



PLASTIC OMNIUM

# INFINITE INNOVATION

2016 sustainable development review

# 15 years of CSR measures in the plants

Initially focused on health and safety, the approach has broadened to Corporate Social Responsibility and, for Plastic Omnium, is a key part of operational excellence.

## 2001

### Employee safety

Measurement tools, a management system and the recruitment of H&S specialists produce immediate progress.

### ISO 14001

110 plants are management and environment certified in 15 years.

## 2002

### Non-financial reporting

Plastic Omnium publishes its first HSE/HR indicators: safety first, reflecting the longstanding priority.

## 2003

### Global Compact

Plastic Omnium joins the United Nations Global Compact.

## 2006

### Asset safety

Attention to assets and the need to avoid interruption of just-in-time production is added to the work on employee safety. It starts with fire prevention and protection.

### OHSAS 18001

95 plants are certified in 10 years for their Health and Safety management. The Group is also certified for "central coordination of safety of people and assets."

## 2007

### Chemical risk

Introduction of a REACH management system.

## 2008

### CSR attitude

Plastic Omnium publishes its Code of Conduct and Code of Business Ethics.



## 2009

### Top Planet

The hunt for ways to save energy and cut CO<sub>2</sub> emissions is launched around the world.

### Professional CSR management is introduced

Plastic Omnium appoints a Risk Manager and draws up its risk map. In labor issues, a European Works Council is added to the French Works Council.

## 2013

### ISO 50001

23 plants are energy management certified in four years.

## 2014

### World Safety Day

A highlight of Plastic Omnium top management's commitment to safety, this annual event brings together all managers and employees around the world.

## 2015

### Customer CSR requirements

The CSR performance assessment required by customers structures areas for improvement.

## 2016

### The supply chain challenge

A CSR guide translated into 18 languages is circulated to suppliers and subcontractors and backed up by a compliance audit.

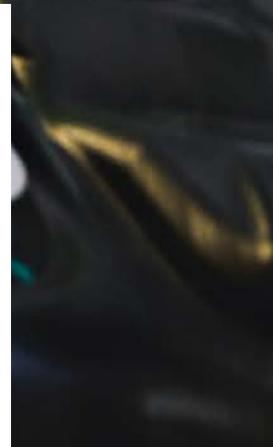


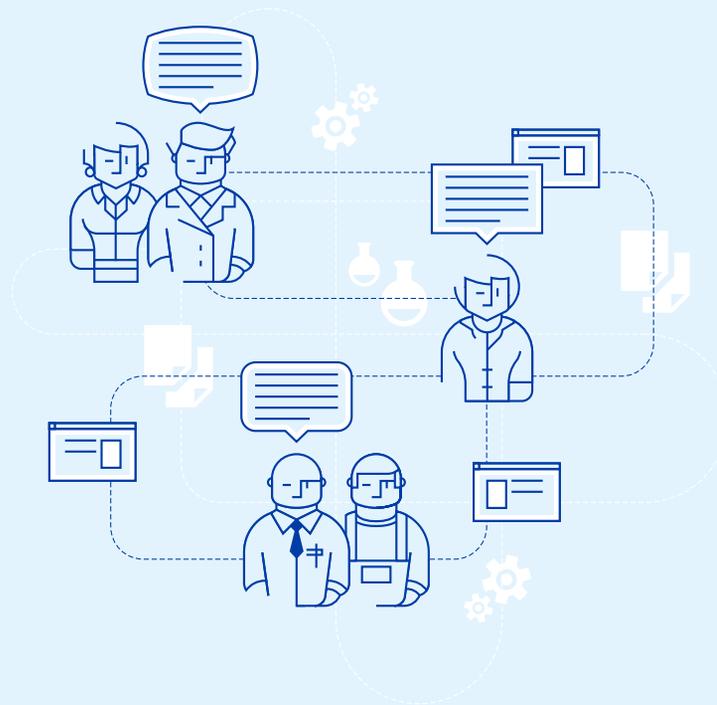
Tomorrow, Industry 4.0  
will take excellence to an  
even higher level



**Big data is data that has so far remained untapped.** Sensors are placed on equipment to collect large volumes of process information in real time. For example, 145 compressed air generators produce between 5,000 and 10,000 data items per second. The system then structures the data, cross-references it and models it to predict what will happen, sound a warning, make corrections in real time to avoid the problem and thus eliminate rejects and the costs associated with non-quality.

**Plastic Omnium's goal is to double the performance of its plant and equipment.** Industry 4.0 reduces cycle time and thus inventories and investments, and produces more efficiently at lower cost. It is a collective program overseen by the Scientific Director and rolled out across all Group activities in test-and-learn mode to achieve a fast pace of improvement and involve all users. The US plant currently under construction in Greer, South Carolina, will be Plastic Omnium's 4.0 pilot plant.





## ENGAGEMENT, TO ATTRACT GOOD PEOPLE

Over  
**5,000**  
Faurecia  
employees  
welcomed

**30,000**  
participants  
in World  
Safety Day

**4,143**  
new  
hires

**-92%**  
reduction in FR2  
since 2003

### Lessons from the 2016 survey

Plastic Omnium's success depends on the engagement of its 33,000 employees. To review morale and motivation, the Group carried out a survey in 2016. The main conclusions can be summed up in three figures. The 95% participation rate says it all about the level of involvement. Work satisfaction rose 5% to reach 77% and the level of employee engagement was 42%.

### All Plastic Omnium managers

The first step in building motivation is a broad-scale leadership training program for all managers. It reviews the basics of the "PO Way" management style and provides the keys to individual and collective success. Tested in Japan and South Korea in 2016, the program is now being rolled out across all Group countries, businesses and teams.



**PLASTIC OMNIUM'S PEOPLE GIVE THEIR BEST WHEREVER THEY ARE IN THE WORLD.**

It's part of the Plastic Omnium culture to never be satisfied. That attitude encourages driving for excellence at all levels of the company, at every workstation, in all the production plants and offices, in all the research teams and development centers. That mindset makes each and every project a challenge and an infinite source of satisfaction.

# Attracting the best, around the world

## Spending time with new employees

The European authorities approved the acquisition of Faurecia Exterior Systems during the summer holiday period. But its employees were not left in the dark. On August 1, Laurent Burelle and the Executive Committee went to meet with the Faurecia employees in Weißenburg, Germany, the core of the acquisition scope.

The message was clear: “to welcome them to Plastic Omnium, explain who we are and what we expect of them.” These visits kicked off the “Welcome to PO Days,” a program of meetings at all levels, at which workers and managers, including shift workers, got together to become acquainted and talk. Each function is establishing a network and expertise is being transferred. This powerful integration process generated enthusiasm and the adhesion of the new staff, an excellent illustration of the “PO Way” management style – management with a human face.



# Over 5,000

employees joined Plastic  
Omnium in a single day.





### Experiencing the PO culture

Integration can be measured by the engagement of management at all levels. Every year, an Induction Seminar brings together more than 300 new hires from all countries. Development programs for managers, such as “Starter” for young talent or “Driving Success” for team managers, pass on the passion and values of Plastic Omnium. Proximity and respect for people are part of the family history. The culture focuses on solutions, hard work and a taste for outstanding performance, all part of the entrepreneurial adventure. Top management, up to and including the chairman, ask for and in return recognize good work, measured by the results. The “PO Way” is a very down-to-earth, straightforward approach.





# A safety meeting on a global scale

As a responsible industrial undertaking, Plastic Omnium sets safety as its top priority. Safety is key to all its processes, at all times and in each task. The focus on safety culminates in the Group's annual World Safety Day, which brings together all plant, research center and office staff throughout the world.

The third such event in 2016 shone a spotlight on ergonomics as a way to improve working conditions and safety. Laurent Burelle kicked off the day and the dialogue in a web conference involving three sites from the three divisions on three continents and 10,000 employees. The conference was live streamed to all sites around the world. All employees reviewed the non-negotiable safety rules and took an hour off work to participate in a safety-related event. The sites came up with their own initiatives and generated buzz on Twitter and LinkedIn.

The results reflect the Group's permanent safety mobilization. In 2016, the number of accidents declined 24% and the frequency rate FR2 came down to 3.67. This means one accident every two days instead of one accident per hour, the rate recorded in 2003.



# FR2 = 1

Target for 2020.

This chapter presents the non-financial information about the Plastic Omnium Group and sets out how Compagnie Plastic Omnium addresses its social, environmental and societal challenges.

3.1 - Issues

3.2 - Development of Responsible Products and Services

3.3 - Corporate Social Responsibility

3.4 - Protection of the Environment

3.5 - Societal Commitment

3.6 - Methodology

3.7 - Cross-reference Table Article 225 – GRI G4 – United Nations Global Compact

In 2016, Compagnie Plastic Omnium celebrated its 70<sup>th</sup> anniversary. Since its inception, the Company has had three chairmen, which is proof of its extreme stability and a long-term vision. Its financial independence is one of the five pillars of the 'PO Way', which represent the fundamental drivers of this family-owned company: Independence, Investment, Innovation, Internationalization and Integration. This has enabled the Group to base its strategic decisions relating to investment and growth on the shared interest of all its stakeholders, clients, suppliers, shareholders, employees, etc. The Company's sustainable development strategy since its beginnings has today found an echo in the Group's social, environmental and societal challenges.

## 3.1 Issues

The United Nations Sustainable Development Goals adopted at the end of 2015 are aimed at protecting the planet, wiping out poverty, and guaranteeing prosperity for all. Divided into 17 goals that are primarily targeted at Member States, these goals have been adapted to companies that can also contribute to achieving them.

After the Paris Agreement was signed in 2015 and ratified in 2016, 117 countries undertook to adopt plans to reduce greenhouse gas emissions. Working with governments, the corporate world has chosen to support these strategies by setting internal goals to reduce greenhouse gas emissions. The transport and automotive sectors, which contribute significantly to greenhouse gas emissions, have become particularly involved. The automotive market will be undergoing far-reaching changes, linked to the

increase in environmental constraints and technological developments. The major trends that have driven Plastic Omnium's growth (lighter vehicles, reduction in emissions) are going to be reinforced. The expansion of hybrid-powered vehicles, the future of diesel engines and the development of electric engines will bring about profound changes in the automotive market. Plastic Omnium is preparing for these changes. Car manufacturers are looking for innovative solutions that will make vehicles increasingly lighter and make them more aerodynamic to reach average CO<sub>2</sub> emissions of 95 g per kilometer in Europe, compared with 130 g today. Compagnie Plastic Omnium has embraced this challenge whole-heartedly and has made innovation a lever for growth.

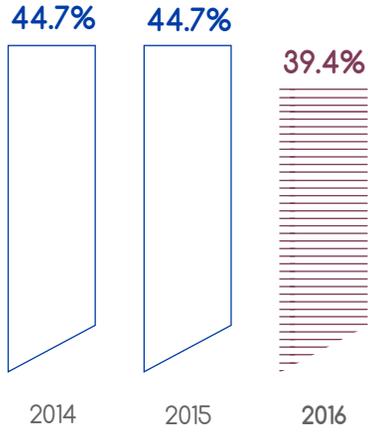
Through its Environment Division, Plastic Omnium is contributing actively to assist its clients – local communities and waste collection companies – to achieve the targets that they have set themselves or targets fixed by EU regulations (e.g., waste-sorting obligation by companies or bio-waste management).

Changes in regulations, in particular with respect to reporting have reinforced this strategy. This chapter must now comply with Decree No. 2016-1138 of August 19, 2016 of Article 173 of the law on energy transition for green growth, that requires the publication of information, when this is relevant to the business, about preventive measures, recycling, reuse, other forms of waste recovery and disposal, on actions to fight against food waste and on the significant sources of greenhouse gas emissions generated as a result of the Company's activity, in particular through the use of the goods and services that it produces.

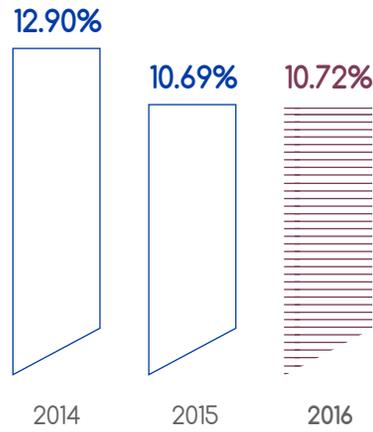
The implementation of Directive 2014/95/EU of the European Parliament and of the Council of October 22, 2014 scheduled for 2017 will also improve the scope of non-financial information to be reported, in particular comprising the taking into account by companies of their responsibility relating to environmental issues, social and labor issues, respect for human rights and the fight against corruption.

Compagnie Plastic Omnium realized that this global context was to its advantage and has decided to seize the opportunities offered by reinforcing its capacity for innovation to offer responsible products and services, all the while taking its social responsibility into account and by making a commitment to society. The Group monitors its social, environmental and societal performance through the key indicators presented below. In 2016, the Group made a major acquisition (Faurecia's Exterior Systems businesses). Consequently, the data reported by the 15 new sites have been consolidated since August 1, 2016.

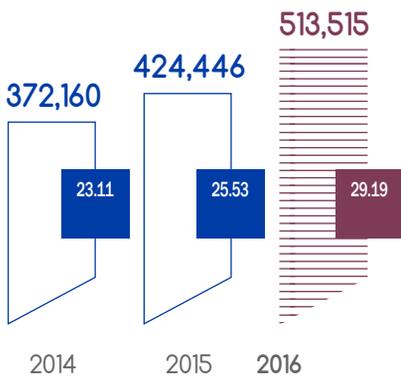
**% OF MANAGERIAL POSITIONS FILLED IN-HOUSE**



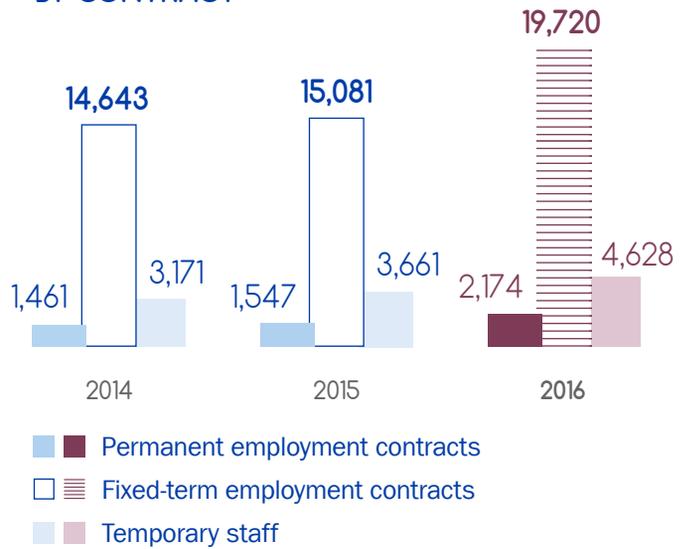
**MANAGER TURNOVER TREND**



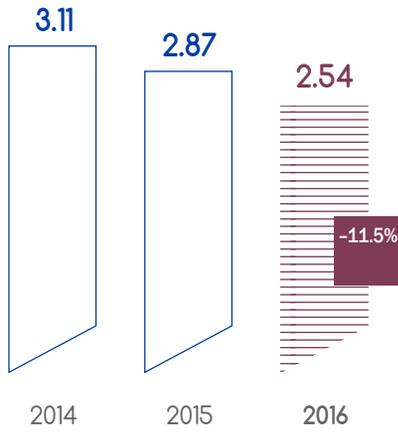
**TOTAL TRAINING HOURS AND PER EMPLOYEE**



