



# OUR SUSTAINABLE DEVELOPMENT STRATEGY 2019



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## Plastic Omnium's vocation is to foster sustainable mobility.

Since 1946, we have supported the many changes that have taken place in the automobile industry. Cars needed to be **lighter** in weight, so we moved to plastic. Emissions needed to be cut, so we extended our business to include **pollution reduction systems and clean energies**.

Today, sensors need to be built in and the car needs to be customized, so we have become experts in the **connected modular** car.

Long focused on workplace safety, our CSR has been gradually extended. In 2018, after reaching out to all our stakeholders, we took our **CSR policy** a step further, building it on three main pillars and 10 markers and applying it systematically and continuously across the board.

**ACT FOR ALL** is a comprehensive commitment to the public interest.



# A HISTORY OF ENGAGEMENT

**1946**  
Plastic Omnium is founded

**1950**  
The automotive industry becomes Plastic Omnium's main activity

**1980**  
Plastic Omnium builds on its plastics injection research to reduce the weight of bumpers

**1986**  
First high-performance, lightweight fuel systems made of plastic

**2001**  
First ISO 14001 certifications, beginning of EHS management

**2003**  
Plastic Omnium joins the United Nations Global Compact

**2004**  
Plastic Omnium invests in reducing diesel pollution using its SCR<sup>(1)</sup> technology

**2008**  
Top Planet energy efficiency program

**2013**  
First ISO 50001 certifications

**2017**  
Plastic Omnium signs the French Business Climate Pledge

**2018**  
Plastic Omnium becomes an automotive pure player and joins the act4Nature initiative

**2019**  
With a score of 72/100 and GOLD level, Plastic Omnium enters the top 1% of the best companies evaluated by EcoVadis



(1) Selective Catalytic Reduction.

# SUSTAINABLE MOBILITY AT THE HEART OF OUR BUSINESS



### LIGHTENING VEHICLES

The aim of making vehicles lighter is to consume less energy and thereby emit less carbon dioxide (CO<sub>2</sub>). Our ultra-innovative plastic materials reduce the weight of bumpers and tailgates while reinforcing them. The Smart Bumper and its crash module, for example, weigh 5 kg less and save 0.5 g of CO<sub>2</sub> per kilometer. One in six vehicles produced worldwide is equipped with a Plastic Omnium bumper. The effort to further cut vehicle weight continues in order to meet tightened regulations and embed electronics without making the vehicle heavier.

**67%**  
lightweight materials

in the vehicle by 2030  
(RobecoSAM study)

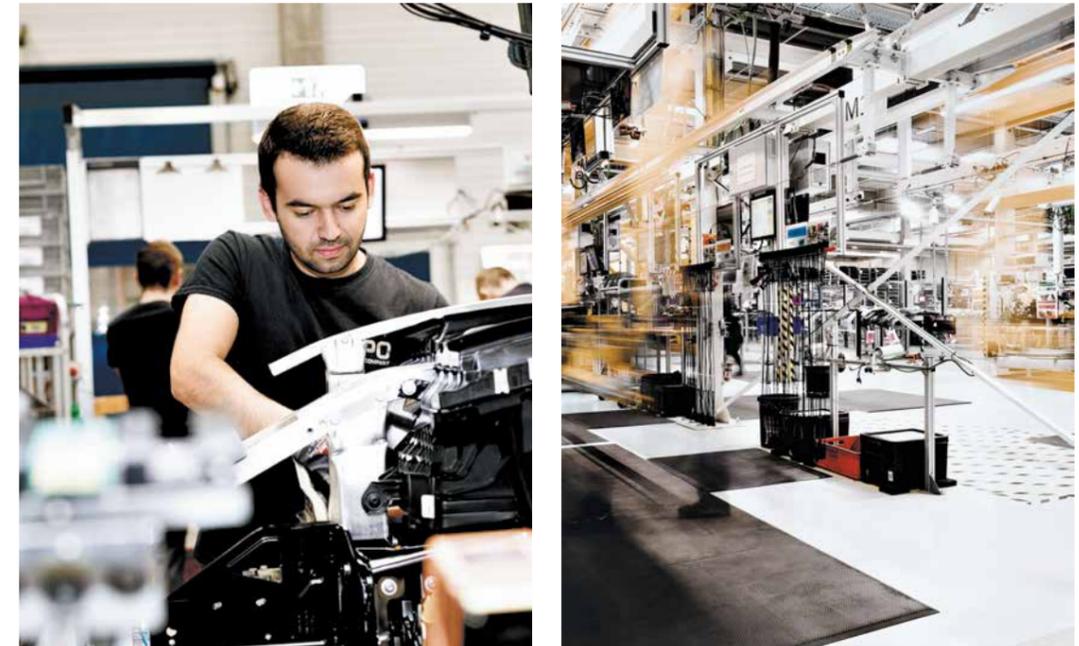
### INTEGRATING THE FUTURE

Cameras and detection radar built into bumpers enhance pedestrian safety. Aerodynamic systems in tailgates enable vehicles to slice through the air and consume less fuel. Our expertise in function integration combined with the electromagnetic transparency of plastic materials are paving the way for smart bodywork and autonomous vehicles that are safer, use less energy and are easier to drive.



