



COMMUNICATION ON PROGRESS

This is our **Communication on Progress** in implementing the principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.



Sustainability Report

August 2017



Sustainability for 3B is...

"A pre-condition to be a long-term successful, ecological and socially responsible leader in the glass fibre market."

Statement from CEO

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This is our second sustainability report since 3B decided to join the United Nations Global Compact in 2015. Back then, we chose to participate in the largest voluntary corporate initiative for sustainability because we wanted to make a difference. The question we asked ourselves was: "Are we going to be part of the problem or part of the solution?" The answer remains obvious for us: we definitely want to be part of the solution. To do so, we need to ensure that the long-term interests of our company are compatible with a sustainable world. This is a way to shoulder our responsibilities with regard to society, but we also see it as the best path to future-proof our enterprise.

3B operates in an industry that is at the forefront of the sustainability challenges. This industry is poised to grow as governments across the globe strengthen measures on green energy and CO₂ reductions. Among our key customers are some of the world leaders that set the pace for the entire market, we are well positioned to take an active part in the global sustainability endeavour. Mainly used in the automotive and wind industry, our well-recognized product portfolio contributes to a positive impact on the environment by driving CO₂ emissions down, while improving people's living standards through innovative solutions.

If we look at the work done at 3B over 2016 and 2017, we want to highlight two achievements in particular. Water consumption has been drastically reduced (-20% 2017 vs 2015 in Battice). We are also extremely proud to report that 3B-the fibreglass company in Battice will no longer bring glass to the landfill in the future but will upcycle 100% of its by-products. These learnings will be shared with the other plants to reach the same objectives across the company.





In 2017-2018, 3B aims at driving quality in order to reduce non-first right materials, further reduce waste and improve customer experience. Energy consumption will further be challenged throughout the company. Building on our continuous efforts to reinforce the wellbeing of 3B's employees, we will develop extra actions. Although we cannot be satisfied with our current safety results, we know that a breakthrough is possible. For example, our plant in Goa has been able to work accident-free for three years in a row. Joining UNGC helped us refine the existing measuring and reporting system, and I am convinced that strengthening it will support us in promoting a common denominator at all our production sites, based on the ambitious targets described in the following pages.

I will be more than happy to report on future progress in making 3B an even greener and stronger company.

Marc Hubert, CEO



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3B's Corporate Social Responsibility (CSR) integrated in the sustainability approach

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CSR aims at embracing responsibility for corporate actions to create a sustainable economy that delivers benefits to people, communities and markets, beyond the interests of the company and beyond law requirements. It increases long-term profits and engages in actions that encourage achieving a better world.

Sustainability is a driver and cornerstone of our strategy. It is a pre-condition for 3B to be a long-term successful, ecological and socially responsible leader in the glass fibre market.

The triple "P" approach defines the structured and pragmatic approach around our existing sustainability initiatives.

People

The people at 3B, their safety and their well-being, are at the heart of our strategy and success. 3B strives for people to consider safety at all times in everything they do every day. People are the source of our success. Protecting our human capital and the health of all stakeholders is key for 3B. People are motivated to work at 3B; they are engaged to give their best to implement the strategy and drive results.

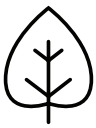
Planet

Our plan to grow in Automotive and Wind is a response to the trend towards a greener planet. We, at 3B, contribute every day by providing solutions to reduce weight and CO2 emissions, or by supporting the development of more efficient renewable energy for tomorrow and reducing the environmental footprint throughout its lifecycle. We position ourselves as THE eco-responsible glass producer with greener technologies, creative initiatives and behaviours.

Profit

The implementation of our productivity programs and solutions through our 9Q Profit Improvement Program aiming at ensuring that each site reaches an investment grade financial level so to guarantee a sustainable future. Going one major step further, 3B has launched a quality enhancement program in order to deliver top-quality products to our customers at competitive prices, in a sustainable way, so that 3B is not only recognized as a trusted and reliable supplier, but as a sustainable business partner.

3B relies on 4 key sustainability drivers



PLANET

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PEOPLE

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PROFIT

We find innovative solutions for market sustainability needs and are recognized as a trusted and reliable supplier.



GOVERNANCE

We are a transparent and accountable company, integrating ethics and social responsibility in the company and reporting to the UN Global Compact.



We are a transparent and accountable company, integrating ethics and social responsibility in the company and reporting to the UN Global Compact.

3.1 Stakeholder engagement

Context, Policy and Goals

The importance of a proper materiality analysis and stakeholder engagement can't be sufficiently emphasised. It ensures that the right focus is given to strategic topics. In a survey realised by AccountAbility¹, 61% of companies surveyed stated that stakeholder engagement and materiality are "very important" to risk management and reputation management.

The participation of stakeholders in developing and achieving an accountable and strategic response to sustainability is called inclusivity. Stakeholder Engagement is a tool that organisations use to help them achieve inclusivity.

Stakeholders are not just members of communities or non-governmental organisations. They are those individuals, groups of individuals or organisations that affect and/or could be affected by an organisation's activities, products or services. Stakeholders include customers, employees, neighbours, NGO's, governments, ...

Markets evolve and value drivers shift. Things that definitely did not count yesterday may make or break an organisation today; while what might be important today may turn out to be irrelevant tomorrow. Therefore 3B aims at reviewing yearly his materiality analysis to ensure that the sustainability strategy is in line with stakeholder expectations.

Implementation

3B's materiality analysis is updated every year based on several stakeholder discussion platforms:

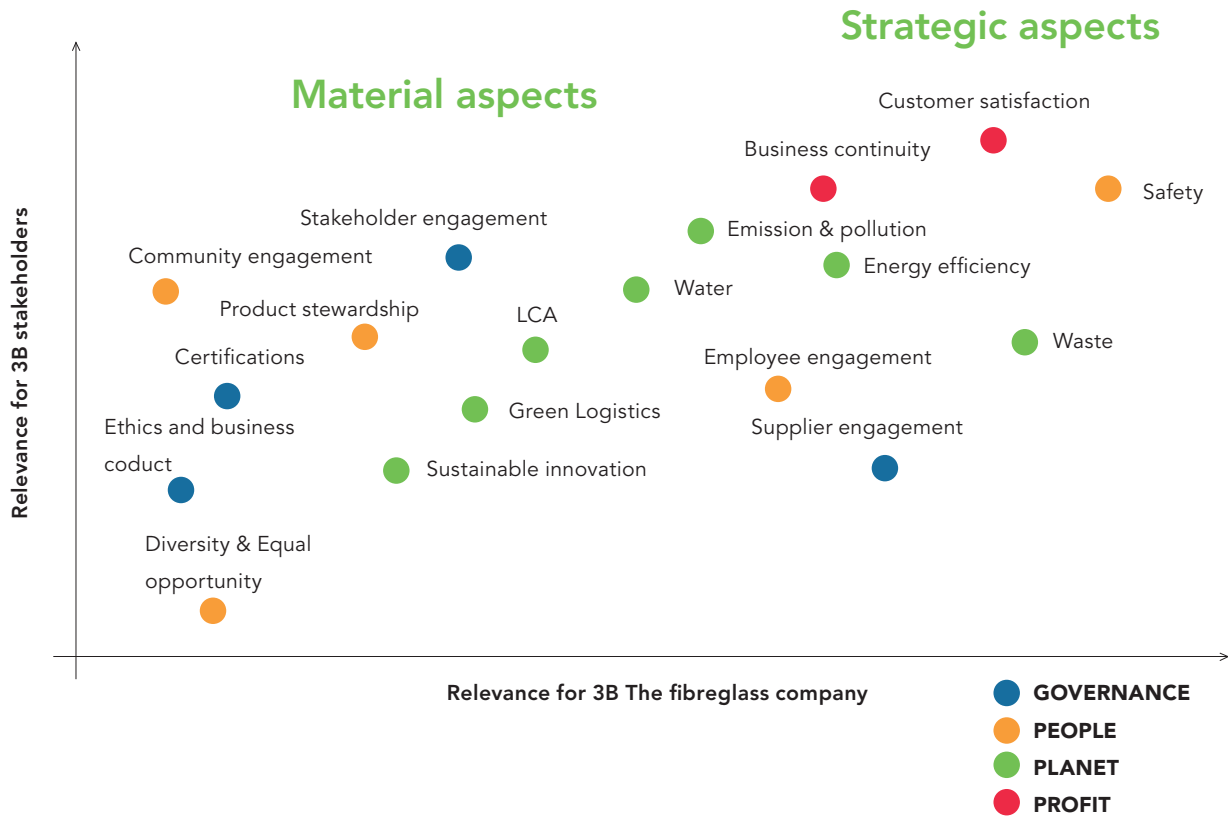
- employee engagement survey and performance reviews
- materiality analysis workshops
- customer requests and customer sustainability priorities
- trade associations
- UNGC² and UN SDG³
- exchanges with local communities
- supplier discussions, negotiations and evaluations.

¹AccountAbility, BT Group Plc and LRQA, 2006.

²United Nations Global Compact, www.unglobalcompact.org

³United Nations Sustainable Development Goals, www.un.org/sustainabledevelopment/sustainable-development-goals

The updated materiality matrix for 3B is given below.



Performance measurements - Objectives

Our objectives related to stakeholder engagement are:

- promote internal understanding of the link between sustainable development issues and business strategy;
- improve the materiality analysis by increasing stakeholder involvement and ensuring that stakeholder feedback is properly integrated;
- drive the sustainability challenge up in the mind of the organisation through regular discussion, publication of articles, information sharing...

3.2 Ethics and business conduct

Context, Policy and Goals

3B is committed to conducting its business in accordance with applicable laws, rules and regulations and the highest standards of business ethics and ethical conduct.

Integrity comes from action, not words. Unyielding personal integrity is the foundation of corporate integrity. 3B aims to create an environment that allows individuals to excel, be creative, take initiative, seek new ways to solve problems, generate opportunities, be accountable for their actions and be recognised for their contribution and teamwork.

3B's commitment to ethical and lawful business conduct is a fundamental shared value of its board of directors, management and employees and critical to the success of the company. These standards for business conduct provide that senior management and employees will uphold ethical and legal standards vigorously as the company pursues its financial goals, and that honesty and integrity will not be compromised anywhere at any time. Consistent with these principles, the company's board adopts this code of conduct as a guide to the high ethical and legal standards expected of the senior management. These standards are not voluntary but mandatory.



Our corporate values are a critical part of who we are as a Company. They are our fundamental beliefs. They guide our actions. They influence the way we work and the way we engage with our customers.

Strength

As the strength of our products reinforces composites applications, the strength of our people makes 3B-the fibreglass company a solid partner based on both competence and integrity. We offer dynamic strength to identify potential, leverage opportunities and act with flexibility in a solution-oriented manner.

Reliability

We are fully committed and dedicated to our customers. They can count on us and on our products. With efficiency and discipline, we give our best to deliver consistent top quality products and services, and meet customer demands. We do what we say. We fulfil expectations and keep promises.

Proximity

With the objective to best meet and exceed our customers' needs, we maintain close relationships with them and build real long-term partnerships. We listen carefully to our partners and endeavour to understand their needs. This human proximity is completed with a geographical proximity with our European customers. Such proximity allows us to develop value added solutions beyond the product itself and to react quickly to changing needs and challenges.

A **Business Code of Conduct** has been reviewed and implemented throughout the company at the end of 2015.

This Code of Conduct reflects the business practices and principles of behaviour that support our commitment. The Board of Directors is responsible for setting the standards of conduct contained in the Code and for updating these standards as appropriate to reflect legal and regulatory developments. The Code is intended to provide guidance and help in recognizing and dealing with ethical issues and foster a culture of honesty and accountability. Every employee is expected to read and understand this Code as well as its application to the performance of his or her duties, functions and responsibilities.

Implementation

Since 2016, an explicit reference to the Business Code of Conduct is included in each new employee's employment contract. When joining the company, employees thus commit to the Code.

For those already employed, regular actions are put in place to refer to the Code of Conduct. For example, a training session and debriefing has been organised on competition laws for all staff members in contact with external partners (March 2017).

Performance measurements - Objectives

3B will continue improving awareness of the Code of Conduct and his principles.

3.3 Supplier engagement

Context, Policy and Goals

Our suppliers represent a critical component of our proposition of high performance and value. Therefore, in line with its mission, 3B collaborates with its suppliers to identify further opportunities to improve responsible business practices. To actively engage its suppliers in the journey towards sustainability, 3B has defined a Supplier Code of Conduct (SCoC), which is to be applied by all 3B suppliers worldwide. The Supplier Code of Conduct forms the foundation for the cooperation between 3B and its suppliers in order to achieve its quality, sustainability and performance objectives.

Our Supplier Code of Conduct is available on our website.⁴

Implementation

Compliance with the Supplier Code of Conduct should be evaluated by the suppliers on a regular basis through self-assessments. 3B also encourages its suppliers to invite their own suppliers to comply with those terms.

Sustainability and social responsibility are also part of the supplier evaluation forms and supplier audit questionnaire.



Performance measurements - Objectives

Mid-2016 the Supplier Code of Conduct (SCoC) has been transmitted to 90% of the suppliers of plant in Battice Belgium. 29% of the transmitted SCoC have been signed. Several suppliers did not sign, but did comply with the principles and sent their own Code of Conduct. In total 31% of the suppliers have signed or committed to the principles.

The objective for the coming years is to ensure transmission and commitment to SCoC to all suppliers in all locations.

In the future we also aim to improve suppliers' social responsibility by increasing the focus on supplier evaluation, audits and supplier improvement programs based on critical action implementation.



⁴ <http://www.3b-fibreglass.com/wp-content/uploads/New-supplier-code-of-conduct.pdf>

3.4 Certifications

Context, Policy and Goals

Through external certifications we want to assure our customers that our products, systems and organisation are safe, reliable and good for the environment.