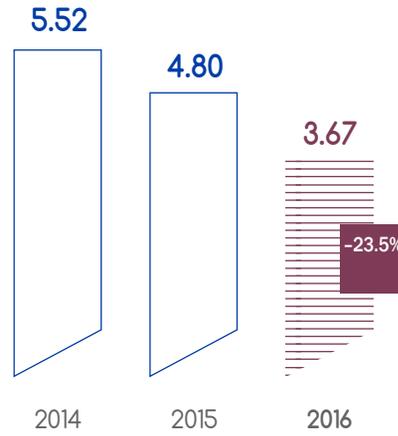
**BREAKDOWN OF WORKFORCE BY CONTRACT**



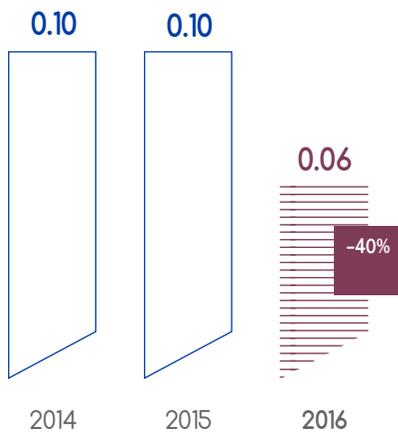
**LOST TIME ACCIDENT FREQUENCY RATES – Tf1** IN NUMBER OF ACCIDENTS PER MILLION HOURS WORKED



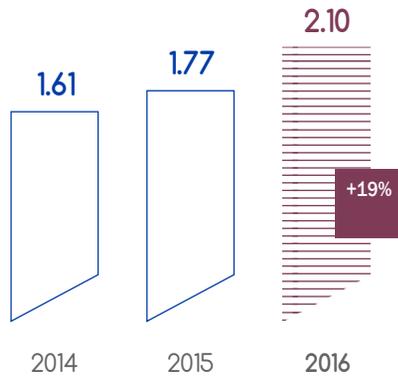
**LOST TIME AND NON LOST TIME ACCIDENT FREQUENCY RATES – Tf2** IN NUMBER OF ACCIDENTS PER MILLION HOURS WORKED



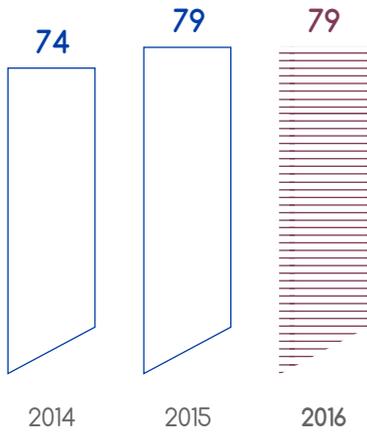
**ACCIDENT SEVERITY RATES – Tg** IN NUMBER OF DAYS LOST PER THOUSAND HOURS WORKED



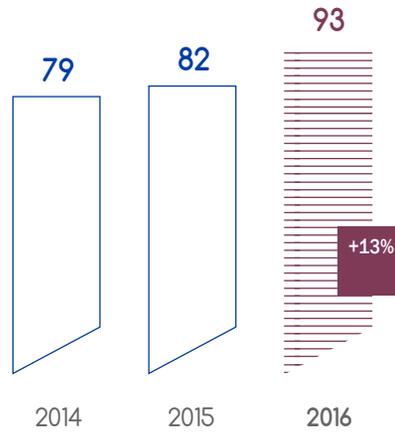
**NUMBER OF TOP SAFETY VISITS** PER EMPLOYEE PER YEAR



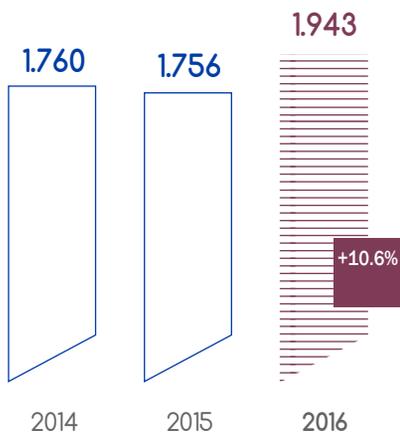
NUMBER OF OHSAS 18001  
CERTIFIED SITES



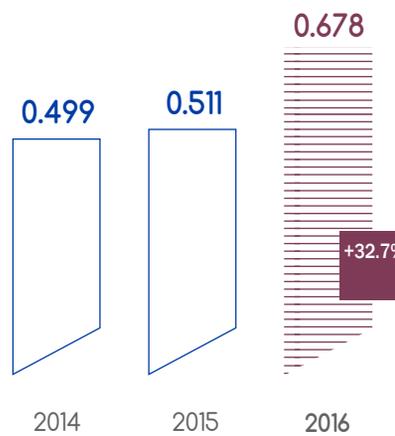
NUMBER OF ISO 14001  
CERTIFIED SITES



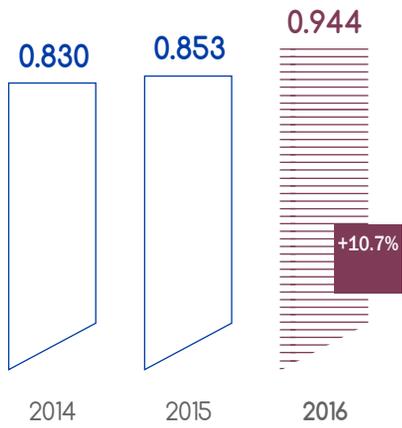
ELECTRICITY CONSUMPTION  
IN KWH PER KG OF MATERIAL PROCESSED



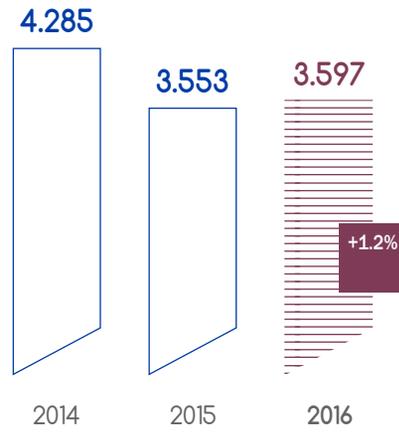
GAS CONSUMPTION  
IN KWH PER KG OF MATERIAL PROCESSED



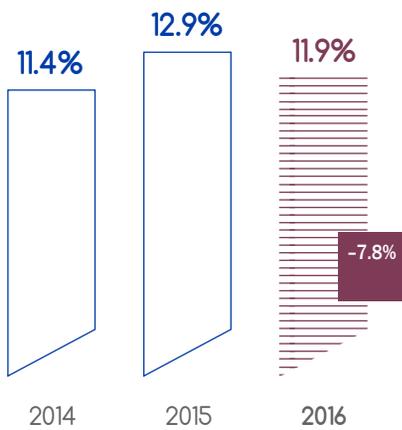
**GREENHOUSE GAS EMISSIONS**  
IN KG OF CO<sub>2</sub> PER KG OF MATERIAL PROCESSED



**WATER CONSUMPTION**  
IN LITERS PER KG OF MATERIAL PROCESSED



**PART OF RECYCLED PLASTIC IN  
THE CONSUMPTION OF PLASTIC MATERIAL**



## 3.2 Development of Responsible Products and Services

To keep abreast with the transformation of the automotive market, Plastic Omnium implemented several significant movements in 2016. Plastic Omnium leads the fuel systems market in much of the world with its subsidiary Auto Inergy, which equips more than one in five vehicles worldwide. In addition, the Company has developed an offering to reduce emissions from diesel vehicles with the aqueous SCR (Selective Catalytic Reduction) technology, which was fitted on 1 million vehicles in 2016 and will equip 3 million in 2020.

After the success of the aqueous SCR technology, which consists in the injection of a liquid, AdBlue®, that transforms nitrogen oxides (NOx) into water and nitrogen dioxide, an inert gas, Plastic Omnium launched the solid SCR technology at the end of 2016. There are two possible uses for this new solid SCR:

- replace the aqueous SCR, which requires users to make regular AdBlue® refills. With solid technology, the cartridge needs to be refilled only during servicing. This makes life simpler for users;
- improve the efficiency of the pollution reduction system by using aqueous and solid SCR technologies synergistically.

At the same time, the Auto Inergy Division has extended its field of expertise from fuel storage to the storage of alternative energy sources. This transition is seen in particular with the creation of the start-up, E-POCellTech, in a joint venture with the Israeli company Elbit Systems. The purpose of this partnership is to develop a research center working on the storage of electric energy via super-capacitors and on hydrogen storage that is transformed into electricity through fuel cells. This research should lead to operational developments and new products in the future. At the same time, the Division is continuing its work to develop fuel tanks for hybrid propulsion systems that are becoming increasingly complex.

The lighter vehicles and the improvement in aerodynamics are the two main research focuses of the Auto Exterior Division. The ambassador of Plastic Omnium's expertise, the Higate Premium tailgate, designed in polypropylene reinforced with recycled carbon, is 2 kilos lighter than the version reinforced with fiber glass and 6 kilos lighter than steel. Its articulated spoiler enables four different positions that improve aerodynamics and handling. It also proposes a contact-less trunk opening system thanks to a motion sensor, thus illustrating the transition to smart cars.

The acquisition of Faurecia's Exterior Systems business in July 2016 enabled Plastic Omnium to confirm its position as world leader in body exterior systems, bringing its global market share to 15%. Fourteen plants and a Research and Development center

now boost the Group's innovation and growth capacity which will enable it to cope with future technological developments.

These innovations are subject not only to driver safety requirements, but also pedestrian safety in case of impact. These requirements are non-negotiable and take priority over the development of new technologies.

Plastic Omnium's Environment Division also integrates technological innovations into its products. Over and above waste containers, the Group proposes to local communities and waste collection companies veritable waste management systems aimed at encouraging users to sort their waste. In 2016, a user study identified curbs to the use of waste containers and led to the design of new products that helped to do away with user resistance. For example, a new module with a pedal has eliminated direct contact with the container lid, and has improved accessibility for persons with reduced mobility. This new product range, which is being tested in Paris, is also connected to enable the measurement of access and fill rates, thus optimizing the rounds of collection staff. By connecting its containers, Plastic Omnium can offer related services to waste collection companies and local communities. For example, in the joint local authority (communauté de communes) of Saint-Amandois in France, Plastic Omnium manages the incentive charging system: household waste containers for individuals are identified and the owners are billed in proportion to the number of containers collected. This incentive charging system managed by Plastic Omnium in conjunction with the local community has proved to be remarkably effective: on average, incentive charging systems drop the household waste collected per inhabitant per year from 280 kilos to 130 kilos.

## 3.3 Corporate Social Responsibility

Transforming sustainable development challenges into strategic opportunities includes the ability of the men and women at Plastic Omnium to develop a continuous innovation momentum and to integrate and manage change. The constant improvement of its technological expertise has made Plastic Omnium a global leader on its automotive and container markets. In this context of significant growth and transformation, the recruitment and retention of employees are key tools for the human resources policy. Aware of its responsibility to its employees, the Group has insisted upon imposing integration and a transparent social dialogue as the major guidelines for transformation. Plastic Omnium also places the health and security of its employees at the heart of its concerns, through a proactive Health, Safety and Environment (HSE) policy.

## Talent recruitment and development of loyalty with talents: a priority

### The Group's appeal

Its position as leader in its markets and its capacity for innovation recognized by its stakeholders confer a natural appeal on Plastic Omnium. To support its ambitious growth projects, Plastic Omnium has been working for several years to reinforce its visibility as an employer of choice. To boost its growth and technological development, Compagnie Plastic Omnium is planning to recruit approximately 500 managers and engineers by 2020.

#### Number of employees hired during the year

	2014	2015	2016
Managers & Engineers hired	543	611	634
Non-Managers hired	2,269	2,958	3,509
<b>Total</b>	<b>2,812</b>	<b>3,569</b>	<b>4,143</b>

#### Number of Managers & Engineers hired during the year per region as at end of December

	2015	2016
France	186	164
Western Europe excluding France	108	113
Eastern Europe	68	63
North America	114	154
South America + Africa	16	28
Asia	119	112
<b>Total</b>	<b>611</b>	<b>634</b>

The need to recruit stems from the Group's growth and the need to replace departures. The turnover of Group Managers and Engineers has been stable for the past two years, 10.7%. To improve this figure, in 2016, the Human Resources department launched an in-depth study to understand why its managers and engineers left the Company. Although the turnover is the same as the average for the business sector, a specific action plan was implemented in 2016. The analysis of the extensive HR data available made it possible, by crossing these data, to better identify the causes of departure both at the global and local level.

These new processes round off the exit interviews conducted with resigning employees. To have direct feedback from these employees, the Human Resources department created a single questionnaire that enabled all entities to identify the reasons behind these departures. The analysis of these exit interviews enabled the Group to better understand the causes of turnover and to remedy the situation by implementing the necessary corrective actions.

At the same time, the HR teams set up a collaborative project: the Human Resources departments carried out local audits and exchanged ideas and best practices in order to implement action plans. The results of the actions were then analyzed together and any necessary corrections were made. For example, global actions were identified such as the training of local managers by human resource teams on the causes and consequences of turnover and on retention levers. An initiative developed in the US was deployed to the entire Group after excellent results obtained locally: the "Stay interviews". Aimed at managers and engineers who have been with the Company for less than three years, these interviews make it possible to understand the employee's satisfaction and commitment, ambitions and motivations.

These exchanges of best practices were also applied during the annual HR convention, that addressed turnover, among other topics. Each country with a best practice to share was invited to present it. This inspired emulation relating to how the issue of employee retention and commitment was addressed.

#### Number of departures during the year

	2014	2015	2016
Redundancies	359	338	227
Terminations for other reasons	676	565	705
Other departures	1,001	1,238	1,252
<b>Total</b>	<b>2,036</b>	<b>2,141</b>	<b>2,184</b>

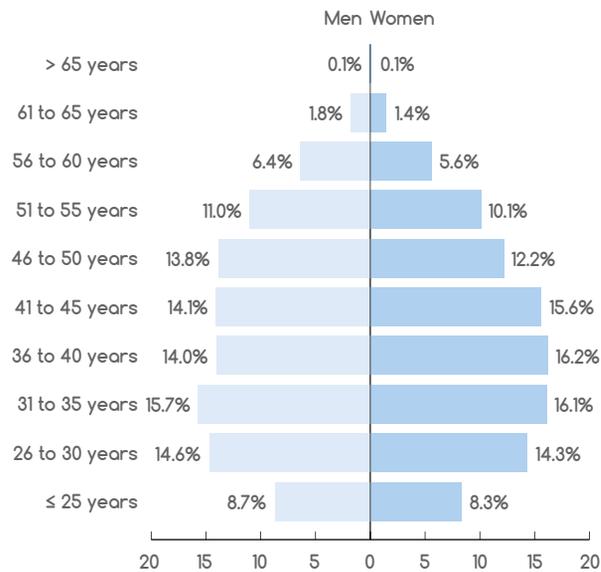
To meet the recruitment needs of its Divisions as best as possible, the Group has created key tools for supporting the employer brand which were distributed to all the local human resources relayers to ensure uniform communication, with a visual identity defined for all media. These messages are sent to applicants through the Group's preferred communication channels:

- traffic on the "Careers" web site (careers.plasticomnium.com), now available in six languages and adapted to local markets, has risen steadily with 135,885 single visitors in 2016, compared to 2015, i.e. an increase of 51% over 2015;
- social networks are recruitment resources that are increasingly efficient, in particular LinkedIn, where the number of Group followers has nearly doubled in one year: 35,872 at the end of December (19,000 at the end of December 2015);
- local partnerships with universities have been increased to reinforce the recruitment of junior profiles: managers who are recent graduates or have had a first professional experience in order to pursue the Group's target to fill 25% to 30% of vacant

positions with these young talents. In France, the Group took part in several events organized by the engineering schools: CentraleSupélec Raid, job fairs organized by UTC (Université de Technologie de Compiègne), INSA Lyon as well as the virtual job fairs by ENSAM. In Mexico, the Auto Inergy site in Silao developed a professional diploma in plastic injection molds with "Instituto Politécnico Nacional" (IPN) and the "Automotriz Cluster of Guanajuato AC". In China, the sites took part in many job fairs, in particular those organized by Centrale Pékin, EDHEC and ESSEC. These partnerships also make it possible to propose job placements or international in-company voluntary service schemes that the Group wishes to develop in order to create its pool of future talents.