**40%**  
reduction in fuel consumption

thanks to the connected vehicle  
that optimizes driver behavior

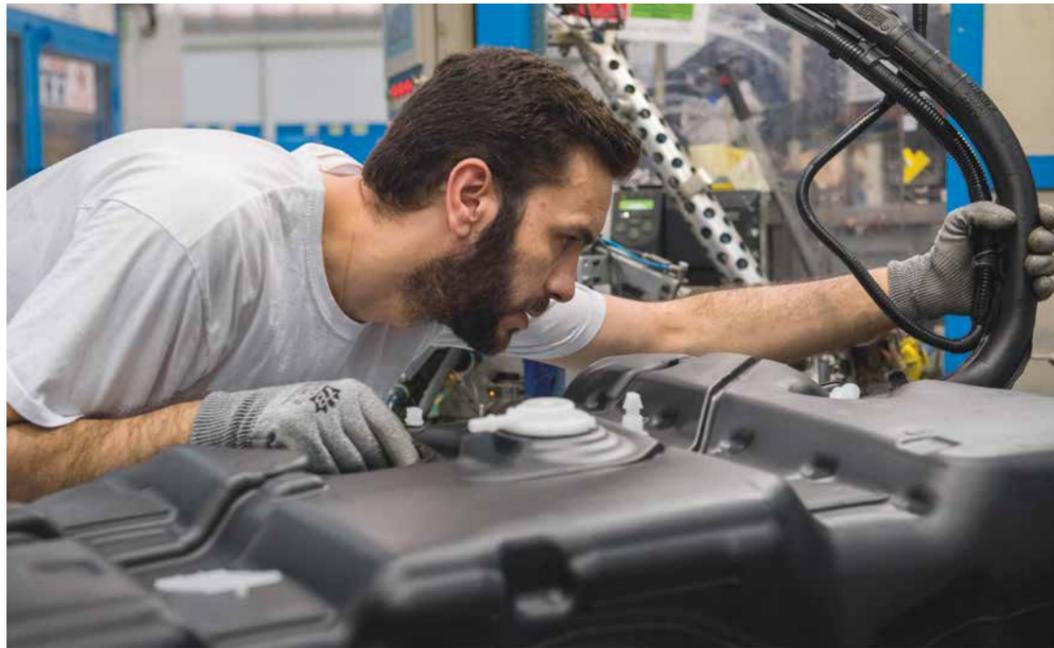


### ASSEMBLING COMPLEXITY

Designing a multi-functional front-end module and a smart tailgate that can be fully customized is the way forward to building the car of the future in several complex modules – and that's our subsidiary HBPO's specific expertise. In a new move to customization, its 24 sites located close to automotive plants in 11 countries provide tailored, ready-to-assemble modules in just-in-sequence delivery.

Up to  
**115 parts**  
combined in a module  
  
and up to  
**15,000 combinations**  
possible in a single vehicle

... SUSTAINABLE MOBILITY AT THE HEART OF OUR BUSINESS



**ENERGY STORAGE**

The fight against climate change is prompting automakers to step up their energy transition. It is clear that the vehicle of the future will have multiple propulsion systems – fossil fuel, hybrid, plug-in hybrid and electric. Plastic Omnium has expertise in all of these fields. One in four vehicles produced worldwide is equipped with an energy storage system manufactured by Plastic Omnium, which has a key role to play in the advent of clean propulsion.

**72%**  
of the world automobile fleet  
will still have a fuel tank  
in 2030<sup>(1)</sup>

**REDUCING EMISSION POLLUTION**

As a world leader in pollution reduction systems, we help automakers achieve the drastic cuts called for by Europe's new type approval test procedures. Our SCR system cuts diesel nitrogen oxide (NOx) emissions by up to 95%. Our Hydropower water injection technology cuts CO<sub>2</sub> emissions from gasoline engines by 15%. And our smart systems continue to evolve to optimize pollution emissions around the world.



**More stringent CO<sub>2</sub> targets  
in 2025**

**81 g/km**  
Europe

**97 g/km**  
United States

**117 g/km**  
China



**GENERATING ELECTRICITY**

What will the energy of the future look like? We have opted to generate electricity within the vehicle using a hydrogen fuel cell. We are confident that electricity is the zero-emission solution, provided the issue of range can be resolved. Plastic Omnium has set up a New Energies unit and built a state-of-the-art research center in Brussels. The first Plastic Omnium hydrogen tank is undergoing type approval and sustainable mobility is around the corner.

**28%**  
of the world's vehicles  
will have electric propulsion solutions  
by 2030<sup>(1)</sup>

(1) Sources: BIPE (March 2018) and Hydrogen Council studies.

# ACT FOR ALL 3 pillars and 10 markers

Plastic Omnium does not intend to rest on its laurels. Despite its RobecoSAM and EcoVadis scores, it is determined to do more. The Act for All program based on three pillars broken down into 10 markers serves to guide its activities in the interest of all its stakeholders.



# Pillar 1

## RESPONSIBLE ENTREPRENEURS

As a company focused on growth and values, Plastic Omnium has made ethics the cornerstone of its corporate responsibility. This requirement is expected of all its stakeholders.