Implementation

All our plants are certified ISO9001, ISO14001 and ISO18001.

Our plant in Battice (Belgium) was assessed in 2013 and 2016 by the online EcoVadis⁵ platform. The EcoVadis methodology covers 21 criteria across four themes of environment, fair labour practices, ethics/fair business practices and supply chain. The methodology is built on international CSR standards including the Global Reporting Initiative, the United Nations Global Compact and the ISO 26000.

Performance measurements - Objectives

We plan to perform the EcoVadis CSR assessment in our Goa plant in 2018 and in our Birkeland plant in 2020 at the latest.

The evaluation of the EcoVadis score of the Battice plant is given in the table below.

Plant	2013	2016
Battice Plant	52	67

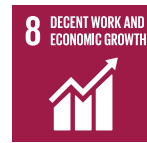
⁵www.ecovadis.com





People

4



4.1 Health and Safety

Context, Policy and Goals

3B and its employees commit to:

- place the Health and Safety of our people, at the very heart of its priorities;
- provide a clean workplace as per the company standards. The work place must be free from safety or health hazards or disease, and it should be ensured that the operational hazards are controlled to accepted levels;
- foster a culture whereby each individual is encouraged to actively participate in identifying, preventing and reducing risks in the areas of Health and Safety;
- adopt a Health and Safety management system and a series of performance indicators to identify areas for active prevention and continuous improvement;
- enable our People to be the source of our success, considering safety at all times.

“Focus on safety culture and behaviours to drive towards an accident-free work environment and enable our people to be the source of our success.”

OBJECTIVE = ZERO ACCIDENT



Health and Safety principles are promoted, recognizing that all accidents are preventable, that safety is the responsibility of everyone and that working safely is a condition for employment at 3B.



Implementation

Since 2011 3B has been continuously striving to improve the safety culture of the organisation. Several studies have shown direct correlation between the strength of an organisation's safety culture and its incidence rate.⁶

Over the last 5 years, through audits and specific oriented action plans, we managed to make major improvements in our safety culture (in reference to the DuPont Bradley™ value curve).

Every year safety conferences are organised in all plants to increase safety awareness and reinforce safety engagement throughout the company.

⁶<http://www.dupont.com/products-and-services/consulting-services-process-technologies/brands/sustainable-solutions/sub-brands/operational-risk-management/uses-and-applications/bradley-curve.html>

46th Safety week in Goa, India - 6th to 10th March 2017

The 46th National Safety Week was celebrated at 3B-the fibreglass company in Goa (India) from the 6th to the 10th of March 2017, supported by a strong internal communication campaign. A very rich program was developed for this week in order to call upon all individuals to maintain a safe and healthy working culture.

The following activities were organized: safety walks, occupational health program, SCBA and rescue techniques program, courses for all First Aiders, session for management employees on the psychological approach of safety management, Eye Testing Camp for employees and local community, awareness program for the local community on hazards and more specifically on the impact of home environment on children. Safety-related competitions, quizzes and informal activities completed the week.

The Safety Week is an important opportunity for the company to work on key issues with the community it has been in for decades. The program is intended to be a balanced mix of workplace and plant safety activities and activities that enable 3B to have a positive impact on its immediate surroundings. In 2017, 150 inhabitants of the nearby locality attended the program.



Safety Days in Battice, Belgium – September - October 2017

In order to put our safety principles in practice and to refine our approach, we will devote to safety one of the 3 yearly collective training sessions for all staff members of our Battice plant. During 5 weeks, groups will take turn participating in interactive exercises. Based on our safety statistics, we have selected 3 main topics:

- how to react in case of an emergency (emergency number, what to say, what to do with the victim while waiting for rescue team...).
- how to avoid slips and falls, especially on wet floor, in the stairs...
- how to apply better ergonomics at work.

All Battice staff members will participate in the activities and receive practical reminder documents.

Health and Safety Activities & Sports in Birkeland, Norway

During the first semester of 2017, the staff of our Birkeland plant could benefit from collective as well as individual sports training plans performed at a local training centre. The sessions focused on preventive actions related to the type of job employees hold. Individual sports coaching was also available and took each person's specific needs into account.

For employees back from a sick leave, the support of a physiotherapist is offered to see how they work and have they could work in a better way.

During autumn 2016 and spring 2017 all staff members also participated in training sessions devoted to the following topic: 'How to cope with aches while working'. Much appreciated, this initiative will be renewed regularly.

Additionally, informal sports and leisure activities are organized by internal volunteers including soccer and bandy open training session for all employees, fishing trips, etc.

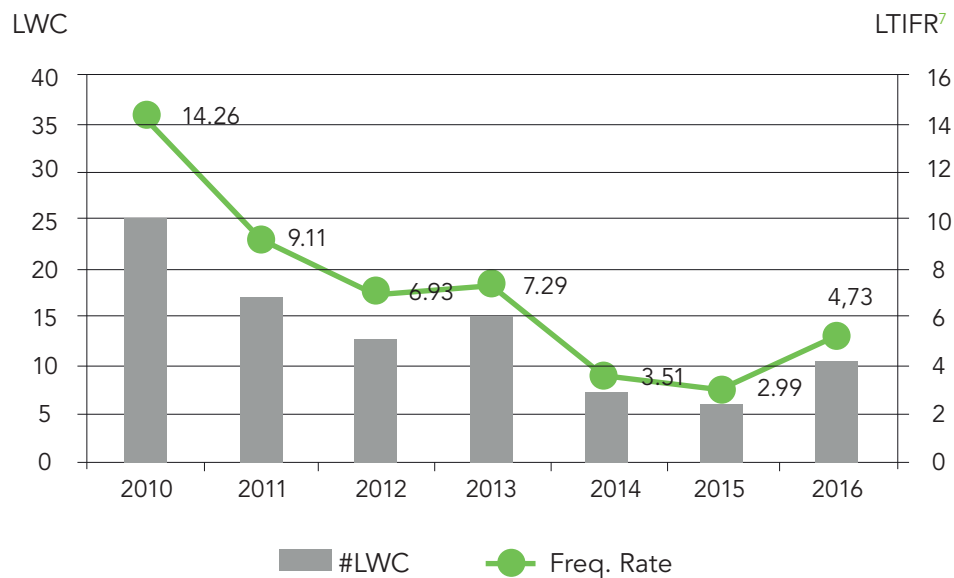
Performance measurements - Objectives

Unfortunately 2016 has been a bad year with regards to safety performance. After 3 years without Lost Workday Case (LWC) in Goa, several accidents have occurred.

We strongly believe in a safe work environment and we need to relentlessly focus and be present on the job/activity. Safe behaviours should always be our top priority: our Successful Behaviours program also supports safety awareness at all levels. Moreover, all safety officers are encouraged to emphasize safety rules and recommendations repeatedly.