To integrate these new talents and to share the 'PO Way' and the Group's ambitions with them, Plastic Omnium organizes an integration seminar each year for recently hired managers and engineers, regardless of their country or business line. In 2016, this seminar was the occasion for 300 newcomers to meet the senior management and to get to know the Group better.

**Breakdown of employees by gender and by age bracket**



**The building of long-term relationships with employees**

To develop the loyalty of the Company's employees and to prepare tomorrow's talents, Plastic Omnium works particularly on career development, with mobility and training identified as the two key levers.

The needs and desire for career development and mobility are identified during annual performance reviews, which are key moments of dialogue between managers and employees, in particular on training needs. In all, more than 5,000 executive

employees benefited from an annual review. The reviews are conducted according to a global process, based on a form available in eight languages supported by the Group's human resources management information system, OPteam. The general and managerial skills of managers and engineers are assessed to identify talents and potentials. To improve this key process in the detection of employee motivation focuses, in 2016, 300 managers took part in phone conferences organized by the Group's Human Resources Department: the quality of the feedback from the interviews conducted in the beginning of 2017 for 2016 should result in the improved management of mobility and training wishes expressed and thereby increase employee commitment and retention.

Plastic Omnium, which was already measuring the satisfaction of employees at work, wanted to go a bit further in 2016 and poll all its employees about their commitment to the Group. 95% of permanent employees expressed their views in 26 countries, in a revised questionnaire and in a survey that was conducted fully online for the first time. The questions related to satisfaction showed an improvement of 5 points in three years, going from 72% to 77%. Based on an exacting reference system, the survey revealed that 42% of employees are considered to be committed. Avenues of improvement were identified and resulted in the setting up of global and local action plans grouped under four main themes: team management, organizational efficiency and well-being in the work-place, career development and recognition. At the end of 2016, 524 actions had been initiated such as training sessions for field managers, webcasts for senior managers on how to address annual performance reviews, or the organization of job fairs at Σ-Sigmatech to enable employees to discover occupations existing within the Group. Another action resulting from the survey is that employees at the Levallois and Nanterre sites will benefit from the services of an inter-company creche.

### Internal and international mobility

The “people review” process makes it possible, at Group level and for each Division, to analyze future needs and to analyze profiles within the Company that correspond to those needs. Succession plans and career plans can thus be correlated to offer employees motivating professional development while addressing the Company’s own development needs.

Plastic Omnium actively supports internal mobility projects, which are a source of richness and diversity. Vacant positions are regularly made available to employees on the career management and professional path intranet tool, OPteam, which can be accessed

by all. Employees can apply for jobs directly on this site. The mobility rate of engineers and managers reached 9% in 2016. This rate was impacted most notably by a particularly low mobility rate in Germany. International mobility is also an integral part of Plastic Omnium’s internal mobility policy and a sphere that is expanding beyond France. Indeed, 32% of the 97 expatriates have a “home country” other than France.

In 2016, Plastic Omnium set itself the ambitious target of filling 75% of executive positions through internal transfers. In 2016, 65% of executive job openings were filled by Plastic Omnium employees.

### Executive mobility rate

	2015	2016
France	11.5%	7.2%
Western Europe excluding France	9%	3.8%
Eastern Europe	15.5%	12.5%
North America	19%	17.3%
South America and Africa	23%	13%
Asia	17%	9.8%
<b>Total</b>	<b>13.4%</b>	<b>9%</b>

### An enhanced skills development policy

Employee training has been identified as a key lever for developing loyalty on one hand and for anticipating the Company’s needs on the other hand. For three years now, the Group has successfully created, tested and deployed specific leadership and management programs. Management and leadership are considered to be key skills at Plastic Omnium.

The “Starter” program for young talents, launched in a pilot phase in 2014 and deployed in several countries in 2015 is now available in North America, Europe and Asia. This program, which lasts twelve to eighteen months, aims at developing leadership skills in managerial staff in the first years of their professional career and at reinforcing their understanding of the ‘PO Way’. Boosted by the success of the program and its positive impact on the retention of these young managers, the course will be extended to other countries. Since it was launched in 2014, 100 young managers have joined the program.

The “Driving Success” program for managers of local teams aims at developing a consistent and uniform managerial approach at Plastic Omnium that corresponds to the ‘PO Way’. This program, which lasts several days, offers managers the opportunity to deepen their knowledge about Plastic Omnium’s values and to work on their communication, team management and leadership

skills. The training sessions, which are designed at Group level, are deployed locally. In 2016, the sessions were offered to managers of the French sites α-Alphatech and Σ-Sigmatech as well as Japanese and South Korean sites.

Since all these programs have proven their effectiveness, two new management programs for top managers and for present and future plant directors will be launched in 2017.

After the identification of training needs during the annual performance reviews, individual training paths are managed in the global training administration tool “my learning place”. This platform makes e-learning courses available to employees, in particular modules related to ethics and Codes of Conduct, health and safety, and, as from 2017, the Golden Rules of internal control. In 2016, 15,351 employees, representing 70% of the workforce, were administered on the portal. E-learning is increasingly predominant among training modes. Its accessibility and flexibility make it a learning channel that is very complementary with the class-based courses, virtual classes and blended learning also used by the Group.

The main themes addressed during the trainings are: languages, Health Safety and Environment, Software, Management, Continuous Improvement, Expertise and Business Line Techniques.

	2014	2015	2016
Training commissions	32	38	40
Number of attendees	86,227	106,405	97,373
Number of training sessions per employee per year	5.35	6.40	5.53
<b>Total training hours</b>	<b>372,160</b>	<b>424,446</b>	<b>513,515</b>
Training hours per year per employee	23.11	25.53	29.19
<b>Total expenditure on external training bodies (in thousands of euros)</b>	<b>4,335</b>	<b>4,779</b>	<b>4,380</b>

All training hours, regardless of their duration, are now recorded in the number of attendees.

## Compensation

Plastic Omnium makes sure that its compensation policy, an important factor of motivation, does not allow for any discrimination whatsoever related specifically to gender, origin, age, religion, sexual orientation or state of disability. Its adherence with the United Nations Global Compact as well as the commitments in the Code of Conduct are expressed operationally through the signature of a gender equality agreement in France and comparative analyses of the compensation of male and female employees in all countries.

Salaries of managers are analyzed annually to ensure consistency and internal equity in relation to salaries on the market. An action plan is implemented if any differences are identified. In addition to compensation, the countries develop supplementary social

benefit systems according to local labor practices and in compliance with applicable regulations. For example, collective incentive policies have been established in a majority of countries, along the lines of profit-sharing and incentive schemes in France.

In France, at December 31, 2016, the 1,642 employee members of the Group stock ownership plan held 1,526,594 Compagnie Plastic Omnium shares purchased on the market, representing 1% of share capital. Employees do not hold other shares in respect of shareholding as provided for by Articles L. 225-129 and L. 225-138 of the French Commercial Code, nor in respect of Company profit-sharing. Additionally, in 2016 the Group rolled out a new sickness benefit program providing better health cover for employees at French sites and for their families.

## Employee benefit expense

in thousands of euros	2014	2015	2016	Change in 2015/2016
Wages and salaries	(536,711)	(585,620)	(690,904)	17%
Payroll taxes	(149,722)	(160,296)	(190,149)	19%
Non-discretionary profit-sharing	(10,052)	(12,418)	(14,181)	14%
Pension and other post-employment benefit costs	(661)	(798)	(1,602)	101%
Share-based compensation	(2,354)	(3,025)	(3,498)	16%
Other employee benefits expenses	(25,759)	(37,432)	(38,101)	2%
<b>Total employee benefits expenses excluding temporary staff costs</b>	<b>(725,260)</b>	<b>(799,589)</b>	<b>(938,437)</b>	<b>17%</b>
Temporary staff costs	(87,231)	(109,540)	(125,884)	15%
<b>Total employee benefit expenses including temporary staff</b>	<b>(812,491)</b>	<b>(909,130)</b>	<b>(1,064,321)</b>	<b>17%</b>

## Integration and open social dialogue, the founding principles of the organization

In 2016, the Plastic Omnium Group's growth momentum led it to acquire 15 new sites and to close or sell 5.

Acquired officially on July 29, 2016, the 15 new sites were consolidated on August 1, 2016. This desire for speed and efficiency is the reflection of the Group's vision and the exemplary and operational expression of the 5<sup>th</sup> pillar of the 'PO Way': integration. This project was carried out with strong involvement by Group managers. The Chairman and Chief Executive Officer, Laurent Burelle, visited two new sites with the Executive Committee: on August 1, in Weissenburg, Germany, where the site had been dressed in the Company's colors, and on the end of August at the Barcelona site in Spain. These meetings inaugurated a program of visits from the Top Management of the Auto Exteriors Division, entitled "Welcome to PO days" where meetings were organized on each site, with all teams regardless of their working hours. All the sites adopted the Plastic Omnium visual identity very quickly, thanks to the backing of the Corporate and Division teams. This rapid deployment is a strong sign of the

ambition to create a feeling of belonging to the Group and was received very positively by employees and external stakeholders.

The deployment of working methods, the learning of procedures and the development of mutual knowledge, initiated as from September will continue at a steady pace. Business-line teams met and traded ideas in view of establishing operational best practices that will guarantee service continuity with clients and will reinforce Plastic Omnium's position as leader in Europe.

## Workforce trend

With this consolidation, at the end of December 2016, the Group had 26,522 employees, up 31% compared with the end of 2015, and included 4,662 new employees that were brought in after the acquisition of 15 sites and 216 hired after the opening of new sites. These new arrivals did not affect the breakdown of workforce by type of employment contract. Since the sites acquired were made up of 14 plants and a research and development center, the share of manufacturing workers in the registered workforce rose slightly.

**Workforce by type of employment contract**

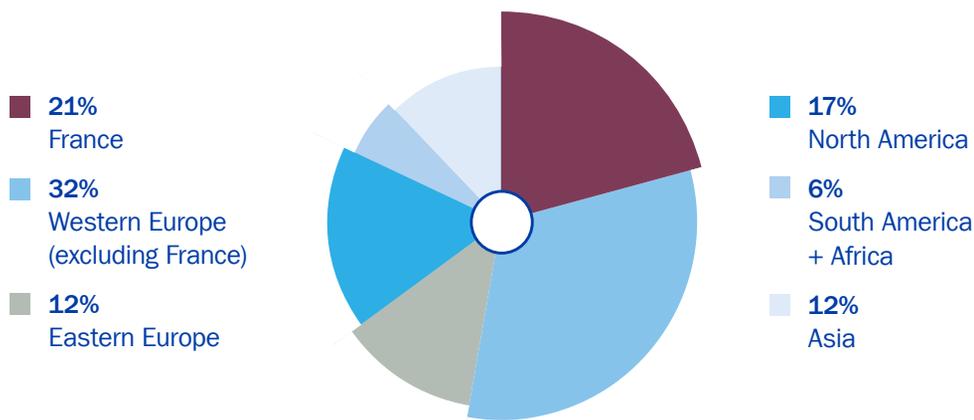
	2014		2015		2016	
Permanent employment contracts	14,643	76%	15,081	74%	19,720	74%
Fixed-term employment contracts	1,461	8%	1,547	8%	2,174	8%
<b>Registered employees</b>	<b>16,104</b>		<b>16,628</b>		<b>21,894</b>	
Temporary staff	3,171	16%	3,661	18%	4,628	18%
<b>Total employees (registered and temporary)</b>	<b>19,275</b>		<b>20,289</b>		<b>26,522</b>	

**Registered workforce by Socio-Professional Category**

	2014		2015		2016	
Manufacturing workers	8,428	52%	8,801	53%	12,294	56%
Employees – Technicians and supervisors	4,251	27%	4,146	25%	5,044	23%
Managers	3,425	21%	3,681	22%	4,556	21%

Conversely, the breakdown by region has been impacted by these new sites, as a result of increased representation of European sites (12 out of 15 sites), except in France.

**Breakdown of workforce by region, contract and category**



	Permanent employment contract	Fixed-term employment contract	Total registered employees	Temporary staff	Total
France	4,424	32	4,456	1,037	5,493
Western Europe (excluding France)	6,289	738	7,027	1,526	8,553
Eastern Europe	2,034	681	2,715	457	3,172
North America	3,314	507	3,821	646	4,467
South America and Africa	1,575	29	1,604	113	1,717
Asia	2,084	187	2,271	849	3,120
<b>Total</b>	<b>19,720</b>	<b>2,174</b>	<b>21,894</b>	<b>4,628</b>	<b>26,522</b>

	Manufacturing workers	Administrative staff, technicians and supervisors	Managers	Total
France	1,740	1,205	1,511	4,456
Western Europe (excluding France)	4,145	1,775	1,107	7,027
Eastern Europe	1,693	646	376	2,715
North America	2,447	680	694	3,821
South America and Africa	1,042	338	224	1,604
Asia	1,227	400	644	2,271
<b>Total</b>	<b>12,294</b>	<b>5,044</b>	<b>4,556</b>	<b>21,894</b>

The specific program to integrate new sites completes the Company's structural processes aimed at reinforcing the Group's shared vision and values. Several annual events are organized with this aim in mind. The "Top 100", an annual meeting of the Top Managers is the opportunity for senior management to meet with its leaders to share the Company's strategic approaches, market trends and medium- and long-term challenges and priorities.

Each Division and the main support departments (Finance, Human Resources, HSE, Purchasing, R&D, IT) run their own annual Convention to deploy the Company's strategic vision and the specific priorities of their business and to develop the internal network.

The Plastic Omnium Group's Executive Committee interacts with the management teams of the main global regions during **Management meetings** where the results and country projections are closely analyzed. These challenging meetings are the fruit of in-depth work by local teams and the Executive Committee on the factoring in of the local economic and social context.

World Safety Day, a key moment of Plastic Omnium's safety culture, was held on November 15, 2016 for the third consecutive with even greater success.

## Constructive and transparent social dialogue

Sharing and dialogue with employees is a priority for the Group. During the site closures that took place in the year as part of reorganizations, Management chose to inform employees as and when decisions were taken in order to prepare in advance for new developments. This policy of open and transparent dialogue resulted in the signature of two agreements with the trade unions for the closure of the Laval site in France and the current closure of the São Bernardo do Campo site in Brazil. This constructive dialogue made it possible to implement the restructuring needed without any social conflict. The Group will be organizing the planned disposal of the Truck Composites business from the Auto Exteriors Division in 2017 according to the same pattern of openness and dialogue.

