of energy transition and air quality are prompting governments and big cities to promote clean vehicles. In 2030, the market share of electric vehicles is expected to reach 22% and that of hybrid vehicles 41%, with the two together accounting for 63% of the world market.

Connectivity and artificial intelligence are set to improve safety and comfort for drivers and passengers. With communicating and autonomous cars, the era of on-board intelligence has already begun. To keep pace with these two major trends, Plastic Omnium has placed an even greater focus on sustainability goals in its product range, strategy and governance.

A survey to identify the challenges

In 2017, Plastic Omnium decided to carry out a materiality analysis. To do so, it first of all analyzed its sustainability challenges with its managers. It then asked 18 key external stakeholders to evaluate the impact of these challenges on their organization. Customers, suppliers, and representatives of financial institutions, the technical and scientific community and local government authorities all took part in the process.



“Our CSR program illustrates our commitment to helping the automotive revolution succeed in the public interest.”

Jean-Michel Szczerba
Co-Chief Executive Officer

(1) Data taken from the study on “Dissipation of stop-and-go waves via control of autonomous vehicles: Field experiments” conducted by Raphael E. Stern, Shumo Cui and Maria Laura Delle Monache.

Three areas of focus for improvement

The materiality analysis allowed us to compare stakeholders' expectations in social and environmental criteria with our levers for performance, as illustrated in the matrix shown opposite. It revealed the 3 main areas of focus for improvement on which Plastic Omnium will step up its efforts.

A dedicated committee, made up of five members of the Executive Committee, will steer the deployment of this program, which is based on targets and performance indicators. The committee will meet three times a year and report on progress in the 3 areas to the Executive Committee.