### Business ethics: zero tolerance

— **Ethics underpin our entire values and apply to all our people** across all business lines, countries and sites. Our Code of Conduct has been translated into 22 languages and is presented to every employee. It sets out the Group's rules, in particular with respect to fighting discrimination, fraud and corruption. It spells out the seven mutual commitments made by Plastic Omnium and its employees, ranging from asset protection to ethics compliance and product safety.

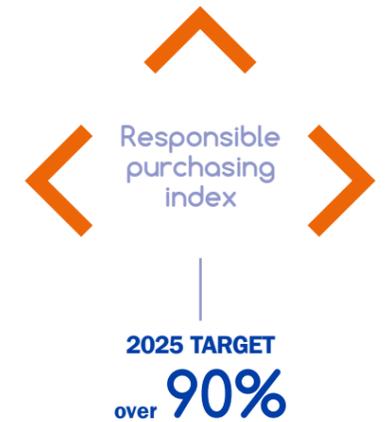
In 2018, the fight against corruption was stepped up. Risks were mapped as part of the work to update our Code of Conduct and its e-learning module. Training in Code compliance was provided for 689 employees and 32 sites around the world were scrutinized as part of internal audits that cover the principles of the United Nations Global Compact. In 2019, a Compliance Day was held to enable all Plastic Omnium employees to gain a comprehensive understanding of the Group's ethics standards.



### Suppliers sign up alongside us

— **Every potential supplier undergoes an assessment audit** and, if listed as approved, signs the Supplier CSR Charter, which sets out the Group's supplier requirements. The supplier undertakes to join us in complying with the Universal Declaration of Human Rights, the conventions of the International Labour Organization (ILO), and the Organization for Economic Cooperation and Development (OECD) Guidelines. At the end of 2018, 6,660 suppliers had signed the Charter and more

will do so in future. Our CSR requirements may extend to certification. By the end of 2018, 587 suppliers were ISO 14001 certified. Following signature, compliance with the requirements of the Charter is checked by means of a self-assessment questionnaire. If discrepancies are identified, onsite audits are carried out to investigate. In 2018, 208 suppliers underwent a CSR audit and 506 a safety assessment.



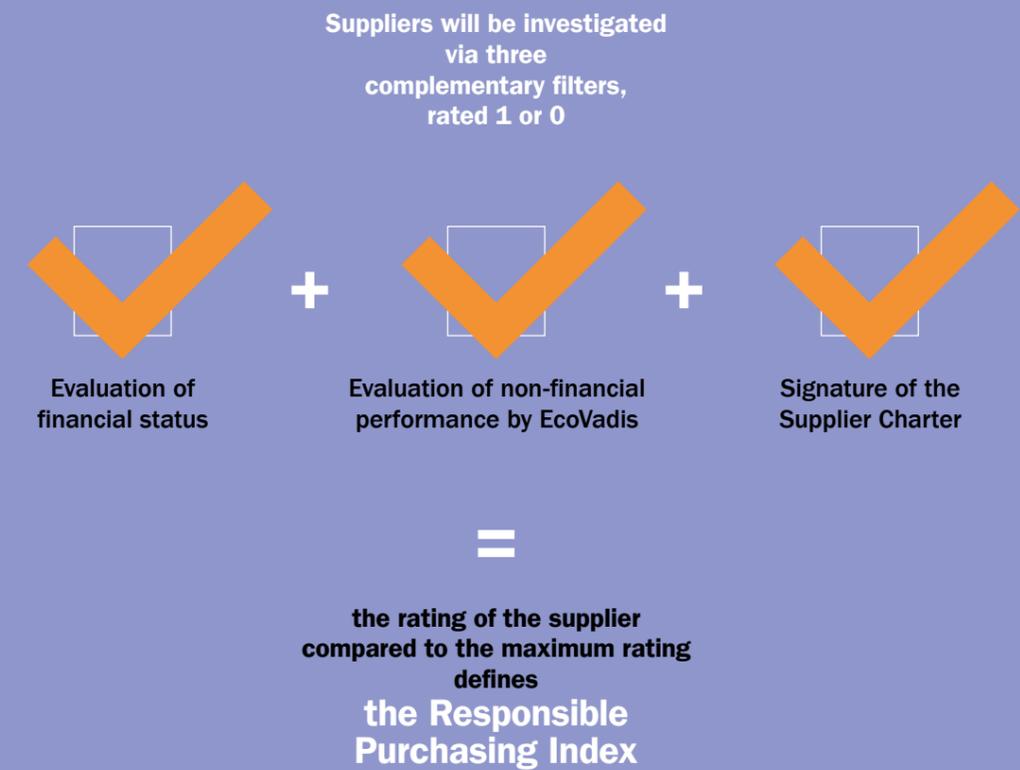
# CLOSE-UP ON THE RESPONSIBLE PURCHASING INDEX

To consolidate its position at the top of the list of responsible companies, Plastic Omnium is tightening its supplier requirements and introducing a dedicated marker.