At the same time, labor relations are managed locally in all countries in which Plastic Omnium has operations. The Group's Human Resources Division ensures that decisions and practices are the same within the same country, by implementing defining social projects.

In 2016, 191 agreements were concluded, 13 of which concerned health and safety. At the end of 2016, 67% of employees worldwide were covered by a collective agreement.

The number of labor unions represented within the Group is relatively stable with 34 unions. The European Works Council, comprising 28 members representing 8 countries, meets once a year.

	2014	2015	2016
Existing committees	154	165	195
Of which Works Councils	59	62	78
Other committees (training/ideas)	68	74	95
Number of trade unions represented	31	31	34
Number of Company agreements signed during the year	125	120	191
Agreements on health and safety at work	31	15	13
Percentage of employees covered by a collective agreement	63%	63%	67%

	2014	2015	2016
Total contribution to works council employee welfare programs (in € thousands)	1,439	1,456	1,438

## Safety, a priority commitment of Management

### Shared enthusiasm, over and above the robust organization

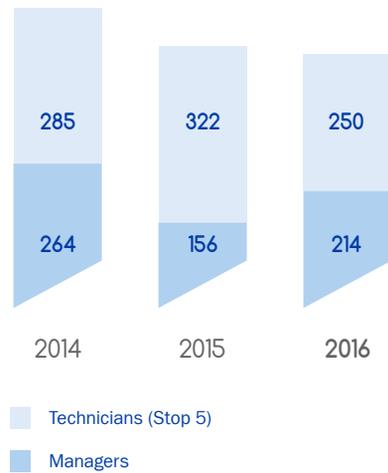
Safety is a constant subject of attention at Plastic Omnium. This commitment, which is set out in the Code of Conduct, is championed by all managers, HSE teams and Human Resources teams. This requires that Plastic Omnium and its employees ensure a healthy and safe work environment, constantly improve working conditions and report and improve all situations identified as risk situations.

This commitment is expressed by the ambition of reaching a "zero accident target". The Management has set itself two major targets: not to have any serious accident and reduce accident frequency by 20% per year by 2020. To do this, it has set up an organization dedicated to safety. The Plastic Omnium Group manages the safety of people and property and ensures that all entities comply with legal requirements, that they adopt a continuous improvement approach and deploy the Top Safety program dedicated to safety as well as the reporting of accidents and the analysis of causes. Accidents are declared in real time, and all serious accidents are reported directly to the senior management. Dangerous situations and "near-accidents" are also reported, including when they involve temporary employees. Each month, the HSE Division presents quantified data to senior management.

The Top Safety program is based on five pillars: machines and equipment, employees and managers, sites and projects, benchmarks and management, and working conditions. Training modules, available in the dedicated space “my learning place”, reinforce this program: one session dedicated to awareness raising with the presentation of the HSE policy and three sessions dedicated to ergonomics (relating to standing and sitting postures, repetitive work and handling). These e-learning courses are completed for employees that work with equipment through classroom-based courses, “Stop 5” training courses that were attended by 250 technicians in 2016. A module for managers teaches them to conduct safety visits, called “Top Safety visits”, that enable them to identify and report deviations. In all, ten training modules are proposed. Some of them are run by external instructors who are experts in compliance, for example.

These training sessions were attended by 464 participants in 2016. 214 managers attended 15 sessions organized in 2016. In all, 2,071 managers have been trained since the program was launched in 2005. Consequently, the number of Top Safety visits conducted rose 28%, compared with 45,351 visits in 2015. In all, this corresponds to 2.10 visits per employee and per year (compared with 1.77 in 2015 and 1.61 in 2014).

**Number of employees who have received Top Safety Training**



The deployment of the Top Safety program is monitored by the Group’s HSE organization: each Division has its own HSE Department based on a network of site HSE coordinators who meet once a month to discuss the results, the targets to be reached and the actions plans to be implemented.

Since safety concerns everyone, the “Top 100” meeting is the opportunity to raise the awareness of Plastic Omnium Top Managers each year to the Top Safety program through the distribution of Safety Awards. For each Division, prizes are awarded to sites with the best performance on three points: the best safety result, the best progress and the largest number of days without accidents.

**World Safety Day: The Can’t-Miss Safety Event**

For the past three years, the World Safety Day has become an essential annual meeting to develop the safety culture at Plastic Omnium. Thirty-two thousand employees took part in this event in November 2016. During the day, all sites set up activities around ergonomics, Top Safety inspections and the identification of risks. The purpose is to make employees aware that it is essential to adopt appropriate actions at the workplace as in private life to avoid the risk of accidents or sickness. In addition to booths dedicated to ergonomics, a number of workshops were on offer, including a specific fire-risk management workshop, a theme particularly developed by the HSE Division during the year. The highlight of the day was the speech by senior management that was followed by 140 sites, representing approximately 10,000 employees, and in particular in 4 sites, including the new Reinsdorf site in Germany, through a multiplex delivery system through which 450 employees were able to interact directly with the Management.

**A mature policy**

The organization in place and the deployment of the Top Safety program will enable the Group to improve continuously and to envisage reducing accident frequency by 20% by 2020. This is because the targets were met with an improvement of 12% of Tf1<sup>(1)</sup>, at 2.54, compared with 2.87 in 2015, and 24% of Tf2<sup>(2)</sup> at 3.67, compared with 4.80 in 2015.

Tg<sup>(3)</sup> improved by 40% at 0.06, versus 0.10 in 2015, thanks to better control over safety conditions, in particular the establishment of “6 non-negotiables”.

(1) Tf1 = Lost time injury frequency rate = Number of workplace accidents with lost time, including temporary staff × 1,000,000 / Number of hours worked.  
 (2) Tf2 = Total recordable injury frequency rate = Number of workplace accidents with and without lost time, including temporary staff × 1,000,000 / Number of hours worked.  
 (3) Tg = Severity rate = Number of days of workplace accident-related lost time x 1,000 / Number of hours worked.

**Safety indicators (including temporary staff)**

	2014	2015	2016
Number of first aid cases	1,945	2,186	1,897
Number of workplace accidents without lost time	91	76	50
Number of workplace accidents with lost time	117	113	112
Number of days of workplace accident-related lost time	3,928	3,803	2,521

**Accident Frequency and Severity Rates (temporary staff included)**

	<b>2014</b>	<b>2015</b>	<b>2016</b>
Tf1: Lost time injury frequency rate in number of accidents per million hours worked	3.11	2.87	2.54
Tf2: Total recordable injury frequency rate in number of accidents per million hours worked	5.52	4.80	3.67
Tg: Severity rate of workplace accidents in number of days lost per thousand hours worked	0.10	0.10	0.06

**Accident Frequency and Severity Rates (excluding temporary staff)**

	<b>2014</b>	<b>2015</b>	<b>2016</b>
Tf1: Lost time injury frequency rate in number of accidents per million hours worked	3.01	2.95	2.40
Tf2: Total recordable injury frequency rate in number of accidents per million hours worked	5.51	4.87	3.59
Tg: Severity rate of workplace accidents in number of days lost per thousand hours worked	0.12	0.11	0.06

Absenteeism related to workplace accidents also improved compared with 2015 as a result of these accidents being more minor.

	<b>2014</b>	<b>2015</b>	<b>2016</b>
Absenteeism rate due to workplace accidents	0.10%	0.10%	0.08%
Absenteeism rate due to other causes	2.65%	2.67%	2.67%
Total absenteeism rate	2.76%	2.77%	2.75%

The number of occupational illnesses dropped slightly in 2016. Most of the 17 occupational illnesses declared and 15 recognized were linked to musculoskeletal disorders. The focus on ergonomics during the World Safety Day demonstrates Plastic Omnium's

determination to improve working conditions. For each occupational illnesses declared, an analysis of causes was performed to identify any adaptations to make or corrections of movements and postures to make.

	<b>2014</b>	<b>2015</b>	<b>2016</b>
Number of occupational illnesses declared	23	34	17
Number of occupational illnesses recognized	26	32	15

**Improvement in working conditions**

The continuous improvement curve followed by the results in terms of safety is the fruit of significant work on the improvement of working conditions in particular. The Group wishes to have a

robust safety management system in place. To do this, Compagnie Plastic Omnium has chosen the OHSAS 18001 standard at the Group level and for all sites. By the end of 2016, 79 sites were certified (3 of the sites closed or sold-off in 2016 were certified to OHSAS 18001).

**Number of sites certified to OHSAS 18001 standards**

	<b>2014</b>	<b>2015</b>	<b>2016</b>
Sites certified to OHSAS 18001 standards	74	79	79

On the Auto Inergy Division’s α-Alphatech site inaugurated in 2016, the Alphavision virtual reality room is used to design and model workstations. The search to improve production, both in terms of workstation ergonomics as well as worker safety has led to the identification of the most appropriate machine positions, products and employees. To do this, an operator wearing a 3D helmet simulates the movements made in a virtual production line. Sensors measure the forces necessary to carry out the task and assess the ergonomics of the workstation.

In-house ergonomists at Plastic Omnium strive to improve working conditions and may call on osteopaths to conduct one-off studies. Ergonomic measurements have been carried out on more than 90% workstations of the Auto Inergy Division and have been extended to the other Divisions.

Well-being is one of the four work focuses chosen by the Human Resources Division after the engagement survey conducted this year. The existing actions will be boosted by global as well as local actions.

Actions to prevent risks and improve working conditions take into account the exposure of employees to noises and smells. The quality of ambient air (fumes and dust) is measured. Exposure to chemical risks is reduced by the drastic program to replace CMR (Carcinogenic, Mutagenic and Reprotoxic) products and substances of very high concern (SVHC).

**Fire risk management**

In 2016, special attention has been paid to fire risk management. The reporting of all types of incidents, from simple smoke to the need to use an extinguisher, has been set up to establish an audit on the main causes of these potential fire outbreaks. For

example, a precise analysis of the Auto Inergy Division identified four sources of fire outbreaks as well as the related areas for improvement: machines by fine-tuning their settings, reinforced maintenance of machines and adjacent areas, the review of procedures such as the issue of fire permits, the extended inspection of areas where fire activities such as welding are carried out as well as the regular verification of wiring and electrical installations. In addition, alert procedures aimed at reducing reaction times have been revised as well as the coverage of facilities with detection and protection devices. This identification and the increased management of risks will be completed with the raising of awareness of all employees.

The implementation of these resources and constant dialogue with insurers have enabled two new sites to obtain the Highly Protected Risk (HPR) label, which is given to sites that meet the highest standards for industrial risk protection. Twelve sites now have the label.

**Respect for people as a founding value**

**Diversity and the fight against discrimination**

The Plastic Omnium Group pays special attention to the respect for the men and women who contribute to its dynamism. The Company affirms its determination to ensure that diversity is respected and that it fights against discrimination within the Company and disseminates these principles with its stakeholders through its membership with the United Nations Global Compact and in its Code of Conduct.

	2014	2015	2016
Number of incidents of discrimination <sup>(1)</sup>	0	1 <sup>(2)</sup>	1
Number of measures taken following incidents of discrimination	0	0	0

(1) The number of incidents of discrimination is reported within the global scope via the non-financial data reporting software application.

(2) The incident of discrimination, which occurred in the United States, is being investigated since 2015 by the competent authorities.

Plastic Omnium has decided to conduct an audit in France about the accommodation of disabilities within its sites. This study showed that 95% of disabled employees have permanent contracts and that the areas for improvement are information and awareness raising, recruitment and continued employment and the development of subcontracting with protected workers sector. Since 2010, the Bort-les-Orgues site of the Environment Division in France has signed an agreement with a vocational rehabilitation center. Disabled workers from the center are integrated into

the site’s manufacturing process under the supervision of an instructor in the same capacity as Plastic Omnium employees. This insertion has proved very positive both for the disabled workers who were smoothly integrated and made excellent progress, and for Plastic Omnium whose employees welcomed these workers without discrimination. A proactive policy will be developed in 2017 in France based on these elements. Plastic Omnium is thus renewing its firm commitment to people.

	2014	2015	2016
Number of disabled workers	310	310	439
Workstations adapted for disabled workers	33	31	25
Number of disabled workers recruited in the year	19	26	24

## Corporate Social Responsibility

Gender equality is one of the themes to which the Group is committed. In France, the comparative study of compensation that falls within the scope of the agreement signed in 2015 concerning 1,800 employees, has led to the implementation of action plans. Since 2012, the partnership with the association

“Elles Bougent” has aimed at promoting engineering and technical professions with young women, very few of whom choose technical and scientific careers. Plastic Omnium plays an active role in the association’s events.

	2014		2015		2016	
Men	12,443	77.3%	12,737	76.6%	16,874	77.1%
Women	3,661	22.7%	3,891	23.4%	5,020	22.9%

	2014		2015		2016	
Number of women Managers & Engineers at December 31 / Proportion of women at executive level	695	20.3%	758	20.6%	946	20.8%
Number of women Managers & Engineers hired during the year / Proportion of women executives hired	114	21.0%	125	20.5%	157	24.8%

The Group has stepped up its efforts to recruit female managers and engineers, who account for 24.8% of new hires. This has leveled the share of this population at 21%.

the International Labour Organization concerning working time. The Group’s industrial activity and the need to adapt production capacity to demand require team work and night shifts in most plants. In 2016, overtime and temporary employees rose 16% and 26% respectively, underlining the Company’s dynamism.

### Organization of work

Work on Plastic Omnium sites is organized in compliance with applicable local legislation and the fundamental conventions of

### Total number of employees working in shifts

	2014	2015	2016
Employees working in shifts	9,615	9,873	13,529
Of which employees working only nights	1,026	1,025	1,190
Of which employees working only weekends	63	122	166
Part-time employees	290	295	394

### Overtime

	2014	2015	2016
Hours worked per week	35 hours to 48 hours	35 hours to 48 hours	35 hours to 48 hours
Overtime (full-time equivalent)	1,027	999	1,154

## 3.4 Protection of the Environment

The Company has chosen to focus its strategy on the development of responsible offerings where environmental protection plays a prominent role: constant launch of new technologies that reduce emissions in the air, lighter products and improvement in the aerodynamic of body parts and increasingly technological waste management offerings. This constant search to reduce environmental impacts directly concerns the Group's activities in plants and buildings, in all the Divisions. Thanks to a robust organization, the Group can manage its environmental performance and has in particular, managed the rapid and successful integration of the 14 sites acquired on August 1, and which are included in the reporting.

The Group's environmental concerns are guided by three focuses:

- environmental governance based on the Management's commitment;
- energy management with the reinforcement of the Top Planet program;
- effective management of each site's environmental footprint.

### Environmental governance based on the Management's commitment

In the Code of Conduct created in 2003 and revised regularly since, senior management has declared its commitment to a sustainable development strategy, and in particular to go further than local environmental laws if it considers them to be inadequate by developing and implementing its own rules. This commitment is deployed across the Group, in each Division and on each site, regardless of its activity.

This strong commitment by the Management is seen in the maturity of the HSE organization and by the implementation of the HSE plan, which combines cross-cutting environmental protection

actions and programs. The HSE plan launched in 2012 by the Executive Committee adapts the HSE strategy to all Group sites. Its priority focuses – reinforcing the safety of employees and property on one hand, and keeping to a minimum the impacts of Plastic Omnium's activities on the environment on the other hand – are managed through the reporting tool. In 2016, the implementation of the plan advanced by 2 points compared with 2015 (79% of implementation in 2016, against 77% in 2015).