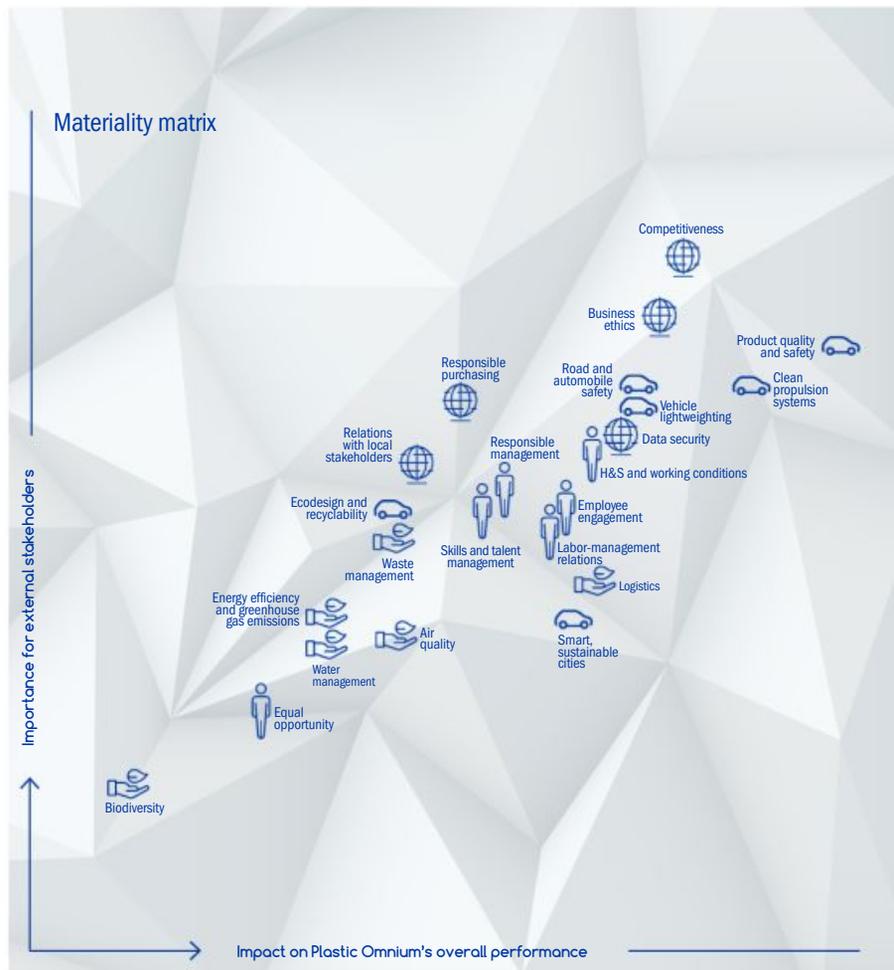
Responsible entrepreneurship

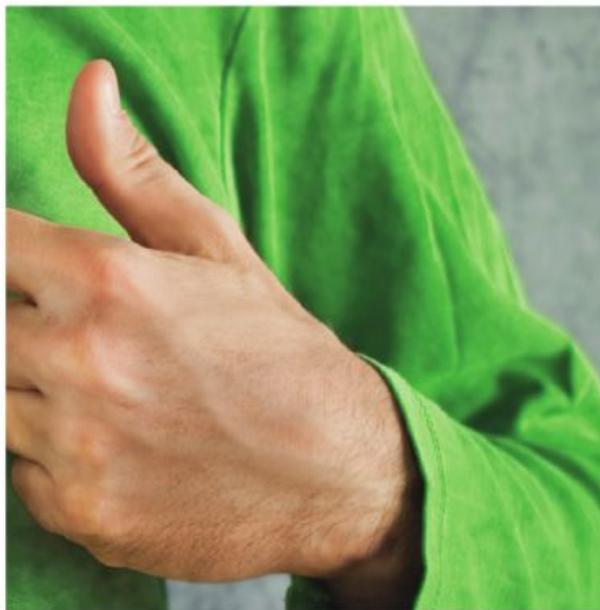


Attention to employees



Sustainable production





FOCUS 1
RESPONSIBLE
ENTREPRENEURSHIP

Business ethics and support
for corporate citizenship initiatives.



Three focuses for CSR at Plastic Omnium

FOCUS 2 ATTENTION TO EMPLOYEES

Safety first, and equal opportunities and prospects for all.

FOCUS 3 SUSTAINABLE PRODUCTION

All 127 production plants around the world to be engaged in stringent certification procedures.



FOCUS 1

RESPONSIBLE ENTREPRENEURSHIP

The materiality analysis placed competitiveness at the top of the list of challenges, followed immediately by business ethics. The message was loud and clear.

Uncompromising ethics

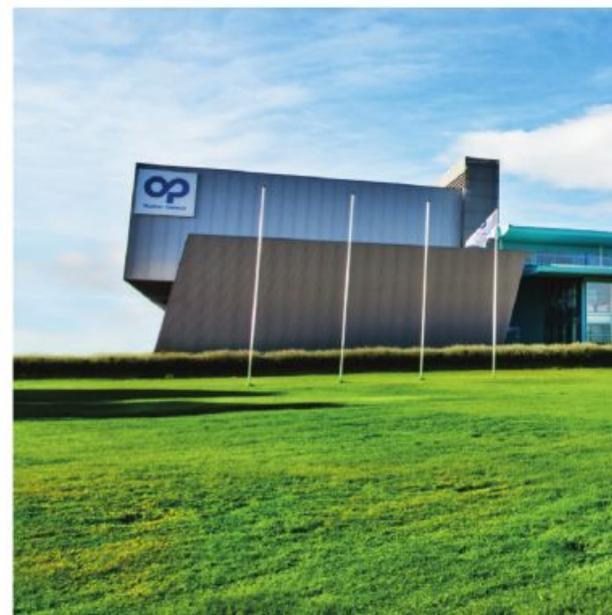
Ethics is a foundational principle at Plastic Omnium, as evidenced in 2003 when we signed up to the United Nations Global Compact and disseminated our first Code of Conduct, which has now been translated into 7 languages. The Code's 13 commitments, ranging from respect for employees, the environment and partner data to rejection of discrimination, fraud and corruption, apply across the board. In 2010 the Group's ethics system was bolstered by a supplementary Code of Conduct on ethical competition management, designed for buyers and sales representatives and available in 4 languages.

These documents are presented to everyone joining the company and form a basis for training. In 2017, 894 employees took the e-learning module on the Code of Conduct and training sessions were held on the risk of fraud, corruption and infringement of competition law in Europe, China, India and Japan. To ensure that everyone takes these rules on board and complies with them, independent internal audits, both scheduled and unannounced, are carried out across all Group subsidiaries.