## Today, a process



## Tomorrow, a common index



END-2018

**6,660**  
suppliers had signed the Charter

**208**  
suppliers were audited during the year

2019 TARGET **50%**

2025 TARGET **over 90%**

# Pillar 2

## CARE FOR PEOPLE

As a family-owned Group, Plastic Omnium makes a point of providing safe, healthy and fair working conditions for all its employees around the world and of offering them career prospects and opportunities for engagement.



### Safety, ergonomics and health in spotlight

— **Protection of employee health and safety – the absolute priority – rests on these three pillars.**

Our safety policy is taken to the highest level and rolled out with determination via the Top Safety program introduced in 2006, which comprises 75 levers for action. By 2018, 74% of these actions had been taken across the entire production fleet and managers had carried out 80,000 Top Safety site visits. During World Safety Day,

30,000 employees halt all work to focus on the subject of safety. In 2018, 10 sites received an EHS Award during the Top 100 annual meeting of Plastic Omnium’s senior managers. Training now encourages employees to independently ensure safety, the ultimate stage in the safety culture. In 2018, the accident frequency rate with and without lost time (Fr2) stood at 2.12. Ultimately, Plastic Omnium is aiming for zero accidents.



— **The ergonomics program is making rapid progress.** Two e-learning modules were introduced in 2018: “Ergonomic Basics” for everyone, and “Design Ergonomics” for the engineering teams that design workstations. Half of all employees concerned have taken this training. By the end of 2018, 76% of the Intelligent Exterior Systems workstations and 86% of the Clean Energy Systems workstations had been assessed.

— **Above and beyond workplace risks,** Plastic Omnium believes that health is a performance issue and has made a commitment to carry out an annual awareness-raising campaign at all sites on a major topic chosen at the local level, such as diabetes detection, obesity prevention, and back pain.





## Appealing career paths

— **Plastic Omnium pays a great deal of careful attention to employee retention.** At the 2018 induction seminar, Plastic Omnium senior management welcomed 340 employees from 20 countries. During their annual performance assessment, employees co-design their career path. Development programs for young talent, team managers and future senior executives have benefited 900 employees over a period of three years, i.e., 19% of the Group's managers and engineers, and shared the 'PO Way' throughout the world.



## Empowerment of women

— **The automotive industry has traditionally been a man's world, but Plastic Omnium has decided to reverse course** and introduce different perspectives in its approach to the job mobility of the future. Expanded career prospects for women is one of the themes of

the Act for All strategy. The idea is not just to recruit more women managers but to offer them a large number of top management jobs. Currently women account for 12% of this level and the target for 2025 is 20%.



The 25 engineers serving as mentors in the *Elles Bougent* organization, which encourages women to study engineering, worked with HR managers and teams to explore ways to increase the proportion of women in the Group.



## Recruiting young people

— **In 2018, Plastic Omnium hired junior profiles** to prepare inter-generational transfer of skills. The Group took part in 134 school and higher education events, 49 young people participated in VIE (Volunteering for International Business) programs, 351 young

people entered work-study or apprenticeship programs, the Careers site received 16,249 job applications and Plastic Omnium now has more than 70,000 followers on LinkedIn. In 2018, young people accounted for 22% of management-level recruits.



# CLOSE-UP ON ENGAGEMENT WITH COMMUNITIES

Our 128 production plants cultivate local roots in 26 countries across all activities including recruitment, purchasing and engagement in the fields of disability, employment and social integration, food and the environment. Each site selects initiatives corresponding to local realities and gets its employees involved. Beyond that, Plastic Omnium supports events and work that promotes the resonance of French culture around the world.



## INDIA

Support for the Magic Bus initiative since 2015, which promotes women's emancipation and education.



## BRAZIL

Large collection drive to benefit the underprivileged across the country in 2018: 600 items of clothing, toys, personal care products and food distributed.

## SOUTH AFRICA

The Brits plant supports the Ntlhokomelele Ngwana Dlulabaphi orphanage.



## FRANCE

The Plastic Omnium team in Amiens helps renovate the premises of the Emmaüs non-profit organization.

## POLAND

The Gliwice and Tulipan plants support the construction of a house alongside Habitat for Humanity, and the Lublin plant takes part in the Children's Friends Association project to provide holidays for children living with disability.

## UNITED STATES

Everyone wearing red and mobilized for Go Red Day, which is organized to prevent heart disease as part of American Heart Month.



ART Plastic Omnium supported the Cubism exhibition at the Pompidou Center in Paris in the fall of 2018.



ROOTS Plastic Omnium, which has its origins in Lyon, France, supports the region's iconic gastronomy by sponsoring the Cité Internationale de la Gastronomie that will open in Lyon's Grand Hôtel-Dieu at the end of 2019.



KNOWLEDGE The Group contributed to transmission of knowledge and promotion of French heritage at the Maison des Lumières museum in Langres, home to the first Plastic Omnium plant.



HERITAGE As a sponsor of the Château de Versailles, Plastic Omnium contributed to restoring the Salle du Sacre to its original decor designed by King Louis-Philippe.

# Pillar 3

## SUSTAINABLE PRODUCTION

As a responsible industrial company, Plastic Omnium strives to reduce the environmental impact of its plants by revising all its processes, from design to production.