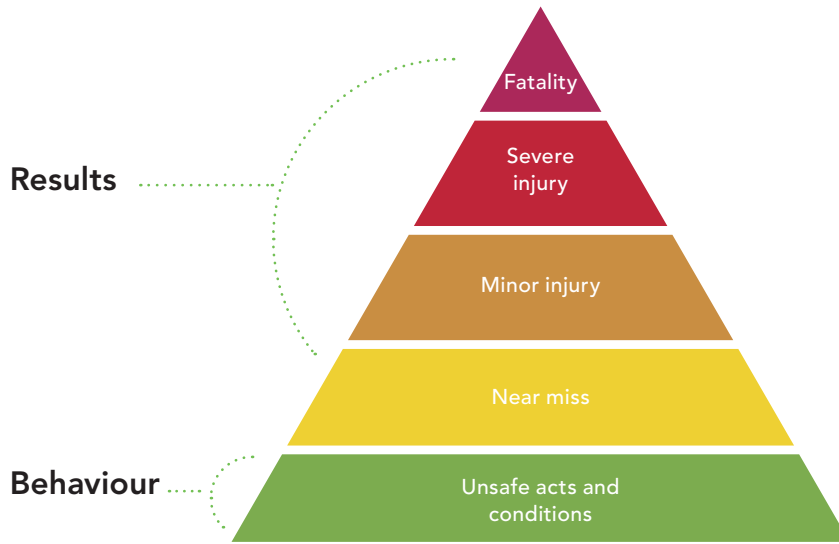
In the continuity of the external safety audits performed since 2011, new external support will be provided in 2018 to continue driving the safety culture towards safety excellence.

Evolution LWC and LFTIFR



⁷Lost Time Injury Frequency Rate

Based on the accident severity pyramid (see below), we have compounded an indicator (accident index) and we have set a target of 15% improvement over the next 5 years, in order to reach 50% in 2020.



Every year, the company conducts an engagement survey: people are asked if they believe that all necessary measures are undertaken to ensure their safety. Actions are organised considering the comments from those who answered "No" to this question. These actions come in addition to the ongoing initiatives to reinforce our safety culture everywhere within the company.

3B Safety indications	2015	2016
Accident Index ⁴	9,2	10,7
Engagement survey - % of our people that believe all necessary measures are undertaken to ensure their safety	82%	82%

⁴Accident index = 60% Lost Workday Case (LWC) + 30% Restricted Work Case (RWC) + 10% RECORDable injury (REC)

4.2 Community engagement

Context, Policy and Goals

Our factories are important economic players in the regions where they operate. Strong links exist with the local population and authorities. In Battice (Belgium) the plant began operations in 1966, more than 50 years ago. The Birkeland plant started in 1974 and that of Goa in 1996. Throughout these years, the plants have developed and hundreds of people have worked there. 3B therefore believes that the company has a strong responsibility towards local communities. The company's approach focuses on safety and health issues as these are areas where we believe our experience and contribution are most relevant and legitimate.

Implementation

In Battice (Belgium), 3B has built close relationships with the nearby communities and local authorities through the organisation of regular discussion forums around environmental concerns. 3B also regularly interacts with the local fire services in order to facilitate their intervention in the event of an incident. In addition, 3B opens its doors to emergency services for the implementation of scenario-based exercises and simulations that may occur in different companies of similar or smaller size. In 2017, the exercise with the firefighting brigade was conducted on 24 May.

In Birkeland (Norway), community related activities focus on health. The company promotes the practice of various sports among its employees (see 4.1 Health and Safety). By opening some activities to families and close community (soccer, fishing), 3B contributes to promoting a healthier way of life among inhabitants of neighbouring cities and villages. A family day is organised every summer in order to maintain close contact with the community.

In Goa, 3B organises various community activities in order to improve health and safety. As referred to in paragraph 4.1, during the yearly safety week, 3B sets up an information, awareness and screening program for the inhabitants of the village of Colvale, where it operates. In 2017, the community health and safety activities included an awareness program on hazards, dos and don'ts during emergencies like LPG leakage and onsite plan of factory. This year, safety instructors also provided extensive recommendations related to the impact of home environment on children. 150 villagers, school teachers and students of the nearby locality took part in the activities.

Additionally, 3B organised an eye-treatment clinic for the community around the Goa plant where eye testing was performed as well as several cataract operations have been supported financially by the company.



Performance measurements - Objectives

3B will continue its involvement and engagement towards the communities around the plants.



4.3 Product stewardship

Context, Policy and Goals

For 3B stewardship means:

- having the responsibility to make health, safety and environmental protection an integral part of all daily work;
- ensuring that adequate EH&S information is available to assess the health and safety hazards of each product for its intended uses;
- having a product stewardship policy based on risk prioritisation;
- ensuring product stewardship is engaged in product/process design and improvement processes;
- ensuring that customers are provided appropriate product stewardship information.

Implementation

The product stewardship strategy has been implemented:

- appointment of a dedicated regulatory and product steward;
- development of a regulatory policy defining the rules that we want to follow when we develop a new product and/or when there are regulation changes that modify the safety aspect of our current product portfolio;
- continuous and proactive monitoring of the regulatory status of all our sizing ingredients and launch substitution projects when appropriate;
- clear and complete regulatory support provided to our customers as well as Sales and Marketing team concerning chemical risks related to our products;
- implementation of a regulatory management system (safety datasheet management, regulatory watch and reviews, ...);
- in-depth chemical risk and industrial hygiene review for all sizings (for lab development purposes or for the industrial ones);
- active partnership with business, sales & marketing, supply chain & R&D teams to ensure global regulatory compliance for all products (REACH, food contact, water contact);
- advice to R&D and Business teams on regulatory requirements and regulatory impact during New Product Development Processes;
- monitoring, interpretation and communication of regulatory issues that will impact products and business strategies;
- development and maintenance of effective relationships with various regulatory authorities and certification institutes (CARSO, K&H, ...);
- management of ongoing regulatory compliance (REACH, , FDA, etc.);
- active participation in trade association and industry specific meetings and programs;
- monitoring and management of emerging issues in the areas of product stewardship, quality, and chemical regulation.

Performance measurements - Objectives

Our product stewardship objectives are:

- ensuring that all harmful chemicals are identified and phased out action plan defined;
- ensuring proper follow-up of potential harmful chemicals;
- phase-out of harmful substances in all our production sites;
- ensuring suppliers' contractual obligation on communicating any change and modification in hazards mentioned in safety datasheet;
- ensuring no safety datasheet older than 3 years.

4.4 Employee engagement

“Our people are the source of our success”

Context, Policy and Goals

As part of our strategy 2020, one important axis is that we want to enable our people to be the source of our success, considering safety at all times.

In relation with this, we established our HR ambition 2020 aiming at further engaging, energising and developing our employees to push them to reach their full potential.

Recent assessment demonstrated that our people are satisfied to work at 3B and that they have a good level of engagement. Supported by various initiatives, our employees understand the Strategy and are committed to giving their best to execute it and driving results.

- People know what we expect from them at work and are being provided regular feedback on their performance and contribution.
- People are being developed and trained to perform at their best level.
- 3B’s culture is being strengthened through a specific behavioural programme.