“Ethics and responsibility are the hallmark of Plastic Omnium, a company with strong values.”

Rodolphe Lapillonne
Senior Executive Vice-President
& CFO



Control over purchasing and data

Respect for human rights, the environment and universal principles is a pre-requisite for partnership with Plastic Omnium. The Supplier CSR Charter introduced in 2016 applies to all activities and all categories of purchases. It is based on a mutual commitment signed by both parties. By the end of 2017, over 4,000 suppliers had signed the Charter.

The supplier agrees, as does Plastic Omnium, to comply with the 10 principles of the United Nations Global Compact, the Universal Declaration of Human Rights, the conventions of the International Labor Organization and the OECD Guidelines. In addition, the supplier undertakes to ensure that its partners in turn respect these principles. Audits are regularly carried out at supplier premises to verify compliance with the Plastic Omnium requirements.

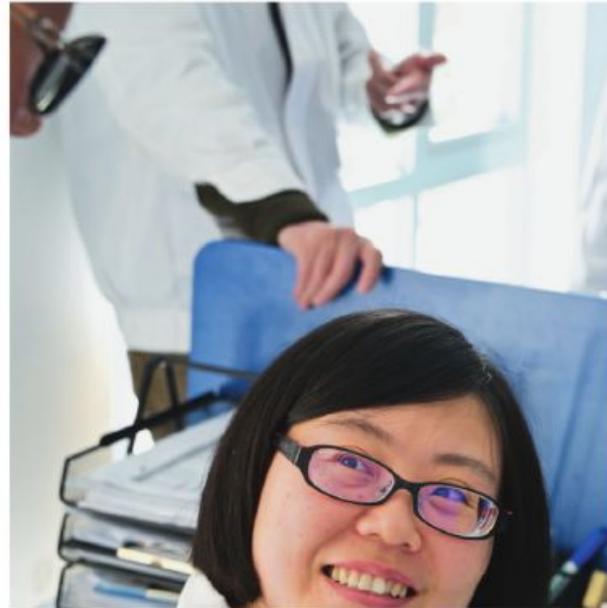
In 2017, 202 suppliers were audited.

More recently, Plastic Omnium set up a system designed to protect its systems and critical data: a Cyber Defense Department and a Security Operating Center tasked with detecting high-risk uses and behavior in real time.

In 2018, a charter will be disseminated internationally to draw the attention of all employees to proper handling of data and IT equipment.

OVER
4,000

suppliers signed the
Plastic Omnium Charter



FOCUS 1
RESPONSIBLE
ENTREPRENEURSHIP



 **UNITED STATES**

We are supporting the Focus Hope non-profit organization's educational and food bank projects for underprivileged people in Detroit through a grant of \$1 million over three years.

 **MEXICO**

Following the September 2017 earthquake, Plastic Omnium sites mobilized from León to Puebla, Ramos, Silao and San Luis Potosí to collect basic necessities and donations.

World citizen

Plastic Omnium takes pride in its French roots and pioneering DNA as a family-owned company. We support initiatives that reflect our values and spread them internationally.

We promote the stature of French art and culture through our patronage of the Chateau of Versailles, the French National Library (BNF), the Pompidou Center and the Denis Diderot museum in Langres, where we first laid down our roots on an industrial scale. Our passion for innovation drives our support for the sciences, for ETH (Zurich Polytechnic), the University of Lyon, for the Cité Internationale de la Gastronomie in Lyon, and for *Race for Water*, the revolutionary vessel fueled by three types of renewable energy: solar, wind and hydrogen.

Plastic Omnium is supporting *Race for Water's* technical odyssey and round-the-world tour to raise awareness of energy transition and the need to protect the oceans from plastic pollution.

Community partner

Plastic Omnium supports philanthropic and patronage programs that strengthen its community ties. It leaves the choice of activity up to the Divisions, countries and sites, which are more knowledgeable about local economic and social realities on the ground. Collections of food, gifts and donations, along with volunteer work and open days at production plants, reflect Plastic Omnium's involvement in the communities where it operates and bring its teams together under the blue Plastic Omnium banner around the world.