To reach the HSE plan implementation targets, the Management has earmarked a large budget for projects relating to the environment and safety:

- Environment and Safety expenditure: €17.6 million, representing a 22% increase compared with 2015 (€14.4 million);
- Specific Environment and Safety expenses: €6.6 million;
- Environmental risk provision: €17 million.

### ISO 14001 certification, a defining management system

Ensuring that environmental impacts are taken into account by each of its sites is a priority focus, with the goal of obtaining ISO 14001 certification for each site. In 2016, 5 new sites were certified, to which should be added 10 of the sites acquired during the year. 4 of the sites closed or sold-off in 2016 were certified to ISO 14001, resulting in a positive balance of 11 new certified sites and bringing the total of certified sites to 93, or 90% of the scope. Newly opened or newly acquired sites launch the certification process after the start-up of activity, which is why certification does not cover the entire eligible scope. Eligible sites are production sites of companies in which Compagnie Plastic Omnium holds at least a 50% share. Supply-in-line sequence facilities (SILS) are included in the certification of the production sites to which they belong.

The standard ISO 14001 changed in 2015 and sets forth new requirements for sites, in particular in terms of environmental performance, involvement of the Management and dialogue with relevant stakeholders. The new version of the standard will be gradually phased in by 2018.

#### Number of sites certified to ISO 14001 standards

	2014	2015	2016
ISO 14001 certified sites	79	82	93

With this internationally recognized standard, all players are mobilized around the taking into account of the environment in their activities.

### A dedicated organization

The responsibility for implementing the HSE plan is entrusted locally to each entity. This decentralization of responsibilities

makes it possible to adapt the means and resources required to achieve the targets set by the strategy defined at the Group level. This organization corresponds to the formalization of the environmental management launched in 2001 and is based on:

- a Group HSE Department, which implements the HSE strategy defined by the Executive Committee and leads and coordinates action plans related to the Safety management system;

## Protection of the Environment

- an HSE director for each of the three Divisions, who is in charge of a team of between two and four people;
- an HSE network of some 100 dedicated correspondents on the reporting scope.

This agile structure enables regular and effective operational stewardship:

- the Group HSE directors and the three Division directors meet every month to analyze the indicators reported each month, the deployment of the HSE plan, the implementation of HSE awareness campaigns, the results of audits conducted for the Environmental Management System, etc.;
- monthly reporting of the main Safety and Environmental indicators, which are discussed, along with financial indicators, at each Group Executive Committee meeting;
- three Group HSE Committee meetings per year, with the participation of senior management, the Human Resources Department and the HSE Department.

Over and above this dedicated organization, all employees take the impacts on the environment into account. ISO 14001 certification contributes to raising the awareness of all employees. Thus, on the 93 certified sites, the HSE Department and their correspondent ensure employee awareness:

- the Company's environmental policy;
- the significant environmental aspects and the real or potential environmental impacts related to their work;
- the importance of their contribution to the effectiveness of the environmental management system, including the positive effects of the improvement of environmental performance;
- the repercussions of non-compliance with the requirements of the environmental management system, including non-compliance with the organization's conformity obligations.

In 2016, 15,766 hours of awareness training around environmental themes were given and attended by 26,862 participants.

At the same time, 13,545 employees benefited from training courses on environment awareness, representing a total of 19,039 hours. These courses concern in particular, good waste management through selective sorting and the implementation of the Top Planet program with the deployment of best practice sheets that are improved upon each year, and actions to reduce

consumption. The acquisitions made in 2016 and discussions about methodologies will provide the Group with added expertise.

In all, 34,805 hours of awareness raising and training around environmental themes were followed in 2016.

One of the priority focuses of the HSE plan and Plastic Omnium's environmental policy is the reduction in energy consumption and the resultant greenhouse gas emissions. The Top Planet program launched in 2007 shows the Company's commitment to contributing to the reduction in total greenhouse gas emissions with the ultimate aim of limiting global warming.

### Energy management with the reinforcement of the Top Planet program

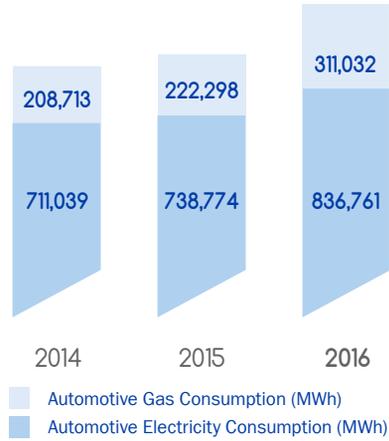
As a follow-up to the COP21, the year 2016 focused, at the international level, on the need to set ambitious greenhouse gas reduction targets in order to limit global warming to 2°C. Plastic Omnium chose to back this international ambition by setting for itself intrinsic reduction targets. The monthly management of energy data through dedicated reporting, as well as the experience acquired since 2007 on energy consumption and the methodology for identifying areas for improvement, had enabled the Company to set itself a target to reduce energy consumption by 2% per kilo of material processed between 2015 and 2016. However, the significant change to scope, with the integration of 15 new sites and the sell-off of 3 sites from the Environment Division, has strongly impacted results, thereby ruling out any comparison with the previous year and impairing the relevance of initial objectives. Objectives will be reviewed in order to take account of the impacts from the change of scope. 14 of the 15 sites integrated on August 1 have contributed to this data over five months.

Globally speaking, energy consumption has therefore risen, specifically for the Automotive Divisions, and principally the consumption of gas. Indeed, four of the new Auto Exterior sites integrated since August (Essen, Pappenheim, Sterbfritz, Reinsdorf) operate with a co-generation system that uses gas. Over the five months of the reporting process, the amount of gas used by these four sites was 55,500 MWh. In 2017, the energy consumption of these sites will account for around one-third of the Division's annual consumption.

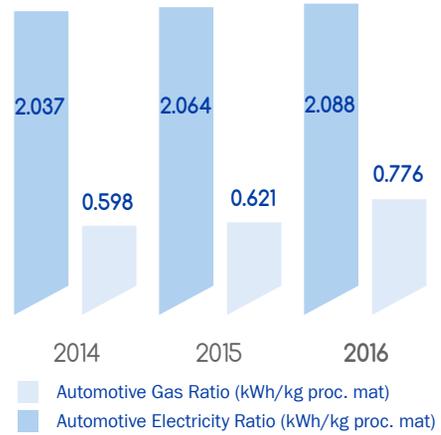
## Protection of the Environment

### Automotive Division

#### Energy consumption

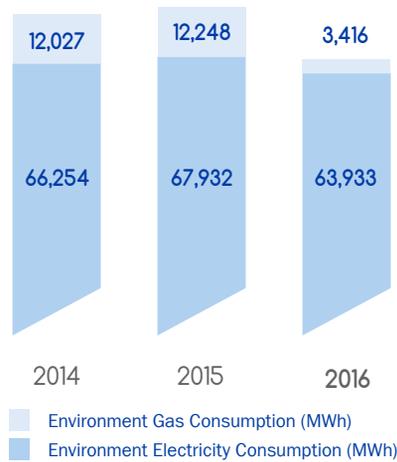


#### Ratio of energy consumption in kWh per kg of material processed

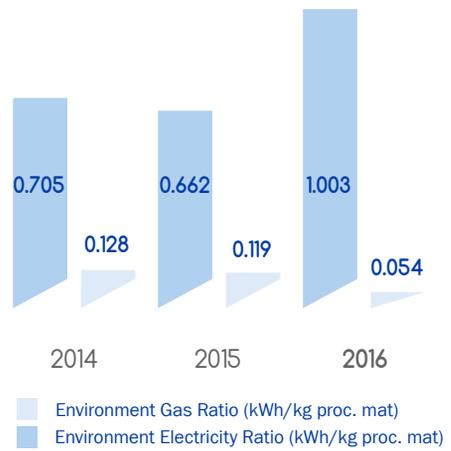


### Environment

#### Energy consumption

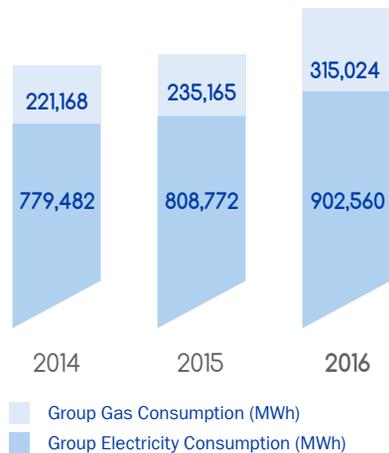


#### Ratio of energy consumption in kWh per kg of material processed

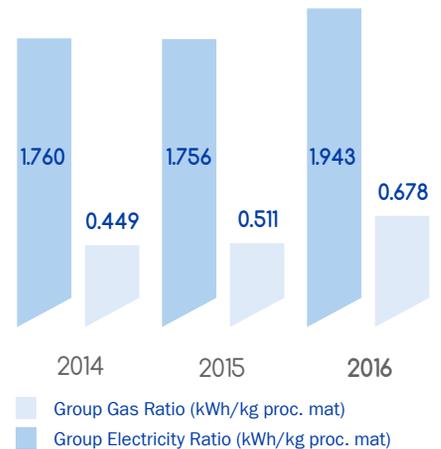


### Group

#### Energy consumption



#### Ratio of energy consumption in kWh per kg of material processed



## Protection of the Environment

For the same reasons, the ratios of energy consumption per kilogram of material processed have been impacted for the Automotive Divisions.

To calculate these ratios, are taken into account all the processed raw materials that go into the manufacturing of products and that require energy consumption for implementation: plastics, paint, wood and metals.

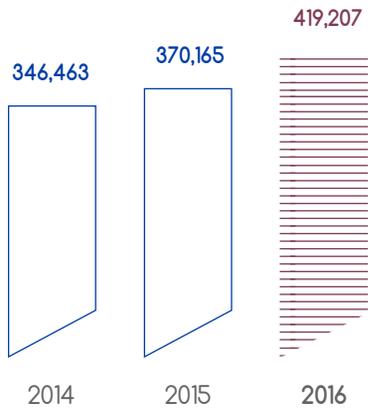
With regard the Environment Division, three steel processing sites have been sold off. The business of steel processing consumes low levels of energy compared with the processing of plastics. The closure of these sites has led to a relatively low reduction in energy consumption compared with the drop in the consumption of raw materials. Consequently, these sites were responsible for 0.5% of the Group's energy consumption, but 7.9% of feedstock consumption. As these three sites are no longer included in the reporting process, the ratio of energy consumption per kilogram of material processed has therefore risen.

The greenhouse gas emissions presented are direct emissions related to energy consumption, in particular, natural gas and indirect emissions linked to electricity consumption. The Plastic Omnium Group is currently defining indicators that will extend the calculation of its significant emissions, in particular those generated as a result of its activities. This definition work will be completed in mid-2017, after which it will be presented to the HSE network, in particular to contributors in order to include data representative of significant impacts right from the 2017 report.

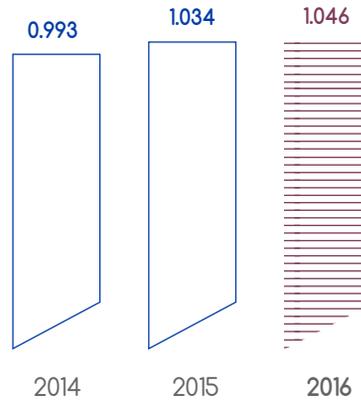
Given that greenhouse gas emissions are here correlated with energy consumption figures, the increase in consumption is linked to the change of scope. Furthermore, 6 of the new integrated sites are located in Germany, where the energy mix has evolved in that the grid emission factor has risen by 15% in one year, thus impacting all the more emissions from Automotive Divisions.

### Automotive Division

Greenhouse gas emissions in metric tons of CO<sub>2</sub> equivalent

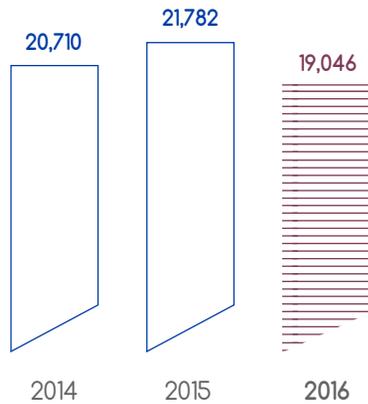


Ratio of greenhouse gas emissions in kg of CO<sub>2</sub> equivalent per kg of material processed

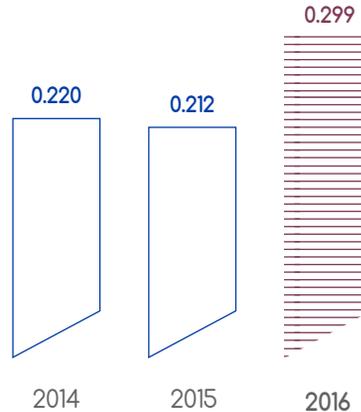


### Environment

Greenhouse gas emissions in metric tons of CO<sub>2</sub> equivalent

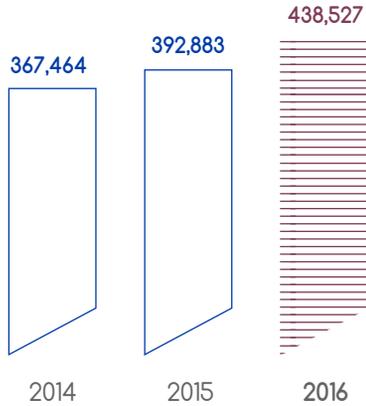


Ratio of greenhouse gas emissions in kg of CO<sub>2</sub> equivalent per kg of material processed

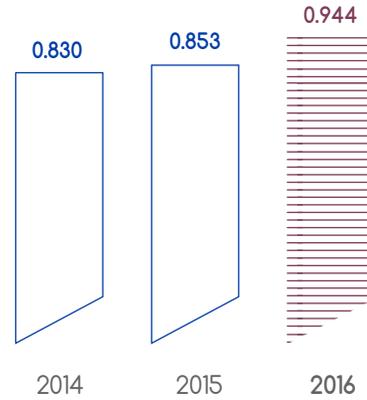


Group

Greenhouse gas emissions in metric tons of CO<sub>2</sub> equivalent



Ratio of greenhouse gas emissions in kg of CO<sub>2</sub> equivalent per kg of material processed



Greenhouse gases (GHG) in 2016

In metric tons of CO <sub>2</sub> equivalent	2014	2015	2016
CO <sub>2</sub> *	367,175	392,143	437,482
CH <sub>4</sub>	16	5	0.4
HFCs	273	735	1,044
<b>Total GHG (in equivalent metric tons of CO<sub>2</sub>)</b>	<b>367,464</b>	<b>392,883</b>	<b>438,527</b>

\* These figures correspond to CO<sub>2</sub> emissions from energy consumed in industrial facilities.

The increase in HFCs is linked to the integration of new sites, as HFCs emissions for existing sites are down.

Air quality may also be impacted by Volatile Organic Compounds (VOCs) that some sites could potentially release. These molecules that are harmful to health are generated with the use of paints and solvents during body part manufacturing operations in

particular. They contribute to the formation of ozone in the lower atmosphere and are thus indirectly responsible for global warming. The sites concerned by possible discharges are fitted with incinerators that destroy VOCs at the end of production chains. At the same time, Plastic Omnium uses water-soluble paints whenever possible because they give off less VOC.

Consumption of paint and solvents and VOC emissions

Annual consumption of raw materials (in metric tons)	2014	2015	2016
Paint*	5,915	6,055	6,354
Solvents**	7,011	7,495	11,199
<b>Total</b>	<b>12,926</b>	<b>13,550</b>	<b>17,553</b>
VOC emissions (in metric tons)	2014	2015	2016
VOCs	1,611	1,170	2,140

\* Dry matter contained in the paint, excluding solvent.