Implementation

In order to support a strong and sustainable company culture, 3B launched a behavioural program in 2015. Our Successful Behaviours program aims at promoting 9 critical behaviours and to make them part of our DNA so that we can build a better and sustainable future for our company. The focus has been put on 4 key topics: Build trust, Deliver results, Stimulate innovation and Give recognition.

The Successful Behaviours program is applied at corporate level, and all employees are involved. In 2017, we made special efforts to raise the involvement level of blue collar workers throughout the company. Specific actions in order to relate the successful behaviours to daily activities at work have been put in place in Belgium, Norway and India. Each action plan is plant specific so that local teams are able to take the particular context of each site into account (culture, location, profiles, ...).

In Battice (Belgium), one of the 3 yearly collective training sessions for all staff members was devoted to Successful Behaviours. During 5 weeks, all employees participated in physical and sporting activities, guided by their management team, who also took care of the specific debriefing of each activity.

In Birkeland (Norway), in 2017, all workers attended a presentation and explanation session of the program in their workplace context.

In Goa (India), a specific program was carried out in April 2017 at management level in order to reinforce their ability to provide guidance related to Successful Behaviours to all staff members. Performing arts techniques were used.



Every year in October, we run a **survey to assess the level of engagement of our team** as well as their perception on various topics such as:

- the general feeling of employees vis-à-vis the company,
- the effectiveness of the communication within the company,
- the level of understanding of the vision, strategy and main objectives of the company,
- the commitment to our values.

Based on the outcome of the yearly survey, plans are established to continuously improve in terms of employee satisfaction.

Performance measurements - Objectives

The results of our engagement survey are given below, for a selection of questions:

Engagement survey	2014	2015
The understanding of vision, the strategy and the main objectives	3.92/5	4.02/5
The way our values are lived within the company	3.63/5	3.73/5
The effectiveness of our communication	3.32/5	3.42/5
The overall satisfaction level vis-à-vis 3B as an employer	6.96/10	7.3/10

The company is progressing but we set the bar higher for ourselves as we continuously strive to develop our behaviours to deliver on our HR ambitions and our company strategy.

To do so, this engagement survey is followed up at department or team level, where specific action plans are developed based on the particular needs of each group.

Engagement and well-being are also extensively discussed with all staff members during the mid-year and end-of-year reviews, and are then related to personal development.

4.5 Diversity and equal opportunity



Context, Policy and Goals

As an international company, we see every day that the teams that bring together people of different profiles, origins or ages are dynamic and innovative. Indeed, each person brings his own experience, his own perception and enriches the work of all. Between the different locations of the company, temporary exchanges are frequent and particularly appreciated, both professionally and humanly. Several employees also had the opportunity to go to work in another entity in the long term, with active support from the company.

3B sees diversity as an advantage and a benefit.

Implementation

At 3B we aim to have a corporate culture where gender and diversity are compatible with the prevailing model.

We are committed to diversity and equal opportunities and believe that improvement starts with monitoring this diversity and addressing eventual gaps in corporate culture and mind-set.

3B also encourages staff mobility, actively supporting those who wish to move to another 3B location. Currently, one Indian operator and one Belgian engineer have relocated in our Norwegian plant.

Performance measurements - Objectives

Diversity facts and figures at 3B are given in the table below.

3B diversity indicators	2015	2016
Number of nationalities	25	25
Engagement survey: "I recognize that the company respects diversity".	3,9/5	3,93/5
% of women	11,3%	14,8%
Number of women in management teams	4	5



**“ 3B is the eco-responsible
glass producer ”**





Planet

5



Objective = Build on our existing position and continuously enhance our environmental footprint thanks to greener technologies, creative initiatives and behaviours

The precautionary approach, principle 7 of the United Nations Global Compact initiative, is based on Principle 15 of the 1992 Rio Declaration that states: “Where there are threats of serious or irreversible damage, lack of full scientific certainty shall not be used as a reason for postponing cost-effective measures to prevent environmental degradation”.

Precaution involves the systematic application of risk assessment, risk management and risk communication. When there is reasonable suspicion of harm, decision-makers need to apply precaution and consider the degree of uncertainty that appears from scientific evaluation.

3B implements this principle by:

- establishing a **Safety Health Environment and Quality charter** showing the commitment of the company to place the health and safety of its people and the protection of the environment at the very heart of its priorities;
- supporting scientific research, including independent and public research, on related issues, and work with national and international institutions concerned;
- joining industry-wide collaborative efforts to share knowledge and deal with the issue of precaution, in particular in regard to production processes and products around which high levels of uncertainty, potential harm and sensitivity exist.

5.1 Water

Context, Policy and Goals

Water scarcity occurs where there are insufficient water resources to satisfy long-term average requirements. It refers to long-term water imbalances, combining low water availability with a level of water demand exceeding the supply capacity of the natural system. In the future it is likely that predicted climate change will exacerbate this situation in the most water-scarce parts of Southern Europe. A combination of less precipitation and higher temperatures will further reduce the amount of water available and economic impacts may be high and affect several sectors. Low water availability and droughts have severe consequences on most sectors, particularly agriculture, forestry, energy, and drinking water providers⁸.

Water scarcity can be defined by the water exploitation index (WEI). WEI divides the total water abstraction by the long-term annual average (LTAA) resource.

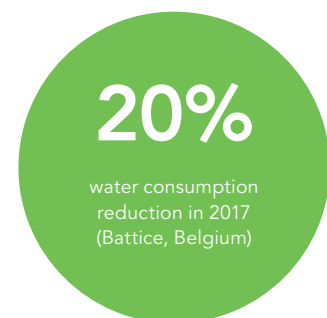
Belgium is the third most water-stressed country among the nine European countries that can be considered water-stressed⁹.

Also India is considered to be a country with very high water stress, mainly due to the lack of access to safe water.

Implementation

Our Battice plant managed to reduce its 2017 specific water consumption by more than 20% vs 2015.

These reductions were achieved mainly by improving the performance of water treatment units resulting in a higher water recycling rate.



Performance measurements - Objectives

Our Birkeland and Goa plants are also committed to reduce the specific water consumption.

The Birkeland plant in Norway will improve monitoring by adding flow meters and increasing awareness of water consumption among staff members, in a country where water has always been abundant.

The Goa plant in India will start water consumption reduction programs and set ambitious reduction targets.



⁸<https://www.eea.europa.eu/themes/water/featured-articles/water-scarcity>

5.2 Energy efficiency



Context, Policy and Goals

Energy consumption and green house gas emissions are one of the major, if not THE biggest environmental impact of glass fibre producers¹⁰.

Implementation

3B's Goa and Birkeland plants are currently implementing ISO50001 energy management to further improve their monitoring and reduction of energy consumption.