INDIA

Support for the Magic Bus education program, which is helping to raise 400,000 children out of poverty.

RUSSIA

Collection of toys as Christmas presents for underprivileged children.

FRANCE

Partner of the Fondation Jacques Chirac, which fosters social integration of people with disabilities. Support for the *Vivre aux Éclats* non-profit association that sends clowns to visit children who are hospitalized.

SPAIN

Some 335 kg of food collected by employees for food banks in Madrid and Valencia, matched by the same amount from Plastic Omnium.

FOCUS 2

ATTENTION TO EMPLOYEES

To support its growth, Plastic Omnium plans to recruit 3,000 managers and engineers between now and 2021 and cultivates its attractiveness as an employer.

Safety: pursuing the zero accident goal

Plastic Omnium is committed to the health and safety of its employees and has included that commitment in the Code of Conduct shared by everyone throughout the company, from top managers to operators. The EHS Department coordinates the rollout of the Top Safety program, which calls for compliance with OHSAS 18001 and with 6 non-negotiable rules by all sites across all countries and applicable regulatory systems. All employees receive safety training via the e-learning platform. Managers are trained in conducting Top Safety site inspections and must meet safety targets. World Safety Day turns the spotlight on the issue, and the awards presented at the annual meeting of senior managers, known as the "Top 100", officially recognize the sites with the best safety records.



Equal opportunity

Plastic Omnium's commitment to diversity and equal opportunity are set out in its Code of Conduct and reflected in its engagement in the United Nations Global Compact. A survey carried out in France in 2017 served as input for the Disability Policy, which is coordinated by a dedicated organization and implemented across all Group sites by HR correspondents.

In the SBF 120 list of major companies with the greatest number of women in senior management, Plastic Omnium came in 44th place in 2017. A total of 185 women managers joined the Group during the year, accounting for 24.8% of the total number of managers hired and bringing the share of women in management positions to 21% at the end of 2017. In a proactive endeavor to recruit more women, Plastic Omnium has been a partner of Elles Bougent, an organization that encourages women to become engineers, since 2012. At Plastic Omnium, 25 engineer *marraines* (godmothers) give presentations to young women to talk about their careers as engineers and transmit their passion for engineering and technical professions.



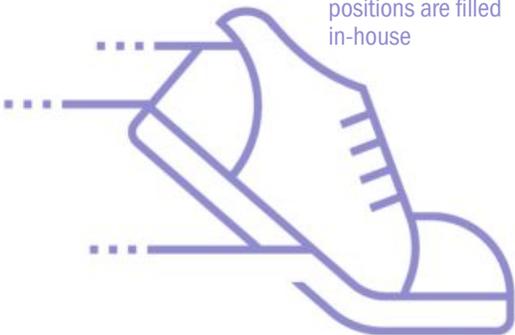
A job, a future

In 2017, 746 managers and engineers were hired, demonstrating Plastic Omnium's employer appeal. We took part in 80 school events, signed 340 work-study and apprenticeship contracts and offered 48 VIE (Volunteering for International Experience) assignments, more than half of which resulted in limited-term or permanent contracts.

To retain employees, we have developed an ambitious in-house job mobility and training policy – we plan to fill 75% of top management positions in-house. In 2017, we provided 531,000 hours of training; the proportion of managers transferring to different jobs within the Group reached 11.6%; and 108 employees moved to jobs in other countries. An induction seminar was held for 350 new hires from 17 countries across all positions to share the 'PO Way' and the strategy. Programs designed to develop young talent, potential, leadership and operational excellence disseminate uniform management methods and a common culture around the world. Over a two-year period, 585 executives have participated in these programs.