\*\* Solvents used without diluting and solvents contained in paints.

Sites rewarded for their performance – The Top Planet Awards

Sites that have demonstrated excellence in controlling their energy consumption have been rewarded since 2008, when the Top Planet Awards were created. The Award attribution criteria were revised in 2016, and there are now 15 of them, grouped under 4 themes: energy and environmental management, progress in results for key indicators (electricity, gas, water,

waste), regulatory compliance and protection of the planet through local initiatives. In July 2016, for the first time, self-assessment by sites was included in the reporting tool, enabling the consolidation of data on the 15 criteria concerning the 2015 results. As from 2017, assessment will be conducted in March for the previous year.

These Awards are granted to sites with an overall score of more than 50 over 100 for the Silver Award and 70 over 100 for Gold Award.

**A high-performance Top Planet program**

The basis of Plastic Omnium’s low-carbon strategy, the Top Planet program is actively supported by the Co-Chief Executive Officer and Chief Operating Officer and deployed by the Corporate HSE Department. Managed by a committee that meets five times a year to monitor and analyze its deployment, the program is based on four commitments defined by senior management:

- promote the deployment of the ISO 50001 standard to ensure that sites with a developed energy management system obtain certification;
- define annual Group targets of reduction in greenhouse gas emissions (GHG) and energy use;
- integrate the concept of energy efficiency into the purchase of services, the design of products, production facilities and infrastructure;

**Number of sites certified to ISO 50001 standards**

	2014	2015	2016
ISO 50001 certified sites	8	15	24

**Define the annual targets for a reduction in greenhouse gas emissions (GHG) and energy use**

In 2015, Divisions worked on the building of objectives for the reduction of energy consumption per kilogram of raw material processed for 2016. However, these objectives were established without consideration given to the change of scope and are now de facto obsolete. New work on defining objectives will be carried out in order to take full account of the new scope.

The use of kits to measure the electricity consumption of machines was deployed to new sites, enabling them to measure more precisely the source of electricity consumption and to thus act on the areas of reduction identified. The effectiveness of the results obtained has led some sites to procure a kit locally and to use it continuously. In 2016, the 4 kits available in the Group made it possible to analyze the data of 4 new sites, including sites that obtained ISO 50001 during the year, in addition to the 16 sites that had already carried out the assessment.

In addition to metrics kits, 87% of sites have engaged local initiatives and 11 sites have reported growing recourse to renewable energies; for instance Valence, Brussels and Santa Catalina, where solar panels have been installed to heat domestic water, and Essen, Bad Rappenau or Pappenheim now working with a contract for the supply of electricity that promotes the use of renewable energies.

**Integrate the concept of energy efficiency into the purchase of services, the design of products, production equipment and infrastructure**

The energy efficiency of sites is closely linked to the efficiency of equipment. Energy consumption criteria are added to the usual criteria of quality, cost and time for production equipment and

- assess and control the quality of energy efficiency with the deployment of Top Planet Best Practice sheets.

**Promote the deployment of the ISO 50001 standard**

The certification of sites according to the ISO 50001 standard is a Group priority to ensure overall control of energy efficiency. The sites primarily targeted by the certification are European sites that are already ISO 14001 certified and subject to energy audits, which are mandatory in Europe since 2015. This process, initiated in 2014, has enabled the rapid certification of all the sites subject to this audit. In 2016, 5 new sites were awarded certification: α-Alphatech for the Auto Inergy Division, Arevalo TP, Arevalo Composites and Redondela for the Auto Exterior Division and Langres for the Environment Division, to which should be added 5 of the FAE sites acquired during the year. However, one of the sites sold off/closed in 2016 was certified to ISO 50001. The result is a positive balance of nine certified sites, taking the total to 24 sites.

infrastructure purchases. These requirements contribute to the achievement of the targets set by the Group. The energy efficiency of manufactured parts is also analyzed through life cycle analyses in order to contribute to the improvement of client products by reducing the weight of vehicles and improving aerodynamics.

Work was done in the Environment Division to optimize the transportation of wheeled bins. Since the wheels are assembled after transportation, the bins are now stackable, considerably increasing the volumes transported.

A project 4.0 is launched to improve operational performance and in particular determine the energy consumption targets for new buildings, taking into account their energy efficiency as well as that of new equipment. A precise analysis of existing buildings and facilities makes it possible to fine-tune future consumption.

**Assess and control the quality of energy efficiency with the deployment of Top Planet Best Practice sheets**

Sources of energy savings are identified through energy audits and the deployment of analyses performed with the measurement kits. In addition to these local actions, the Group has developed Best Practice sheets applicable by all sites, regardless of their level of maturity. More than just eco-friendly actions, these sheets are veritable operational tools that have proven their effectiveness. Three new sheets concerning lighting, water cooling and the insulation of industrial equipment will be added to the six existing sheets that cover the cutting off of unused energy, the measurement of consumption, frequency converters, the setting up of an energy management system, heat recovery and electrical plasticization.

## Management of the environmental footprint of sites

The main focus of the Group's work, the Top Planet program to reduce energy consumption, is part of the overall consideration of the environmental footprint of sites.

With its activity as a manufacturer of parts and products that primarily use plastic materials, the control of raw material consumption and waste management is a key element for Plastic Omnium, both from an environmental and economic viewpoint.

With their ISO 14001 certification, the sites develop action plans to prevent, reduce and correct their impact on soils, as well as biodiversity and water resources. In 2016, seven sites carried out actions to reduce noise levels and olfactive emissions to respond to wants and needs voiced by neighboring communities. Sites are now harnessing all potential sources of noise pollution or other forms of pollution and avoided any administrative sanction in 2016.

### Consumption of materials and waste management: plastic, a material well-suited to the circular economy

A key raw material of the Plastic Omnium Group's line of business, plastic is a raw material derived from fossil sources the refining of which has a strong impact on gas emissions. The Company is therefore aiming at maximizing the use of recycled plastic all the while preserving the safety, technical and aesthetic characteristics necessary for meeting client requirements.

The use of recycled plastic is particularly suited to the products of the Environment Division which has adopted an approach called "Phoenix" for many years now, aimed at gradually increasing the proportion of recycled material in its wheeled bins. In 2016, the Division invested in particular in an optical color sorting machine that will separate the colors of recycled plastic granules received. This is because the granules received are a mixture of colors, which had until now, made it possible to produce only gray bins, with bins of other colors manufactured from new plastic. This investment will enable the Division to manufacture all colors from recycled plastic, which will have a positive impact on the recycled plastic bought. This will generate significant savings in financial terms as well as in terms of greenhouse gas emissions, since emissions are primarily linked to oil refining. In 2016, bins contained 80% of recycled plastic on the average and divided by ten their carbon footprint compared with a bin manufactured only from new plastic. The recycled plastic used by the Environment Division comes from two main sources: wheeled bins that have reached their end of life and plastic bottles collected in the same selective sorting bins.

At the same time as the purchase of recycled materials, Plastic Omnium had launched a product line based on bio-plastic, obtained from sugar cane. From an economic and environmental viewpoint, bio-plastic is not yet competitive enough compared with recycled plastic, which therefore continues to be the preferred material for new developments.

### Annual consumption of plastics (metric tons)

	2014	2015	2016
New plastics*			360,013
Blank composites	337,678	343,229	20,738
Recycled plastics	43,627	50,823	51,616
Biosourced plastics	1,623	1,036	388
<b>Total plastics</b>	<b>382,928</b>	<b>395,088</b>	<b>432,755</b>

\* Data that included composite materials in 2014 and 2015.

The Environment Division also uses other materials such as aluminum, steel and wood in the manufacture of composters and underground containers.

### Consumption of raw materials (metric tons)

	2014	2015	2016
Plastics consumption*			412,017
Composite consumption*	382,928	395,089	20,738
Paints/solvent consumption	12,925	13,550	17,553
Steel/aluminium consumption	47,024	51,835	14,234
Wood consumption	72	52	16

\* Data that included composite materials in 2014 and 2015.

All Group Divisions work to constantly improve manufacturing methods to cut down on scrap and defective products that exist in all production processes. Residual waste, generated during production, are systematically recycled in-house or externally in order to be reintegrated into the manufacturing process. This

recycling has a positive impact on the consumption of raw materials and waste generation.

For the other materials, processing systems through recycling or recovery are set up in all Group sites.

<b>Waste generated annually per type of waste in metric tons</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Plastic parts	20,937	29,141	38,872
Common industrial waste	9,938	11,076	14,535
Metals	9,383	8,477	7,404
Cardboard	4,567	4,689	6,319
Wood	2,878	3,456	5,018
Plastic packaging	992	1,122	1,142
Glass	0	21	6
Solvents	3,764	4,036	4,269
Paint sludge	3,805	3,968	5,393
Oils	570	908	1,221
Other waste**	4,142	6,012	5,285
<b>Waste generated annually per type of waste</b>	<b>60,978</b>	<b>72,905</b>	<b>89,464</b>

\* Plastic parts: also include composite material waste.

\*\* Other waste: washing and maintenance water, sundry special industrial waste.

<b>Waste generated annually per type of treatment (in metric tons)</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Recycling	41,167	50,550	64,556
Recovery	11,782	13,587	14,343
Incineration or disposal in landfills	8,029	8,768	10,565
<b>Total waste</b>	<b>60,978</b>	<b>72,905</b>	<b>89,464</b>

The waste generated by Plastic Omnium Group sites can be grouped in three major categories according to their treatment system:

- recycled waste comprising reuse (with a usage identical to the one for which the part or product was initially designed, without intermediate processing), the recycling or material regeneration (giving the material its primary properties back, by processing or introducing additives that enable it to be put back into the production cycle);
- recovered waste comprising reuse (with a usage different from the one for which the part or product was initially designed, possibly with intermediate processing) and recovery by incineration with energy recovery;
- final waste grouping non-recovered waste, incinerated without energy recovery, disposed of in landfills or buried.

Recycled and recovered waste is sold for integration into the manufacture of new products. Proceeds from these sales reached €8.8 million in 2016. By effectively recovering its waste, the Group has succeeded in offsetting the cost of waste management, amounting to €5.6 million.

In all, 88% of waste was recycled or recovered.

#### Soil use and prevention of discharges into the soil

Plastic Omnium Group sites use a ground area of 5,630,338 sq.m. 17% of this surface area is permeable and thus allows the filtering of rainwater through a natural process. In order to prevent, reduce and/or remedy discharges in the air, water and ground that could seriously affect the environment, the 93 sites certified to ISO 14001 have drawn up action plans. The potential sources of pollution on sites are spillages of liquid products such as paints, solvents or oils. Storage areas with containment areas are provided to control any potential spillage. At the same time, the replacement of CMR (Carcinogenic, Mutagenic and Reprotoxic) and SVHC (substance of very high concern) products, which are classified for their risk to health as well as their adverse impact on the environment continues. Plastic Omnium's policy with respect to chemical risk management goes further than the law and imposes a common stringent rule on all Group sites, regardless of their geographical location and applicable local legislation. Approximately 2,500 out of the 3,500 products used by the Group were tested for chemical risk and the CMR and SVHC classification concerns less than 40 of these products, which continue to be used in compliance with regulations until a technical replacement solution is found.

## Societal Commitment

Soil quality is also addressed by the Company, which complies with applicable environmental regulations during the creation or purchase of sites. An impact study is conducted before all site construction or takeover to make sure that the natural environment and quality of life of residents will be protected. A Phase 2 environmental assessment, called a preliminary environmental characterization, makes it possible to confirm or refute the presence of contaminants in higher concentrations than the law allows.

### Preservation of biodiversity

The sites preserve biodiversity through the effective implementation of their action plans aimed at preventing, mitigating and correcting risks of pollution, regardless of whether the sites are ISO 14001 certified or pending certification. This is because one of the key stages is the analysis and quantification of significant environmental aspects and impacts, taking necessarily into account the dimension of preserving biodiversity.

The creation or takeover of sites also involves an environmental impact analysis that includes impacts on ecosystems. In addition to these analyses, the Group wishes to encourage local initiatives and the exchange of best practices.

### Adaptation to the impacts of climate change

Industrial risks are mapped by the Risk Management Department, in collaboration with the HSE Department. The mapping of existing risks that establish the environmental challenges for

each site and the assessment of the risk of natural disasters were analyzed in 2016 to take into account the change in scope. They did not result in the identification of new risks or vigilance points for sites.

The taking into account of the fight against climate change has become an economic and commercial requirement, expressed in particular by the reduction in fossil energy use. To reduce its dependence on fossil energy, Plastic Omnium is seeking to maximize the use of recycled plastic in its product design (see the paragraph "Consumption of materials and waste management" on pages 72 and 73).

### Water resource management

Plastic Omnium pays special attention to its water consumption. It has identified the sources of withdrawal, 97% are from urban networks, and the remaining 3% comes from groundwater. In 2016, no site was subject to water restrictions or was in a water-stressed area. Water is primarily used in the cooling circuits, which enables generalized functioning in closed circuit. Only the historic site of Saint-Désirat takes up water from a river, the Rhône, and discharges it after use to cool the installations. The quality and temperature of water when it comes out of the plant are measured periodically in cooperation with the local authorities. The results comply with applicable regulatory thresholds.

Potential harmful discharges into the water linked with paint activities are eliminated by locating paint sludge treatment plants at the sites concerned.

Water consumption*	2014	2015	2016
Annual consumption (in m <sup>3</sup> )	1,898,100	1,636,356 <i>Of which 702,238 m<sup>3</sup> at Saint-Désirat</i>	1,670,943 <i>Of which 528,190 m<sup>3</sup> at Saint-Désirat</i>
Consumption in l/kg of processed material	4.285	3.553	3.597

## 3.5 Societal Commitment

A key player in the automotive sector and the sector of services and products for local communities, Plastic Omnium maintains relations with many stakeholders, including a large panel of suppliers. In 2016, the Group chose to go further in its responsibility to its suppliers by developing a responsible purchasing approach. Ethics, especially in business, is a priority for the Group which has reinforced its actions to train employees on this issue.

These actions are part of the Group's societal commitment to take its impacts into account both at Group level and at local level, in economic and social terms.

### Consideration of impacts throughout the supply chain

In 2016, the Group launched a new procedure, the Suppliers' Charter. It was drafted at Group level in collaboration with the Human Resources and Health-Safety-Environment functions as well as the purchasing directors of the three Divisions. Consolidating the initiatives implemented by each of these Divisions, the purpose of the charter is to reinforce consideration by suppliers of the social, environmental, societal and ethical impacts. It is to be adopted by each new supplier before it is listed and each time contracts are renewed. This charter recalls Plastic Omnium's commitments regarding the principles of the UN Global Compact and the eight fundamental conventions of the International Labour Organization (ILO) and asks suppliers to commit to complying with these principles, which are freedom of association, the effective recognition of the right to collective bargaining, the elimination of all forms of forced or compulsory labor, the effective abolition of child labor and the elimination of

discrimination in respect of employment and occupation. The process of forwarding the charter to be signed by suppliers was triggered at the end of 2016.