Therefore, the following activities have been performed:

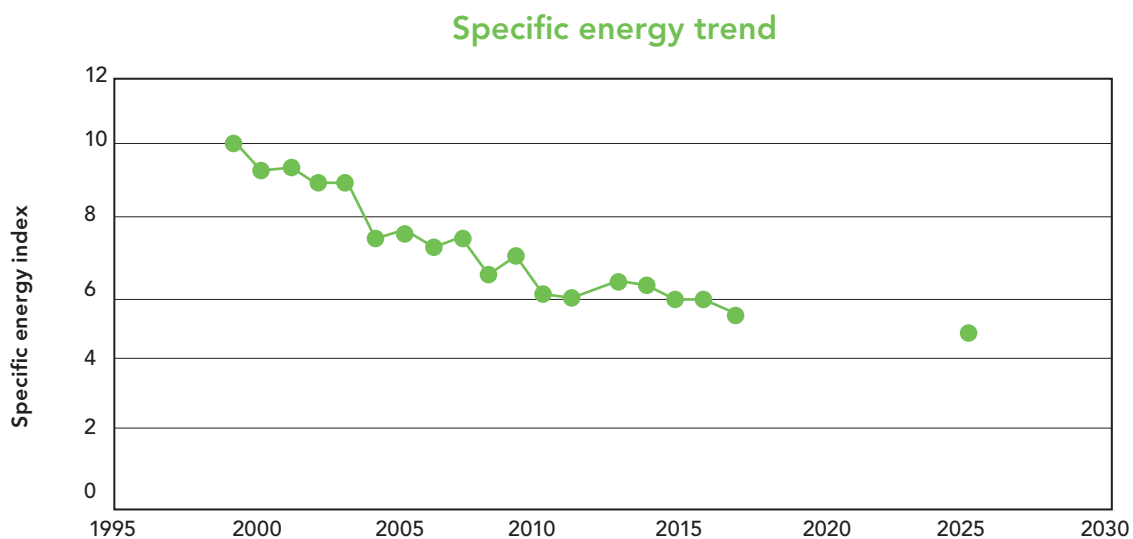
- mapping of energy flows,
- introduction of new measurement equipment and tools supporting a fact-based analysis related to energy usage,
- establishment of an energy management system,
- creation of an energy team responsible for the systematic follow-up of the energy usage and the identification of the most efficient energy reduction projects.

Performance measurements - Objectives

We aim to further reduce our energy consumption by:

- engaging productivity initiatives,
- improving monitoring of energy losses and implementing energy consumption reduction programs,
- implementing energy management systems,

Our objective related to specific energy consumption reduction is a 40% reduction by 2025 vs 2002.



¹⁰See also Life Cycle Assessment Glass Fibre Europe http://www.glassfibreeurope.eu/wp-content/uploads/2016/11/LCA-report-CFGF-products_20161031_PwC.pdf

5.3 Green logistics



Context, Policy and Goals

3B aims to reduce the carbon footprint throughout the lifecycle of our products by performing:

- A continuous search for optimisation of the footprint of road logistics (screening of suppliers based on sustainability criteria, green vehicles...)
- A continuous search for optimal packaging solutions:
 - Bulk
 - Higher loading
- A continuous search for optimal logistic options:
 - Rail
 - Water
 - Heavy liner



Implementation

Environmental and sustainability performance of logistics suppliers is assessed through green logistics score including various sustainability criteria (green label, CO₂ emission calculations and objectives, signature of our Supplier Code of Conduct, ...). The sustainability score is one of the main criteria for the selection of new logistics suppliers at 3B.

Permanent technology and solutions watch is performed for new sustainable logistics alternatives around our plants.

Performance measurements - Objectives

The 3B green logistics score is based on the following main criteria:

- member of a green logistics initiative or label (lean & green, green logistics Europe...),
- implementation of CO₂ reduction measures or initiatives in place (Eco-driving course, tyre type and pressure optimization...),
- minimization of empty return freights,
- use of EURO V-EEV or EURO VI European vehicles.

Our objective for the future is to improve monitoring of emissions of downstream transport and further reduction of downstream emissions.



5.4 Waste



Context, Policy and Goals

Our company mainly generates two types of waste:

- common industrial waste
- glass fibre by-products

The production of common industrial waste is strictly monitored and actions to reduce it are being taken.

For what regards glass fibre by-products, they used to be landfilled.

What are by-products? Produced fibres that do not meet product specifications and that cannot be sold. 90% of these fibres result from breaks during production.

The collection of the non-valorised glass is done in the basement of our plants and then evacuated mechanically.

The amount of non-valorised glass produced yearly is significant (between 10 and 15% of our production).

In order to find a sustainable alternative to landfill, 3B launched a “Zero Glass to Landfill” project in order to upcycle its by-products. Value creation through recycling and upcycling of waste is the main objective of the “Zero Glass to Landfill” project. In order to reach this challenging objective 3B has put in place a multidisciplinary team dedicated to find solutions for waste upcycling. The project is going through 3 phases – Identify opportunities, Develop and Implementation. The project was first launched in Battice (Belgium).

As far as our landfill in Battice is concerned, a strict management is in place and the site is regularly analysed. In 2016, 3B commissioned a biologist to analyse the fauna and flora of the site. The EMAS certification of the site is planned.



Implementation

Common industrial waste

Action plans are in place to monitor and support proper waste reduction and optimal waste sorting. In Battice (Belgium), a specific training session for all staff members has been devoted in 2017 to waste reduction (covering both common waste and glass fibre by-products): reminder of sorting instructions and regulations, discussion on improvement areas and collection of relevant ideas, waste sorting quiz, ...

Glass fibre by-products


The development of the "Zero Glass to Landfill" program was supported by the Walloon Region via a financed research project in collaboration with Walloon research centres. This initiative fits perfectly into the overall "green innovation" efforts of the authorities targeting to support upcycling initiatives that improve sustainable development.

Industrial partners on the market have been identified in 2016 and 2017.

Performance measurements - Objectives

Market opportunities for upcycling of 100% of the generated waste have been identified so far.

ULTIMATE OBJECTIVE = ZERO GLASS TO LANDFILL





5.5 Green attitudes

Context, Policy and Goals

Our employees are more and more conscious of the importance of adopting daily “green behaviours”. We reinforce our employees’ awareness by launching specific initiatives, recognising the efforts made. We also reconsider the way we do certain things to improve our environmental footprint.

Implementation

Several initiatives are taken every year to improve the day-to-day environmental impact of our organisation.

- Awareness sessions about waste in Battice
- Carpooling initiatives are common within 3B. In addition to staff members’ private arrangements, the company strongly encourages carpooling for collective trips. For major company-related events, our travel arrangement team takes carpooling organisation in charge.

In the second half of 2017, a survey will be organised throughout the company in order to evaluate the creation of a web-based carpooling system for the company.

- The use of green transportation means is encouraged. For example, in Birkeland, charging stations are available for electric cars since 2016. We see a clear increase in use of these stations.
- At corporate level, 3B has decided to go for a major reduction of paper use. In 2017, we have reached the following results:
 - 80% of vendor invoicing is processed by e-mail only
 - No reproduction of printed marketing publications (unless hard copy is mandatory): corporate brochure, product brochures...
- Our corporate intranet is also regularly used in order to increase awareness among staff members and to share good practices (articles on environmental challenges, helpful hints and tips to reduce waste production at work and at home, ...).