Percentage of industrial facilities rolling out the Top Planet program

2025 TARGET  
**60%**

of the production fleet

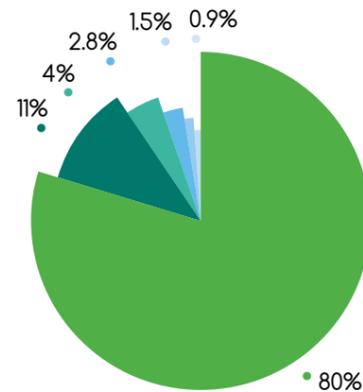
Two more sites using renewable energies each year

2025 TARGET  
**14**

sites worldwide

### Reducing our carbon footprint

— An analysis of Plastic Omnium's carbon footprint shows that the two main sources of CO<sub>2</sub> emissions from its activities are the use of goods sold (80%), followed by Purchases of goods and services (11%). The Group plans to reduce its CO<sub>2</sub> emissions by 20% between 2018 and 2025, and will start by optimizing its energy consumption through three levers: production plant energy efficiency will be improved via voluntary application of the Top Planet program initiated in 2008; onsite renewable energy production will be achieved by converting two sites per year to renewable energy; and green energy purchases will be introduced, rounding out the measures to be taken to achieve the 2025 target.



Origin of the Plastic Omnium carbon footprint

- Use of products sold
- Purchases of goods and services
- Other
- Electricity and other energy
- End of life of products sold
- Processing of products sold

### Toward zero waste production

— Ongoing improvement in processes is making it possible to reduce the waste generated in the production phase year by year. In 2018, waste amounted to just over 98,600 metric tons, of which 88% was recycled or recovered. The 12% of residual waste was incinerated or sent to landfill. This is the share of waste that the Group is working to reduce between now and 2025.

### Eco-designed, recyclable products

— European regulations call for a vehicle re-use rate of 95%. Seeking ways to achieve improvement, the Group carried out life cycle analyses of four products that are representative of its product range in 2018. The first compared the impact of two bumper design technologies and showed the superiority of hot etching on chrome. The second

compared the impact of a steel and a plastic tailgate and found the latter to be superior. The third analysis demonstrated the environmental benefit of new generation<sup>(1)</sup> bumpers. The last analysis, which is currently under way, will identify the life cycle analysis priority stage for fuel tanks.

(1) With the exception of the use of mineral resources consumed by cameras and sensors.



**9%**

Objective for residual waste by 2025



**1**

life cycle analysis for every key innovation by 2025

## CLOSE-UP ON PRODUCTION 4.0

Industry 4.0 combines the latest technologies available – big data, advanced robots, augmented reality, the Internet of Industrial Things – and enrolls the full range of value chain stakeholders in a virtuous industrial revolution. Predictive maintenance reduces downtime, slowdowns and sudden increases in energy consumption. Big data supports production optimization, makes it possible to approach zero defects and reduces scrap and waste. Industry 4.0 improves competitiveness, which supports the company's sustainable development, and generates overall skills improvement, which in turn supports employee employability. Two pilot sites, Greer (SC, USA) and Compiègne (France), have set the ball rolling for the deployment of Industry 4.0, which will cover the entire production fleet by 2022.



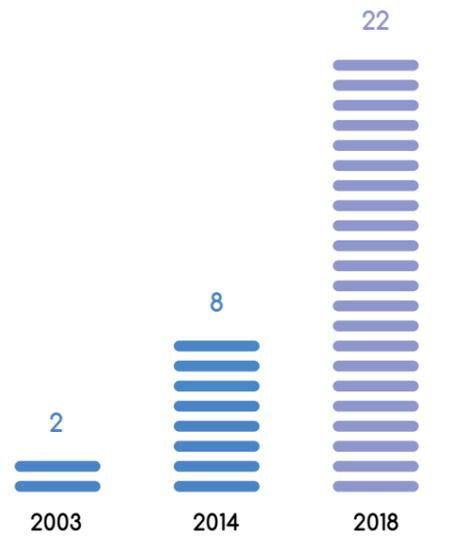
€200 M

invested to roll out Industry 4.0  
throughout the Plastic Omnium  
production fleet



# CSR PERFORMANCE INDICATORS PILLAR 1: RESPONSIBLE ENTREPRENEURS

## Ethics



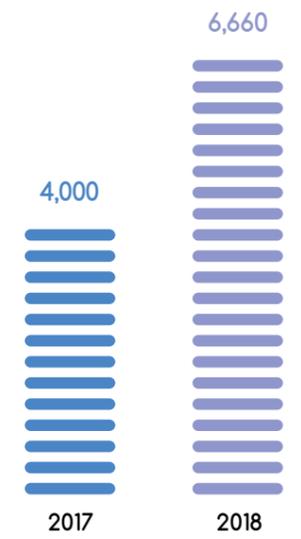
**Dissemination of the Code of Conduct**  
(in number of languages)

- English
- French
- Spanish
- German
- Polish
- Slovakian
- Portuguese
- Chinese
- Hindi
- Korean
- Thai
- Japanese
- Romanian
- Dutch
- Russian
- Tamil
- Arabi
- Hungarian
- Turkish
- Czech
- Gujarati
- Malay