This charter completes the terms of purchase comprising the contractual clauses related to the supplier's responsibility. In its terms of purchase, Compagnie Plastic Omnium reserves the right to require that its suppliers and subcontractors be ISO 14001 or OHSAS 18001 certified. The prerequisites for a partnership include at a minimum respecting the environment through the establishment of a management system and employee health and safety. In 2016, 596 Plastic Omnium suppliers demonstrated their commitment to factor in their significant environmental impacts with ISO 14001 certification. Since chemical risk management is an important issue for Plastic Omnium, as shown by commitments to replace CMR and SVHC substances as soon as possible, the Group is asking its suppliers concerned by chemical risk to comply with the European REACH (Registration, Evaluation, Authorization and Restriction of Chemicals) regulation whether or not they are subject to it, and not to use any CMR (Carcinogenic, Mutagenic or Reprotoxic) substances in their products.

In addition to the requirements formulated by Compagnie Plastic Omnium through its charter and its terms of purchase, the Company conducts audits of its suppliers, including verifications of social and environmental issues. When a new supplier is listed, it may be potentially audited by the Group after it has signed the charter. A follow-up audit may be envisaged to verify that it has implemented a continuous improvement plan. Following the establishment of the charter, audits now focus more on social and environmental themes.

In 2016, 180 audits were conducted, completing the 128 and 138 audits performed in 2015 and 2014 respectively; 239 audits specifically concerning safety were also conducted.

### **Ethics, the foundation of stakeholder relations**

With the implementation of a responsible purchasing approach, Compagnie Plastic Omnium also intends to emphasize the importance that it assigns to ethics in its relations with its suppliers. The integration of ethics in business has been formalized since 2003, the year the first Code of Conduct was released. This Code, which was revised in 2008, affirms the Group's commitment to comply with and ensure compliance by all its employees of 13 commitments primarily concerning non-discrimination, observance of the health-safety policy, environmental protection, the fight against corruption, fraud and conflicts of interest as well as compliance with competition and the confidentiality of client and supplier data.

The Group's membership in the UN Global Compact since 2003, which imposes compliance with ten principles relating to labor law, environmental law and the fight against corruption, publicly reasserts the Group's ethical commitments.

In 2010, a specific Code of Conduct on the ethical management of competition came to complete the Code of Conduct to govern the behavior of the employees concerned, such as buyers and sales personnel.

To ensure the operational deployment of these rules and guidelines and their adoption by all employees, the documents are translated into many languages (seven for the Code of Conduct and four for the "Competition" Code of Conduct). They can be freely accessed on the Company's "Topnet" intranet site and are distributed to all new employees concerned. To provide support, training modules are conducted through an e-learning platform and as a classroom course for the "Competition" Code of Conduct. In 2016, 976 employees completed the Code of Conduct training and 274 employees completed the (e-learning and classroom-based) "Competition" Code of Conduct course.

In 2016, a new guide was developed concerning the "Golden Rules" of internal control. This new document reiterates the key rules to be respected in order to forestall risks of internal and external fraud. Distributed at the end of the year to all Managers who took part in the "Top 100" meeting, this guide has been evolved within the different Divisions and is available on the Topnet intranet site. To promote the operational distribution of these Golden Rules on internal control, a new e-learning module is currently being developed.

To check locally that the sites know and apply the rules of internal control, audits are regularly conducted. Sites are audited once every three years on average. In 2016, 41 audits were conducted (after 37 in 2015 and 41 in 2016).

### **Territorial, economic and social impact of the Company's business on local residents and on employment and regional development**

Since its reorganization, the Company is now present on 130 sites and 23 research and development centers, spread over 31 countries. The Group's strategy is to establish itself as close as possible to its clients' sites. This has led to the creation of dynamic zones in terms of local economic development and has had a positive impact on local employment. For some components, Plastic Omnium, known as Supply-in-line sequence facilities (SILS), are directly located on the client's site.

The Group strives to use local suppliers whenever possible, primarily for non-strategic purchasing families that are not centralized.

The creation and acquisition of new sites gives priority to the employment and development of local skills that lead to local economic benefits. These developments are always made in compliance with applicable laws at least: with respect to the environment, sites are always located by preventing, mitigating and correcting local impacts according to ISO 14001.

The Company carries out the actions required to create and maintain good relations with local stakeholders, as has been the case with the management of noise or olfactive pollution for seven sites in 2016. Local dialogue is organized by the sites.

### Local social voluntary development actions

The Plastic Omnium Group allows its Divisions, countries and sites to develop local social development actions if they wish.

Since 2006, Plastic Omnium has been a partner of the Centre Georges Pompidou. In 2016, Plastic Omnium was a sponsor for the Magritte exhibition.

Plastic Omnium is one of the sponsors of the Université de Lyon Foundation. The missions of the University of Lyon Foundation are to work with the socio-economic world, to contribute to develop the reach of the University of Lyon and the Lyon region internationally and in the Lyon and Saint-Étienne areas.

Plastic Omnium contributed to the funding of the Zurich Federal Polytechnic School (ETH) Foundation to support the creation of a student house, a center where students can develop entrepreneurial projects.

Plastic Omnium is also involved in the development of the Diderot Museum in Langres, and in 2016, it financed the acquisition of a marine chronometer to expand the Museum's collection.

In the United States, Plastic Omnium works with the association "Focus Hope", which works in favor of deprived people in the Detroit region by setting up educational projects and managing a food bank. In 2016, Plastic Omnium sponsored the association's Eleanor's Walk for Hope. In addition to the \$2,700 donated by employees, Plastic Omnium made a contribution of \$333,000, in line with its commitment to give \$1 million over three years.

In 2016, Plastic Omnium supported the association SOS Children's Village Illinois. This association's global network supports orphans and families in villages created for their reintegration.

In Argentina, at the beginning of 2016, the Auto Inergy Buenos Aires plant committed to support the Fundación Banco de Alimentos food bank. The Company enables volunteer employees to carry out assignments during their working hours to sort and check food donations twice a month. Over 2.5 metric tons of food was sorted, to provide more than 8,000 meals. The site aims to have at least 120 participants out of the 170 employees on the site. This project, which contributes to the cohesion of local teams, was set up for one year and will be renewed or replaced with another project of the same magnitude in 2017.

The French site Auto Exterrior Σ-SigmaTech organized the sale of unused furniture to its employees and the money collected (€2,800) was donated to the association "Vivre aux Éclats". This association brings clowns to outpatient departments of hospitals to bring laughter to children and elderly persons who live there.

In France, at the end of 2015, the partnership launched by the Environment Division with the NQT association, enabled volunteer employees to carry out a skills sponsorship program to assist young people from priority neighborhoods and/or underprivileged backgrounds. In 2016, 11 sponsors provided support to 22 young job seekers.

The Environment Division in Spain supported the food banks of Madrid and Valencia. Employees collected 358 kilos of food for undernourished children. For each kilo collected by the employees, Plastic Omnium added a kilo of food.

The actions mentioned above represent just a proportion of all the actions carried out at local level. Most of them consist of organizing donations and collecting essential commodities.

### Stakeholder relations

Employees of the Plastic Omnium Group, who are its main and priority stakeholders, benefit from a large number of internal communication channels. The success of the collaborative workspace TopShare has been confirmed with over 900 communities now up and running. This platform dedicated to the exchange and management of knowledge enables significant responsiveness in the execution of projects. A network of experts has been structured and is regularly solicited to provide counsel for the company's various sites. Internal communication is coordinated by way of several media:

- the information magazine, Optimum, that features news concerning about life within the company;
- the Topnet intranet system;
- information meetings for teams at sites;
- local newsletters and posters on notice boards;
- conventions by Division, business line or reporting level;
- World Safety Day.

In June 2016, the Group totally renewed its Topnet intranet portal, which is now an in-house communication tool shared by all Divisions. As a result, use of the system has virtually tripled, with articles consulted 38,000 times in December 2016, compared with 10,000 views in December 2015.

The Group has revamped its editorial activity by setting up monthly committees that involve all Divisions. As a result, 85 activities were published over the second half of 2016, compared with 30 over the same period the year before.

Dialogue with employees is built through the employee representative bodies as well as through an engagement survey conducted in 2016 in 26 countries.

Many actions to promote the well-being of employees and the quality of life at work are carried out locally. Site visits for families of employees, actions to acknowledge length of service, sports challenges, etc.

To recruit future employees and to develop the reputation of the sector with students, Plastic Omnium has created many local partnerships with universities and engineering schools. In India for example, the Auto Inergy Division took part in job fairs by the Government Polytechnic school of Haryana where it met more than 200 students and recruited 6 of them.

Clients are also priority stakeholders for Compagnie Plastic Omnium. The Group operates in B to B, and is not in direct contact with consumers. The Automotive Division's clients are carmakers, while the clients of the Environment Division are local communities and waste collection companies. The strategy is to create genuine partnerships that are regularly rewarded. For example, in 2016, Plastic Omnium received, for the Auto Inergy Division, the coveted Global Contribution Award trophy plus the Superior Value Improvement Award from Toyota, the world's leading carmaker known for its strict requirements. For its Supplier Day, the quality director of the PSA group officially congratulated the Auto Exterior site in Arevalo, Spain, with the Best of the Best Plant Award. In 2016, Plastic Omnium also won the Family Business Award of Excellence for France and the Entrepreneur of the Year Award by EY and L'Express for 2015.

During the inauguration of the new  $\alpha$ -Alphatech Research and Development site, an inauguration ceremony was held in the presence of the French President. Shareholders were later invited to come and visit this site, enabling the Group to show them its ability to innovate.

Suppliers are also genuine partners with whom the Group has chosen to work over the long-term by listing them for three-year periods.

Plastic Omnium, for whom research and development is a strategic focus, takes part in many work groups, clusters and professional associations: Plastic Omnium is a member of the CCFA (Committee of French Automotive Manufacturers) and the PFA (Platform of the Automotive and Mobility Industry) and in particular, its CSR committee. Plastic Omnium is also a Board member of the Society of Automotive Engineers (SIA). It also takes part in the work of professional organizations such as the MEDEF or AFEP.

For the first time, Plastic Omnium took part in the Paris Motor Show alongside carmaker clients to present its innovations. On this occasion, the Group launched an institutional advertising campaign. The Group also attended the NAIAS Detroit Motor Show in the United States for the first time and renewed its participation at the Beijing Motor Show. The Environment Division presented its latest waste management solutions at the TECMA fair in Spain dedicated to town planning and the environment, and the IFAT fair in Germany, the leading trade fair for resource and waste management solutions, as well as the Pollutec fair in France.

With respect to the issues that the Group deems important but are not included in its businesses, Plastic Omnium chooses to surround itself with specialists: it has worked closely with insur-

ance companies to obtain the HRP label for some of its exemplary sites. It has entrusted the management of chemical risk and product analysis to a specialized partner and a law firm that studies global regulatory trends.

## 3.6 Methodology

Compagnie Plastic Omnium, which is listed on NYSE Euronext Paris, is a company with industrial operations and employees.

The CSR indicators are collected separately by the HSE and Human Resources Departments from all sites included in the reporting scope, and are subject to consistency checks during the central data consolidation.

The Plastic Omnium Group's social, environmental and societal reporting approach is based on:

- the regulatory provisions related to Article R. 225-105-1 of the French Commercial Code;
- the ten principles of the UN Global Compact;
- the HSE policy integrated into the Company's strategy and management.

With respect to issues required by Article R. 225-105-1 of the French Commercial Code, the fight against food waste has been deemed as non-relevant for the Plastic Omnium Group. This is because the Company's activities are not linked to the production, marketing or distribution of food products. Sites that propose food services (canteens) to its employees contract out this service to a specialized service provider in charge of ensuring compliance with applicable laws. The Group's terms of purchase require compliance with applicable laws, which enables Plastic Omnium to ensure that its service providers will comply with these regulations. This issue is therefore not included in this chapter.

### Scope of the report

The reporting scope aims to represent all the businesses of Compagnie Plastic Omnium. For the 2016 fiscal year therefore, social, environmental and societal reporting covered the entire 2016 consolidated revenue of Compagnie Plastic Omnium to IFRS standards.

Only one point of service of the Environment Division is included, as the environmental impact of the other points of service is not considered to be material. The water and energy consumption of the Supply-in-line sequence facilities (SILS) managed by the Auto Exterior Division and the Auto Inergy Division are also taken into account, together with their CO<sub>2</sub> emissions.

The Group has 18 environmentally-regulated facilities (ICPE) subject to authorization. These facilities are integrated into the Group's HSE scope with the exception of one site of the Auto Exterior Division (Plastic Omnium Recycling) which is outside the IFRS scope.

- 1.1 The workforce by type of contract and temporary employees as at December 31 includes all the legal entities in the management account scope of consolidation from the time they are consolidated.
- 1.2 Likewise, registered employees are divided up by gender, by operators/employees/managers, as well as by age group, and temporary employees are included in all of the legal entities in the scope of consolidation.

Changes in scope of consolidation:

In 2016, sites consolidated in the reporting for the Auto Exterior Division following the acquisition of the Faurecia Auto Exterior sites were: Weißenburg, Sterbfritz, Reinsdorf, Pappenheim, Essen, Bad Rappenau in Germany; Tudela, Valencia, Villaverde and Barcelona in Spain; the Malvinas in Argentina; São Bernardo do Campo in Brazil; Hlohovec in Slovakia and Brussels in Belgium. Sites that are meant for sale are not included in the consolidation scope.

Other sites have opened and are included within the reporting scope: Auto Inergy Leon, Auto Exterior San Luis Potosi, Auto Inergy Chongqing\*, Auto Exterior Pune TC.

Site acquisitions and creations are included in the scope of HSE data as from the date of start of operations.

Social reporting indicators are reported right from the establishment or consolidation of the site.

Sites disposed of or closed during the year are not included in the scope: Ludoparc Saint-Étienne de Tulmont, Sulo Emballagen GmbH, Signature Ltd Oldbury, Post and Column, Auto Exterior Belvidere.

### Indicator calculation methods

Indicators are approved on December 31, 2016, except for the following indicators:

- 2.1 Indicators approved on November 30, 2016 and extrapolated to December 31 based on the ratio of employees at December/employees at November: gender breakdown, breakdown by operators/employees/managers, employees working in shifts or part-time, number of women managers.
- 2.2 Indicators approved on November 30, 2016 and pro-rated to December 31 based on the 12/11 ratio: internal and external training hours, invoices from training organizations, number of interns, number of employees trained since January 1, all environmental data (except for the number of ISO 14001-certified sites, approved on December 31). For sites acquired on August 1, the environmental indicators cover the period between August 1 and November 30, 2016 and extrapolate to December 31, 2016 based on the 5/4 ratio.
- 2.3 The indicators approved on November 30, 2016 and considered as valid for the entire year: weekly working hours, percentage of employees covered by a collective agreement,

percentage of employees trained during the year, workstations adapted for disabled employees.

- 2.4 The indicators approved on October 31, 2016 and considered as valid for the entire year: number of discrimination incidents, number of measures taken following incidents of discrimination, committees, other commissions, number of labor unions represented, agreements on health and safety at work.

All indicators are calculated on the IFRS scope and given for two or three years to enable comparability.

Theme indicators for the consumption of feedstock, water, energy, CO<sub>2</sub> emissions and correlated ratios, along with waste and waste water, have been corrected for 2015 further to a subsequent detection of errors of little consequence that concerned 15 sites. Indicators linked to personnel expenses have been recalculated for 2014 and 2015 as per the IFRS scope.

### External procedures and controls

A specific reporting protocol for the HSE and Human Resources Departments was developed and provides information about the collection and validation procedure as well as definitions for the indicators identified, in a single document. This protocol is sent to all contributors and validators of non-financial data. The data is collected into the Group's non-financial reporting software application.

The CSR procedure and the consolidated results of the CSR data are reviewed by senior management.