Performance measurements - Objectives

We commit ourselves to continue improving our green attitude and drive this through several initiatives (green mobility, awareness events, ‘what can you do to support the global goals?’¹¹ ...).

3B mobility emissions indicators	2015	2016
Travel carbon footprint	233 T CO ₂	331 T CO ₂
Car fleet average CO ₂ emissions (Belgium)	n.a. ¹²	119 T CO ₂

¹¹<http://www.globalgoals.org/take-action/>

¹²Not available

5.6 Life Cycle Assessment



Context, Policy and Goals

Our Company is committed to environmental excellence in the design, manufacture, distribution, recycling and disposal of our products.

We aim to reduce our overall environmental footprint at all times.

In line with the environment and sustainable development strategy of the European Commission ‘Single Market for Green products’¹³ our final goal is to reduce the overall environmental footprint and avoid burden shifting from one impact to another.

The objective of the Product Environmental Footprint and Organisation Environmental Footprint methods from The European Commission is to define a common way of measuring environmental performance.

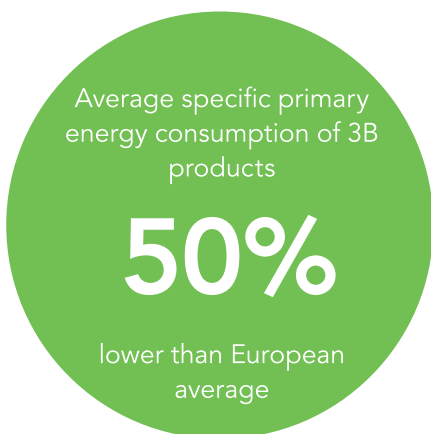
Implementation

External training sessions have been provided by Pre-Sustainability about LCA and the use of SimaPro.

The objective is to ensure that environmental targets and strategic decisions will take the whole product lifecycle (cradle-to-gate) into account and will avoid shifting of burden from one impact to another.

Internal training has also been provided to plant environmental managers.

Performance measurements - Objectives



The implementation of LCA as fundament to day-to-day environmental dashboard is a big project that involves proper planning and implementation phases:

- Ensuring alignment in definitions, allocation criteria, measurement systems, ...
- Proper data availability and installation of additional measurement devices
- A data collection system and data-mining tools
- Implementation of automated calculation systems

3B aims to have plant and product specific LCA dashboards by 2030.

¹³<http://ec.europa.eu/environment/eussd/smgp/index.htm>

5.7 Sustainable innovation

Context, Policy and Goals

“The vision of 3B is to be the preferred supplier of value creating, innovative glass fibre solutions for automotive and wind applications.”

This vision is based on three main strategic motivations which are sustainability, technological innovation and a global presence in order to follow our main customers globally in an efficient way. 3B works towards improving the performance of its customer’s products by creating sustainable added value and by supporting them in their growth strategies.

Implementation

Sustainability is integrated in the new solution development programme of 3B.

Sustainability performances of new solutions are evaluated against three dimensions:

- **Profit** - In order to be sustainable, we need to develop innovative solutions that bring value not only to our company but also to our customers. Without profit, no company can survive.
- **People** - In this dimension, we evaluate the impact of the project on the health and safety of the people. The impacts could be internal when we consider our workers, external if we consider our customer’s workers, and it could also integrate the impact on the final consumers.
- **Planet** - In this dimension we consider the impact of the project on the Planet on a broad sense, focusing on both the resource consumption and the emission, internally or externally from our customers down to the end users. “Emission” includes air-water emissions and waste; “Consumption” is about the resources efficiency of water, energy and all raw materials.

Those three dimensions are rated on the basis of objective criteria. A sustainability matrix can then be drawn as shown below. Each project is illustrated by a bubble and position into the Matrix. The size of the bubble is related to the financial impact it should have on 3B.

A project is considered to contribute positively to our Sustainability objectives when it is positioned in the top right triangle of the Matrix.

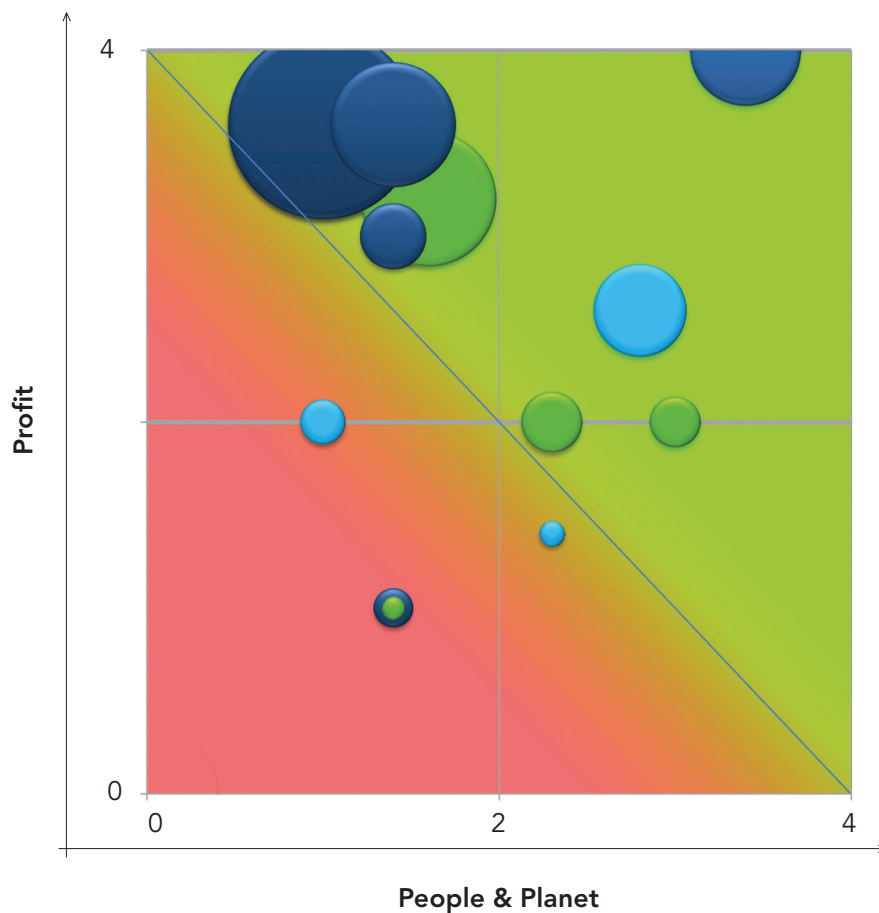
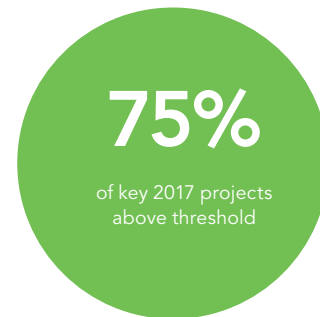
Performance measurements - Objectives

Sustainability is one of the key criteria for the selection and the prioritization of the projects. The Sustainability Matrix is an element of the Business Cases that are built, discussed, approved and followed at the 3B Value Added Committee.