↓  
**1**  
whistleblower address:  
[corporatesecretary.ethicsalert@plasticomnium.com](mailto:corporatesecretary.ethicsalert@plasticomnium.com)  
**Compagnie Plastic Omnium**  
**Ethics Alert**  
**1, allée Pierre-Burelle**  
**92300 Levallois-Perret**  
**France**

## Suppliers



**Suppliers having signed the Supplier CSR Charter**



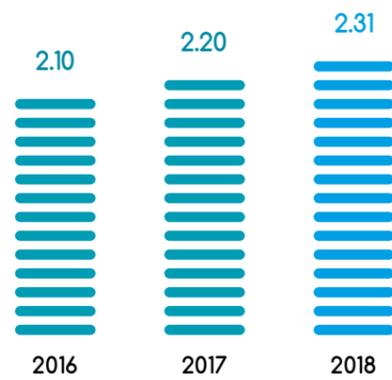
# CSR PERFORMANCE INDICATORS

## PILLAR 2: CARE FOR PEOPLE

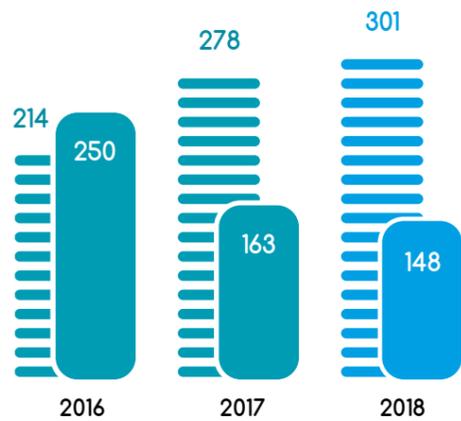
### Health and safety



**Workplace accident frequency rate with and without lost time - Fr2**  
(in number of accidents per million hours worked)

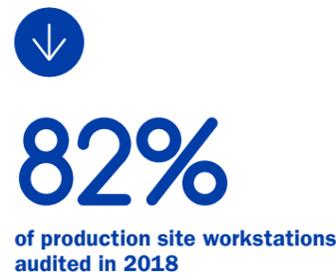


**Number of Top Safety visits**  
(per employee per year)

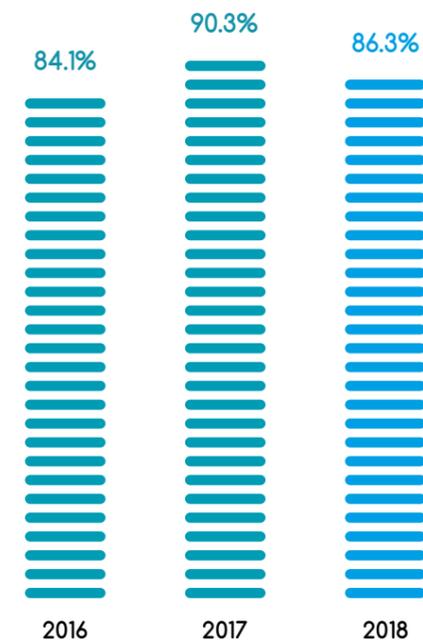


**Number of Top Safety trained managers and technicians**

≡ Managers  
■ Technicians



### Training



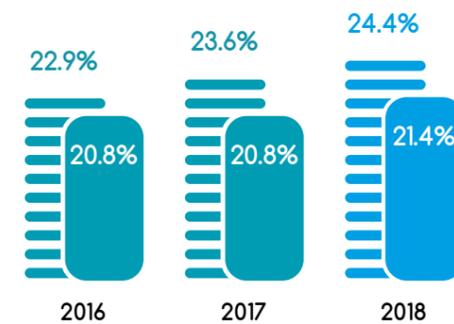
**Percentage of employees having undergone at least one training course during the year**



**Number of training sessions per employee per year**



### Equal opportunity



**Percentage of women and women executives**

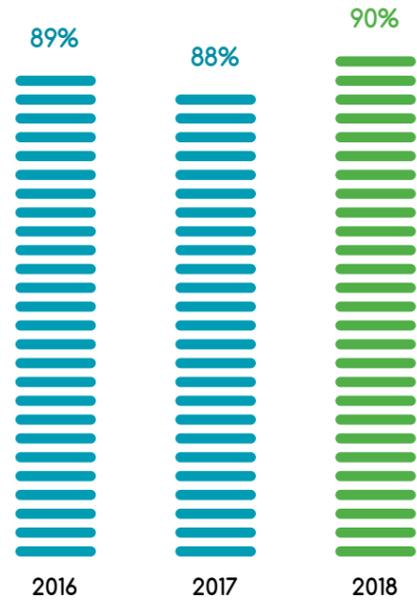
≡ Women in the workforce  
■ Women executives



### CSR PERFORMANCE INDICATORS

## PILLAR 3: SUSTAINABLE PRODUCTION

### Environmental performance



Percentage of ISO 14001 certified sites



Percentage of OHSAS 18001 certified sites



Greenhouse gas emissions (in kg CO<sub>2</sub> eq. per kg processed material)