For 2016, the non-financial indicator reporting procedures were checked externally by an independent third party, Mazars. In this context, audits were held based on a selection of social, environmental and societal indicators on ten sites representative of Plastic Omnium's activities in order to validate the quality and overall credibility of the reporting system:

Sites audited in 2016 (AI: Auto Inergy, AE: Auto Exterior):

- Poland: AI Lublin;
- Germany: AE Reinsdorf, SULO Herford Bins;
- Spain: AE Arevalo;
- United States: AI Anderson, AE Anderson;
- France: AE Saint-Désirat, AE Ruitz, AE Σ-Sigmattech, AI α-Alphatech.

The nature of the audits and the related conclusions are presented in a specific certification at the end of this chapter.

The glossary of indicators may be obtained upon request from the Group Human Resources and HSE Department.

\* Excluding Safety/Environment/Energy indicators.

## 3.7 Cross-reference Table

Categories of Article 225 (Grenelle Act)	Information	Pages	Correspondence between Article 225 and GRI G4	Correspondence with the UN Global Compact
<b>General reporting principles</b>				
<b>Comparability</b>	The information published is presented so as to enable a comparison of data (Law of July 12, 2010). The report from the Board of Directors or the Management Board presents the data observed during the year under review, and if necessary the previous year, to enable data comparison (Decree of April 24, 2012).	78	G4-22; G4-23	
<b>Comply or explain</b>	The report presents, among the information listed by the implementation decree, which disclosures cannot be produced or do not appear to be relevant, given the nature of the Company's activities or organization, and provides all the explanations stating why this is so (Decree of April 24, 2012).	77		
<b>Voluntary compliance with a standard</b>	Where a company complies voluntarily with a national or international social or environmental standard, the report may mention this by giving the recommendations of this standard that were chosen and how this standard may be consulted (Decree of April 24, 2012).	77	G4-15	
<b>Disclosure scope</b>	When a company draws up the consolidated financial statements, the information provided is consolidated and concerns the Company itself together with all its subsidiaries or the companies that it controls (Act of July 12, 2010).	77, 78	G4-17; G4-18	
<b>Verification by an independent third party</b>	The social and environmental information presented or that must be presented under legal and regulatory obligations is verified by an independent third party [...]. This verification is confirmed by an opinion submitted to the Shareholders' Meeting at the same time as the report from the Board of Directors or Management Board (Act of July 12, 2010). The independent third party is appointed for a term that may not exceed six years. It is subject to incompatibilities provided for under Article L. 882-11 of the French Commercial Code (Auditors may not provide consultancy services to the companies whose accounts they certify, or their subsidiaries) (Decree of April 24, 2012).	78, 83	G4-33	

## Cross-reference Table

Categories of Article 225 (Grenelle Act)	Information	Pages	Correspondence between Article 225 and GRI G4	Correspondence with the UN Global Compact
<b>I. Social information</b>				
<b>I. a) Employment</b>	Total workforce and breakdown of the workforce by gender, age and region	51, 56, 57, 58, 59, 60	G4-9; G4-10; LA1 partially, LA12	
	New hires and terminations	56, 57	EC6; LA1	
	Compensation and changes in compensation	59	G4-51 partially; G4-52; LA2	
<b>I. b) Organization of working hours</b>	Organization of working hours	65	G4-10	
	Absenteeism	63	LA6	
<b>I. c) Labor relations</b>	Organization of industrial dialogue, procedures for informing and consulting employees and negotiating with them	61		3. Companies are invited to uphold freedom of association and to recognize the right to collective bargaining
	Review of collective agreements	61	G4-11	
<b>I. d) Health and safety</b>	Conditions of occupational health and safety	61, 62, 63, 64		
	Review of agreements signed with labor union organizations or employee representatives regarding occupational health and safety	61		
	Occupational accidents, in particular their frequency and severity, as well as occupational illnesses	52, 62, 63	LA6; LA7	
<b>I. e) Training</b>	Training policies	51, 57, 58	LA10; LA11	
	Total number of training hours	51	LA9; HR2	
<b>I. f) Equal treatment</b>	Measures taken in favor of gender equality	65	LA12 (see also Section 2.1.1 "Composition and independence of the Board of Directors)	2. Companies are asked to ensure that their own entities do not become party to violations of human rights.
	Measures taken to promote the employment and inclusion of persons with disabilities	64	LA12	4. The elimination of all forms of forced or compulsory labor.
	Anti-discrimination policy	64, 65	LA12; HR3	5. The effective abolition of child labor.
<b>I. g) Promotion and enforcement of the provisions of the core conventions of the International Labour Organization (ILO) relating to:</b>	• the upholding of freedom of association and the right to collective bargaining	61, 74	HR4 partially	6. Elimination of discrimination in respect of employment and occupation.
	• to the elimination of discrimination in respect of employment and occupation	64, 74, 75	HR3	
	• to the elimination of forced or compulsory labor	74, 75	HR6 partially	
	• to the effective abolition of child labor	74, 75	HR5 partially	

## Cross-reference Table

Categories of Article 225 (Grenelle Act)	Information	Pages	Correspondence between Article 225 and GRI G4	Correspondence with the UN Global Compact
<b>II. Environmental information</b>				
<b>II. a) General environmental policy</b>	Organization by the Company to take environmental issues into account and, where appropriate, take into consideration assessment or certification processes concerning the environment	53, 66, 67, 71	G4-1 partially; G4-44	7. Companies are invited to apply a precautionary approach to environmental issues. 8. To take initiatives that will promote greater environmental responsibility.
	Training and information of employees conducted on the subject of environmental protection	67	G4-43 partially	
	Resources devoted to the prevention of environmental risks and pollution	66	EN31 partially	
	Amount of provisions and guarantees for environmental risks, provided that such information is not likely to cause serious damage to the Company in an ongoing dispute	66	EN29; EN34	
<b>II. b) Pollution</b>	Measures for the prevention, reduction or compensation for air, water and soil emissions seriously affecting the environment	70, 73, 74	EN10 partially; EN20; EN21; EN27	7. Companies are invited to apply a precautionary approach to environmental issues. 9. To favor the development and dissemination of environmentally friendly technologies.
	Accounting for noise pollution and other forms of pollution arising from a specific activity	72	EN27	
<b>II. c) Circular economy</b>	i) Waste prevention and management			7. Companies are invited to apply a precautionary approach to environmental issues. 9. To favor the development and dissemination of environmentally friendly technologies.
	Measures for prevention, recycling, reuse, other forms of recovery and disposal of waste	72, 73	EN23; EN25	
	Actions to fight against food waste	Exclusion, 77		
	ii) Sustainable use of resources			
	Water consumption and water supply according to local constraints	54, 74	EN8	
	Consumption of raw materials and measures to improve efficiency in their use	54, 70, 72	EN1; EN2	
<b>II. d) Climate change</b>	Energy consumption, measures to improve energy efficiency and use of renewable energy	53, 67, 68, 69, 70, 71	EN3; EN5; EN6	
	Land use	73		
	Significant sources of greenhouse gas emissions generated as a result of the Company's activity, in particular through the use of the goods and services that it produces	54, 69, 70, 71	EN15; EN16; EN18; EN19	
<b>II. e) Protection of biodiversity</b>	Adaptation to the impacts of climate change	55, 74		
	Measures taken to preserve or develop biodiversity	74	EN13 partially	

## Cross-reference Table

Categories of Article 225 (Grenelle Act)	Information	Pages	Correspondence between Article 225 and GRI G4	Correspondence with the UN Global Compact
<b>III. Information relating to societal commitments to sustainable development</b>				
<b>III. a) Regional, economic and social impact of the Company's activity</b>	With respect to employment and regional development	75, 76		
	On local or neighboring populations	75, 76		
<b>III. b) Relationships with persons or organizations with an interest in the Company's businesses, in particular vocational integration associations, educational institutions, environmental protection associations, consumer associations and local residents</b>	Conditions for dialogue with these people or organizations	57, 76, 77	G4-24; G4-26; G4-27	
	Partnership or sponsorship actions	76		
<b>III. c) Outsourcing and suppliers</b>	Taking social and environmental challenges into account in the purchasing policy	74, 75	EN33; LA15; HR11; S010	1. Companies are invited to promote and protect international law relating to human rights within their sphere of influence. 2. They must ensure that their own entities do not become party to infringements of human rights.
	Importance of outsourcing and taking the social and environmental responsibility of suppliers and subcontractors into account	74, 75	EN32; LA14; HR10; S09	
<b>III. d) Fair practices</b>	Measures taken in favor of consumer health and safety	55		1. Companies are invited to promote and protect international law relating to human rights within their sphere of influence. 2. They must ensure that their own entities do not become party to infringements of human rights. 4. Elimination of all forms of forced or compulsory labor. 5. The effective abolition of child labor. 10. Companies are invited to act against corruption in all its forms, including extortion and bribery.
	Actions undertaken to prevent corruption	75	G4-56; G4-58; S03; S04; S05	
<b>III. e) Other actions carried out in favor of human rights</b>		64, 65, 74, 75	G4-56; G4-57; HR2; HR9	

## 3.8 Report by One of the Statutory Auditors, Appointed as Independent Third-Party, on the Consolidated Human Resources, Environmental and Social Information Included in the Management Report

### Financial year ended December 31, 2016

To the Shareholders,

As the independent third-party (members of the Mazars' network), Statutory Auditors of Plastic Omnium, whose accreditation was accepted by Cofrac under number 3-1058<sup>(1)</sup>, we hereby present our report on the consolidated human resources, environmental and social information provided in the management report prepared for the year ended December 31, 2016 (hereinafter referred to as the "CSR information"), pursuant to Article L. 225-102-1 of the French Commercial Code (*Code de commerce*).

#### Responsibility of the Company

The Board of Directors is responsible for preparing a management report including the CSR information required under Article R. 225-105-1 of the French Commercial Code, in accordance with the CSR reporting protocol used by the Company (hereinafter the "Reporting Criteria"), a summary of which is given in the management report and is available on request from the Company's head office.

#### Independence and quality control

Our independence is defined by regulatory texts, the profession's Code of Ethics and by the provisions of Article L. 822-11 of the French Commercial Code. Furthermore, we have set up a quality control system that includes documented policies and procedures designed to ensure compliance with deontological rules, professional standards and applicable legal texts and regulations.

#### Responsibility of the independent third-party

Based on our work, our role is to:

- attest that the required CSR information is disclosed in the management report or that an explanation has been provided, if any information has been omitted, in accordance with the third paragraph of Article R. 225-105 of the French Commercial Code (Attestation of completeness of the CSR information);
- provide limited assurance that, on the whole, the CSR information is fairly presented, in all material respects, in accordance with the adopted Reporting Criteria (Fairness report regarding CSR information).

Our work was carried out by a team of eight people during a nine-week period between October 2016 and February 2017.

We conducted the work described below in accordance with the professional standards applicable in France and the legal order dated May 13, 2013 determining the methodology according to which the independent third-party body conducts its mission and, on the reasoned opinion, in accordance with ISAE 3000<sup>(2)</sup>.

### I – Attestation of completeness of the CSR Information

We got acquainted with the direction that the Group is taking, in terms of sustainability, with regard to the human resources and environmental consequences of the Company's business and its social commitments and, where appropriate, the actions or programs that stemmed from it.

We compared the CSR Information presented in the management report to the list set forth in Article R. 225-105-1 of the French Commercial Code.

In the event of omission of some consolidated information, we checked that explanations were provided in accordance with the third paragraph of the Article R. 225-105 of the French Commercial Code.

(1) The scope of which is available on the website [www.cofrac.fr](http://www.cofrac.fr).

(2) ISAE 3000 – Assurance engagements other than audits or reviews of historical information.

We checked that the CSR information covers the consolidated scope, which includes the Company and its subsidiaries within the meaning of Article L. 233-1 of the French Commercial Code and the companies that it controls within the meaning of Article L. 233-3 of the French Commercial Code, subject to the limits set forth in the methodological Note presented in the Registration Document (chapter 3 “Sustainable Development”), which includes the management report.

Based on our work, and taking into account the limitations mentioned above, we attest that the required CSR information has been disclosed in the management report.

## II – Fairness report with respect to CSR Information

### Nature and scope of procedures

We conducted 40 or so interviews with those responsible for the preparation of CSR information from the departments in charge of the processed of gathering information and, where appropriate, those responsible for internal control and risk management to:

- assess the appropriateness of the Reporting Criteria in terms of relevance, completeness, neutrality, clarity and reliability, by taking into consideration, when relevant, the sector’s best practices;
- verify the set-up within the Group of a process to collect, compile, process and check the CSR information with regard to its completeness and consistency. We familiarized ourselves with the internal control and risk management procedures relating to the compilation of the CSR information.

We determined the nature and extent of tests and controls depending on the nature and importance of CSR information in relation to the characteristics of the Company, the human resources and environmental issues of its operations, its strategic priorities in relation to sustainable development, and the industry best practices.

Concerning the CSR information that we considered to be most significant<sup>(3)</sup>:

- at Group level (Human Resources Development and HSE Departments), we consulted source documents and conducted interviews to corroborate the qualitative information (organization, policies, actions); we used analytical procedures and sampling techniques for the quantitative information and verified the calculations and consolidation of the information, as well as its consistency and correspondence with the other information contained in the management report;
- at the level of a representative sample of sites and departments selected<sup>(4)</sup> based on their activity, their contribution to consolidated indicators, their location and a risk analysis, we conducted interviews to verify the proper application of procedures and conducted substantive tests, using sampling techniques, to verify the calculations performed and reconcile the data with the supporting documentation.

The selected sites contribution to Group data equals to 18% of headcount and between 17% to 55% of the quantitative environmental information tested.

Regarding the other CSR consolidated information, we assessed its fairness and consistency based on our knowledge of the Group.

Finally, we assessed the relevance of the explanations relating to, where necessary, the omission of certain information.

We deem that the sampling methods and sample sizes we have learned by exercising our professional judgment allow us to formulate a conclusion providing limited assurance; a higher level of assurance would have required more extensive work. Because of the use of sampling techniques, and because of other limits inherent to any information and internal control systems, the risk of not detecting a material misstatement in the CSR information cannot be completely eliminated.

(3) For all selected human resources and environmental data cited above:  $\Sigma$ -Sigmatech, AI Anderson, AE Anderson, AI  $\alpha$ -Alphatech, AE Arevalo, AE Ruitz, SULO Herdford Bins, POC Saint-Désirat.

For all selected human resources and environmental data cited above except training hours and number of employees who have received Top Safety Training: AE Reinsdorf Plant. For the social information: centrally from the AI and AE Human Resources and Supplier Quality Departments. In addition, for information on workforce by type of employment contract, status, gender, age and region, recycled and recovered waste and training hours: IN Lublin.

(4) Human Resources information: workforce by type of employment contract, status, gender, age and region, training hours, absenteeism rate, workplace accident frequency rate with and without lost time, number of employees who have received Top Safety Training.

Environmental information: electricity consumption, gas consumption, water consumption, recycled and recovered waste, greenhouse gases (GHG).

Social information: number of supplier CSR audits, number of people trained in the Code of Conduct.

### Conclusion

Based on our work, we did not identify any material misstatements that would lead us to believe that the CSR information, taken as a whole, has not been fairly presented, in all material respects, in accordance with the Reporting Criteria.

Done in Paris-la Défense, February 22, 2017

The Independent third-party

MAZARS

Jean-Luc Barlet

Partner

Edwige Rey

CSR & Sustainable Development Partner