In 2017, looking at our top key projects, 75% of the projects were above the threshold.

Sustainable Innovation metrics	Mid-2016	Mid-2017
% of projects above threshold	71%	75%

The 2020 objective is to have 85% of our projects portfolio above the threshold.





Profit

6



6.1 Customer satisfaction

Context, Policy and Goals

"Our objective is to continue enhancing our dimension of sustainability partner by sharing responsibility, which means to go way beyond the compliant supplier status."

3B commits to:

- be the best in terms of reliability for our customers, excelling in fulfilling stated and implied expectations;
- build mutually beneficial long term relationships and co-development journeys with customers and suppliers;
- invest in our people to create the right competences and culture, dedicated and involved to our customer quality;
- create a customer focused organization and build a quality culture across all departments;
- focus on defect prevention through a pro-active attitude and cross-functional thinking;
- implement a structured approach to continuously improve products and services for our customers.

Implementation

Quality improvement starts with a common definition and understand of "Quality".

For 3B, Quality means:

The features and characteristics of our products and services that allow them to consistently meet all stated and implied customers' needs driving to their satisfaction.

The quality improvement program that we are currently implementing takes all dimensions of quality into account:

- Organisation
- People
- Processes
- Systems
- Performance.

These concern all aspects of quality within the company (customer quality, development quality, supplier quality, quality in supporting processes, production quality).

In line with our plants ISO 9001 certifications, customer satisfaction evaluations are performed on a regular basis.

Performance measurements - Objectives

Driven by the quality improvement plan, 3B aims to make a step change in quality ensuring a high customer satisfaction rate related to quality conformance, performance and service quality.

6.2 Business continuity

Context, Policy and Goals

“Ensuring reliability of critical business functions to prevent and overcome incidents to always fulfil customer needs”

The ISO norm defines business continuity as “the capability of the organisation to continue the delivery of products or services at acceptable predefined levels following a disruptive incident”. Eventually, it is all about putting the right processes in place in order to identify risks that can disrupt an entity’s continued operations and - equally important - provide a framework for building organisational resilience and the capability to give an effective response to potential incidents.

This concept does particularly make sense with sensitive industries, running around the clock, as any disruption can have severe consequences on people and/or finances.

Implementation

At 3B we have chosen to focus on 3 major pillars, which we consider to be the most important at our level.

1. Run continuous supplier reliability evaluation through yearly critical material risk analysis.

3B suppliers are one of the key stakeholders of the company. Glass fibre is a delicate product to manufacture. Achieving the highest level of quality with good efficiencies requires a stable production process and each supplier has to fulfil his role and consistently meet the highest standards. For 3B to deliver the right product to customers, it is essential that all suppliers meet our requirements and ensure good and reliable supplies. That means providing the right service or the right product with the right quality, on time and in a competitive way. 3B regularly performs material criticality analysis and ensures action plans are in place to avoid any risk related to quality or security of supply.

2. Enhance the asset reliability to remain a High Protected Risk (HPR) company.

Glass fibre is an asset intensive activity. The production process requires stability. Every equipment failure, even minor, can cause critical disruptions. 3B relies on strong technical expertise and long experience in the manufacturing process, which is very valuable to avoid issues. However, the search for continuous productivity implies that we need to further raise the bar and take calculated risks. In order to minimize the exposure of our business to machinery breakdown or external hazards, 3B has been working for several years with external advisors to identify potential risks and take preventive actions. Thanks to this dedication and joint efforts, 3B has been ranked amongst the Highest Protected Risk companies. It will certainly never eradicate risks but it reduces them tremendously. The close cooperation between 3B and the advisors’ engineers in dedicated forum where risks are discussed openly in a constructive way, enables us to face reality and to put the right actions in place while taking into account business specificities.

3. Implement crisis management measures, harmonize and frequently review contingency plans.

Everything is done at 3B to avoid a crisis situation. However, if a crisis situation should happen, it is essential to react with the right response in a fast way to minimize the overall impact. Plans and procedures have been implemented in all 3B plants for years. These plans are going to be refreshed and harmonized to enhance the communication quality between the various components of the organisation and gain in efficiency by a proper alignment between all parties involved. 3B has enlisted the services of third-party expert to gain quick and reliable insight in what should be improved with regards to the major business risks identified, and to waterproof processes and procedures to cope with potential issues.

4. Drive towards financial sustainability through a specific Profit Improvement Programme

At 3B each site has to reach a minimum level of profitability to ensure continuous reinvestment for a bright future. 3B ranks amongst the best performing glass fibre producers from Western countries. This is being achieved by consistently driving top line enhancement initiatives as well as cost reduction programs. The end result is that since 2013, 3B has almost tripled its profitability to reach investment grade levels with EBITDA in the range of 20 to 25%.

Performance measurements - Objectives

- 3B targets to audit the major suppliers at least once a year in all 3 manufacturing facilities. A process has been set to assess an agreed-on amount of vendors per quarter per plant.
- at least once a year a formal meeting is held with our external advisor regarding our asset reliability and risk prevention program. The objective is to review the potential risks for each facility as well as the progress booked on the action list defined the year before. According to that assessment, 3B' High Protected Risk (HPR) rating is re-assessed every year.
- a formal process is being designed to review the risk mapping of the organisation and implement the new crisis management communication plan. The implementation of this process will take place in 2017-2018.
- the 9 Quarter Profit Improvement Plan was completed at the end of first quarter of 2016. 3B reached the financial objective that had been previously set (Strategy 2020). However, it was decided to continue driving a Profit Improvement Program for the period 2016-2018, since the 9 Quarter Profit Improvement Plan proved to be successful. New targets will be set during the 2017 budgeting process which is due to be completed by end 2016.

Closing – Acknowledgements

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Going for the integrated sustainability approach promoted by the UNGC has greatly helped our company to structure our sustainability initiatives, to better monitor them and to further develop our ambitions in this respect. Following the various Sustainable Development Goals (SDG) supports our actions in improving our impact on environment, but not only. Our Sustainability strategy embraces the areas of People, Planet, Profit and Governance, all together. In our view, this is a pre-condition to embed sustainability deeply in our organisation and to create a genuine and tangible impact over time. We have also experience the positive effects of proper and regular reporting, which includes the preparation of this report, because it helps us keep the right focus.

Our sustainability strategy formally establishes our ambition and engagement. As our objectives are clearly stated, we are able to adjust our behaviours to the reality we strive to create and to the results we committed to deliver.

For all this, we want to thank all stakeholders who contribute to this motivating and challenging endeavour. Our customers are themselves major players for a sustainable world: they inspire and confirm our ambitions. Our suppliers and partners support and follow us in our efforts. And of course, we thank each member of the 3B staff for their commitment, motivation and day-to-day work. Together we will go even further.

We are looking forward to our continued collaboration for a sustainable world.



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