↓  
**-20%**  
2025 reduction target for CO<sub>2</sub> per kg of material processed

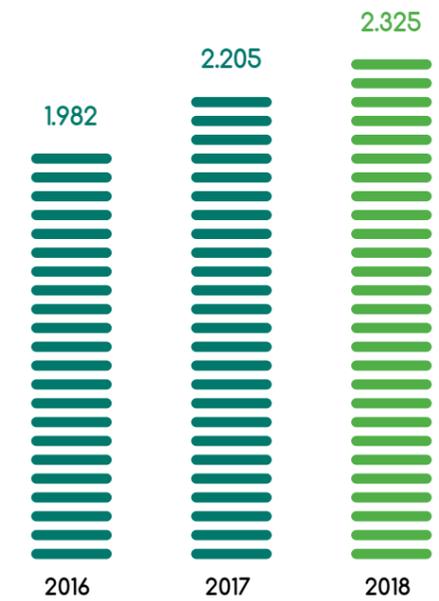


Water consumption (in l/kg of material processed)



Natural gas consumption (in kWh per kg of material processed)

↓  
**23**  
European sites ISO 50001 in 2018



Electricity consumption (in kWh per kg of material processed)

# ACT FOR ALL OVER THE LONG HAUL

The Plastic Omnium business model builds on the involvement of its ecosystem in paving the way for clean, safe and shared mobility that benefits all stakeholders and future generations.

## RESOURCES



### An engaged community

- 32,000 employees
- €1,183 M personnel costs



### Innovation at the heart of the company

- 3,000 engineers and technicians
- 24 R&D centers
- €417 M invested in R&D in 2018



### A sound financial structure

- €2,225 M equity
- €698 M net debt (32% of equity and 0.8 x EBITDA)



### Industrial facilities close to automakers

- 128 production plants in 26 countries
- €562 M investments in 2018



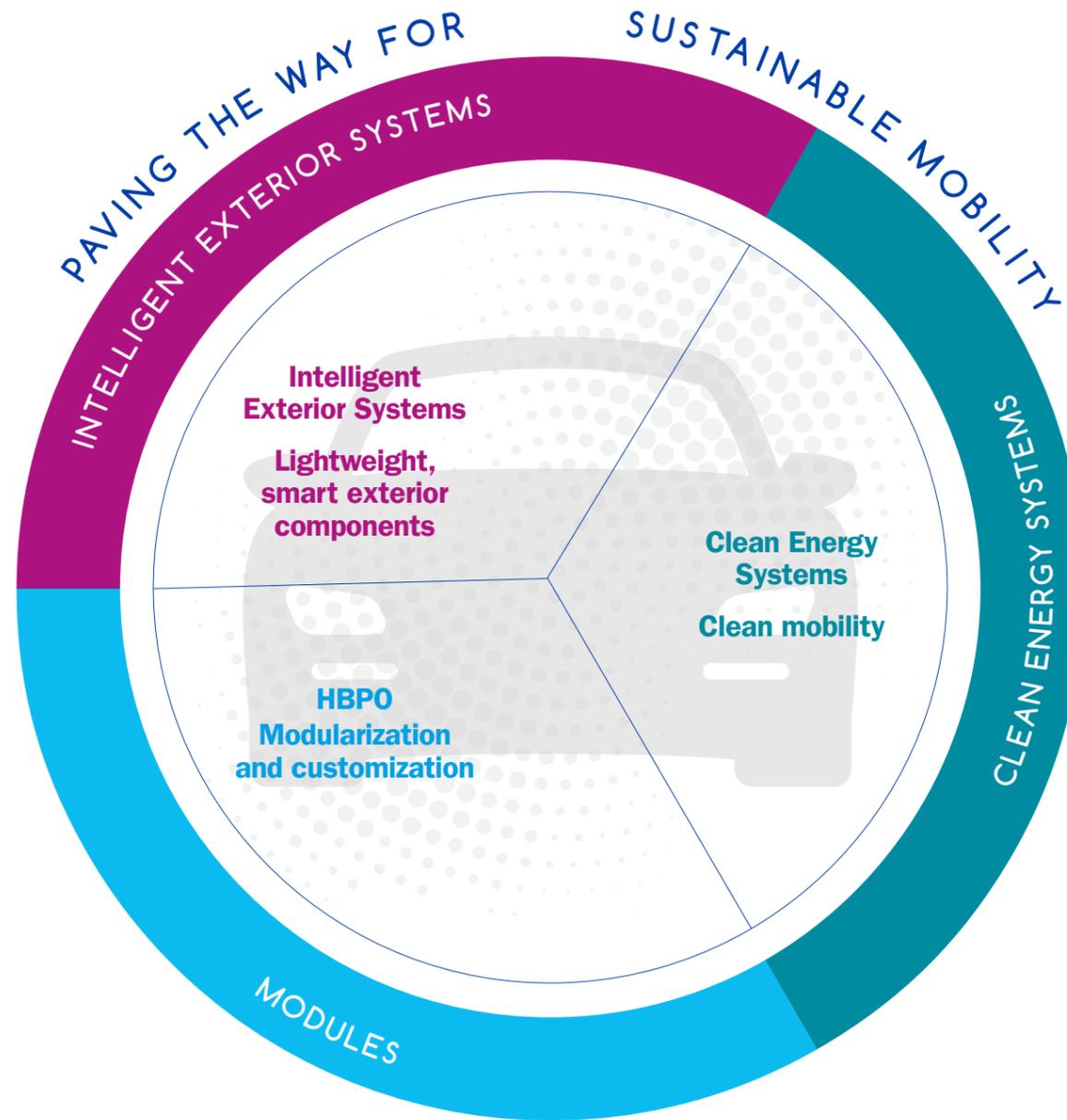
### Constant commitment to the environment