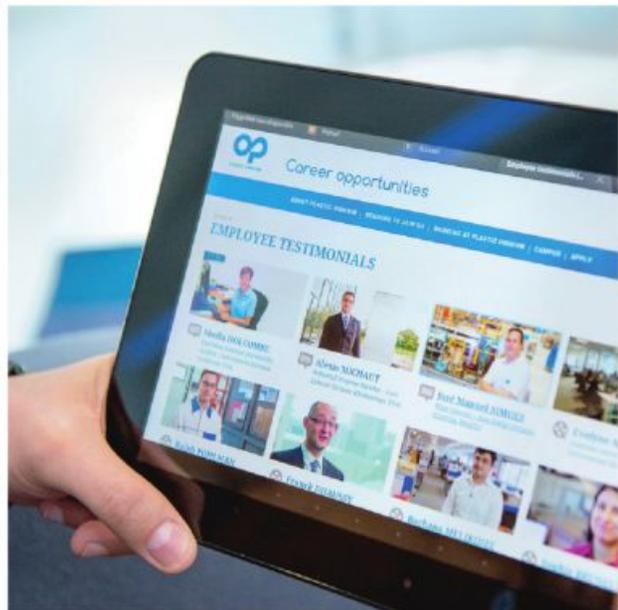
75%

of top management positions are filled in-house



“Skills development and internal job mobility are central to our HR policies.”

Jean-Sébastien Blanc
Executive Vice-President, Human Resources



FOCUS 2
ATTENTION
TO EMPLOYEES





2017 Safety Day around the world

World Safety Day is a key event at Plastic Omnium. On that day, each site stops work and brings all employees together for safety sessions. A multiplex connection across all the sites enables the Chairman and the Executive Committee to interact live with employees around the world. In 2017, more than 30,000 employees took part in the 4th edition of World Safety Day. The event illustrates senior management's determination to achieve the Group's goal of bringing the accident frequency rate (Fr2) down to 1 in 2020.



Wellbeing in the workplace

Plastic Omnium's priority focus on improving working conditions is reflected in its Top 100 Awards program. The steps taken vary from country to country, site to site and business to business. In India, a new policy has defined the number of days worked. Germany, Poland and Slovakia are experimenting with working from home, as is France, where day care and concierge services are also being introduced. In the United Kingdom, the wellbeing policy includes sports activities and sabbatical leave. Plastic Omnium also focuses on ergonomics. The Auto Inergy Division used a virtual reality facility to assess 92% of its workstations and the Auto Exterior Division is optimizing the positioning of operators.



FOCUS 3

SUSTAINABLE PRODUCTION

As a company primarily devoted to manufacturing, Plastic Omnium enlists all its production sites around the world in the effort to reduce environmental impacts.

ISO 14001 first

As each new greenfield or acquired site is opened, it immediately enters into the ISO 14001 environmental management certification process, which limits the impact of the site on the environment and biodiversity. At the end of 2017, 90% of Plastic Omnium's industrial sites were ISO 14001 certified. Employees have a big role to play. In 2017, 26,599 employees received environmental awareness training and 13,745 received environmental management training. Overall, more than 32,800 hours of awareness and management training were given during the year.



Climate close-up

Climate change is a major focus of attention at Plastic Omnium. Our products help reduce vehicle emissions and the Top Planet program introduced in 2008 addresses the direct impact of all production sites. The program is based on 4 site management commitments: to continuously work to reduce greenhouse gas emissions and energy use; to apply energy saving best practices; to roll out the ISO 50001 standard; and to include energy performance as a criterion in equipment purchasing.

For the same reasons, the supply chain is being simplified. Plastic Omnium sites are located close to automakers' plants to reduce the impact of transportation. Inventories are optimized to reduce land take, energy use and storage areas. Each year, the Top Planet Awards recognize the sites that have achieved the best environmental performance as measured by 15 specific criteria. In 2017, 8 sites won Gold Awards and 17 sites won Silver Awards around the world.



The waste management challenge

In 2017, impact tracking was broadened to include upstream production and transportation of raw materials. Plastic is our main raw material, and we work to reduce its consumption and waste throughout the production chain. Ongoing thickness reduction cuts the quantity of material used and lightens vehicle weight. We use as much recycled plastic as possible and manage our waste with great care. In total, 71% of material waste goes back into the production cycle. A further 18% is recovered and reused or incinerated with energy recovery. The share of non-recovered residual waste is therefore being steadily reduced and in 2017, it came in at 11%.



of waste generated were recycled or recovered in 2017

Air and water

Plastic Omnium's clean propulsion solutions help improve air quality. We also pay close attention to quality inside our production sites and at the factory gate. Solvent-based paint, which emits VOCs (Volatile Organic Compounds) that are a factor in climate change, are a particular focus. The sites using them are equipped with VOC incinerators, and water-based paints, which have lower emissions, are used whenever possible. In all, 97% of the water consumed by Plastic Omnium comes from municipal water supply systems and 3% from groundwater. Water is used primarily to cool machines and flows in a closed circuit, so that no effluents are discharged.