- Top Planet program since 2008
- Carbon footprint measurement
- Life cycle analysis



### Tightened business ethics

- Code of Conduct introduced in 2003, reinforced in 2018
- Signature of the United Nations Global Compact in 2003



An automotive supplier that is a leader in its business segments and serves the connected, autonomous and carbon-free car.



### Care for people

- Safety Fr2 of 2.12 in 2018
- Training: 24.17 hours per employee in 2018
- Equality and diversity: target of 20% women executives by 2025



### Ecosystem innovation

- 117 patents filed in 2018 and a portfolio of 3,725 patents
- An Open Innovation ecosystem
- €700 M revenue in innovative products designed to reduce polluting emissions



### Financial results that guarantee independence

- €918 M EBITDA
- €218 M Free cash flow
- €101 M Dividends



### Strengthened industrial excellence

- 4 new customers in 2018, bringing the total to 92 brands
- 100% of sites ISO 9001 certified
- Industry 4.0 at all sites by 2022
- 9 production plants under construction worldwide



### A responsible industrial company

- 90% of sites ISO 14001 certified
- 88% of sites OHSAS 18001/ISO 45001 certified
- Target: cut CO<sub>2</sub> emissions by 20% by 2025



### An engaged entrepreneur

- RobecoSAM ranking: 7th in the world for automotive equipment suppliers
- Supplier CSR Charter
- Employees engaged in local community work

## VALUE CREATION

## Supporting the major initiatives of the United Nations

Plastic Omnium, which signed the Global Compact in 2003, is committed to complying with the United Nations principles and includes the Sustainable Development Goals designed to transform the world in its Act for All strategy.

	SDG	PILLAR AND COMMITMENTS	KEY DATA
RESPONSIBLE ENTREPRENEURS		<b>BUSINESS ETHICS</b> The Plastic Omnium Code of Conduct applies to all employees in all business lines and all countries. The Group is committed to complying with and promoting human rights and fundamental freedoms.	<b>689</b> employees trained in the Code of Conduct
		<b>SUPPLIER ETHICS</b> All Plastic Omnium suppliers undertake to comply with the principles of the United Nations Global Compact and to ensure that their own partners do so. They are regularly audited.	<b>202</b> suppliers audited for CSR <b>506</b> suppliers assessed for safety
CARE FOR PEOPLE		<b>HEALTH AND SAFETY</b> Plastic Omnium's ultimate objective is Zero Accidents. Its Top Safety program covers all actions to be taken to achieve this goal, in five areas: machines and equipment, workers and managers, sites and projects, guidelines and coordination, and working conditions.	<b>10 x fewer</b> accidents in the space of 10 years
		<b>EQUAL OPPORTUNITY</b> Plastic Omnium undertakes to foster diversity in its teams and to combat all forms of discrimination. An annual review of discrimination incidents is conducted. The Group has made expanding career paths for women a priority.	<b>20%</b> of senior management positions to be held by women in 2025 (against 12% at end-2018)
		<b>TRAINING</b> Plastic Omnium's business activities are rapidly being transformed. Training for its employees is a strategic focus of skills development.	<b>498,576</b> training hours per year
		<b>LOCAL INITIATIVES</b> Plastic Omnium builds on its roots and its values to encourage its employees to take action to benefit local communities around the world and to help promote the resonance of French culture through its sponsorship activities.	<b>100%</b> of sites to be involved in local initiatives by 2025
SUSTAINABLE PRODUCTION		<b>MINIMIZE NEGATIVE IMPACTS</b> All Group industrial sites strive to reduce water, air and ground pollution and to conserve resources.	<b>90%</b> of sites worldwide had ISO 14001 certification at end-2018
		<b>TOP PLANET</b> Introduced in 2008, the program aims to optimize energy efficiency and to reduce greenhouse gas emissions.	<b>20%</b> reduction in CO <sub>2</sub> emissions is the 2025 target
		<b>ECO-DESIGN AND RECYCLABILITY</b> Life cycle analyses have been carried out for four flagship products to identify product-related improvements. In addition, the Group seeks to constantly optimize the efficiency of its processes in order to produce more while consuming less.	<b>88%</b> of waste produced was recycled or recovered in 2018

## FIND OUT MORE

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### COMPAGNIE PLASTIC OMNIUM

European company, registered in France with an issued capital of €8,913,966.42  
Headquarters: 19, boulevard Jules-Carteret – 69007 Lyon – France  
RCS Lyon B 955 512 611 – 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](http://www.plasticomnium.com)