ZERO

effluents thanks to the closed circuit machine cooling system



Outlook for ISO 50001

The Plastic Omnium production sites that have already received ISO 14001 and OHSAS 18001 certifications are encouraged to take energy saving to a new level by complying with the ISO 50001 standard. This international standard, adopted in 2014, requires introduction of a dedicated energy management system to structure and reinforce the energy monitoring system. Based on features shared with other ISO standards, ISO 50001 is compatible with the existing management system but calls for updates and specific measurements. The steps required for ISO 50001 certification include an initial energy consumption review to identify scope for further savings and avenues for improvement. Other steps involve best practices awareness raising and training for employees; measurement of consumption confirmed by internal audit; and disclosure of energy performance.

The program reduces the company's energy bill and environmental footprint, while increasing its competitiveness over the long term. By the end of 2017, 24 Plastic Omnium sites in Europe were ISO 50001 certified and 15 further sites are working to earn certification by 2020.

Excellence 4.0

After mechanization, industrialization and automation, digitalization marks the fourth industrial revolution. Plastic Omnium is ushering in digitalization at its US 4.0 pilot plant in Greer, South Carolina. To optimize the plant's carbon footprint, its machines use less energy and thus generate fewer greenhouse gas emissions. Machines and products are connected to support real-time analysis of production and logistics data and immediate detection of anomalies. The systems further reduce inventories, rejects and Plastic Omnium's industrial footprint.





“Factory 4.0 is an outstanding combination of performance and responsibility.”

Mark Sullivan
President and CEO,
Auto Exterior Division

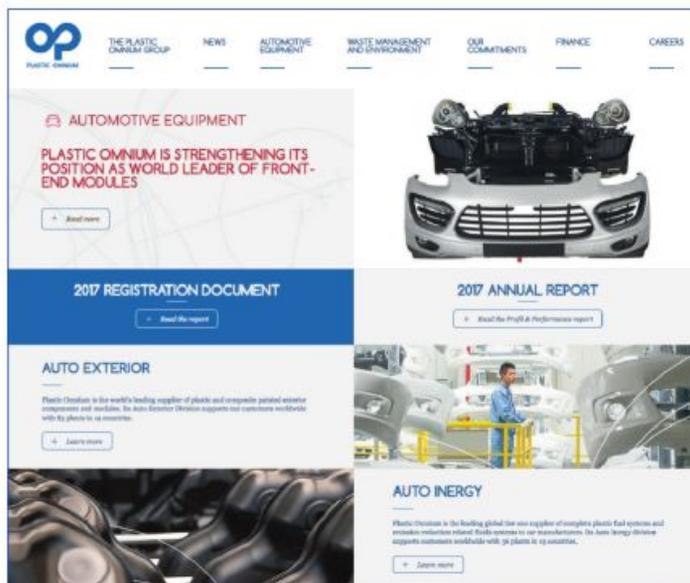
“Good management includes day-to-day attention to the interests of all stakeholders.”

Stéphane Noël
President and CEO,
Auto Inergy Division

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1, allée Pierre-Burelle – 92593 Levallois-Perret Cedex – France
Tel.: +33 (0)1 40 87 64 00 – Fax: +33 (0)1 47 39 78 98

www.plasticomnium.com

COMPAGNIE PLASTIC OMNIUM

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Headquarters: 19, boulevard Jules-Carteret – 69007 Lyon – France
955 512 611 RCS Lyon – APE: 6420 Z

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1, allée Pierre-Burelle – 92593 Levallois-Perret Cedex – France
Tel.: +33 (0)1 40 87 64 00 – Fax: +33 (0)1 47 39 78 98

www.plasticomnium.com