



# Sustainability Report 2016



In 2030 the water  
deficit shall reach  
**40%**.

For each degree of global  
warming, approximately  
7% of the world's  
population will lose  
**20%** of its water.





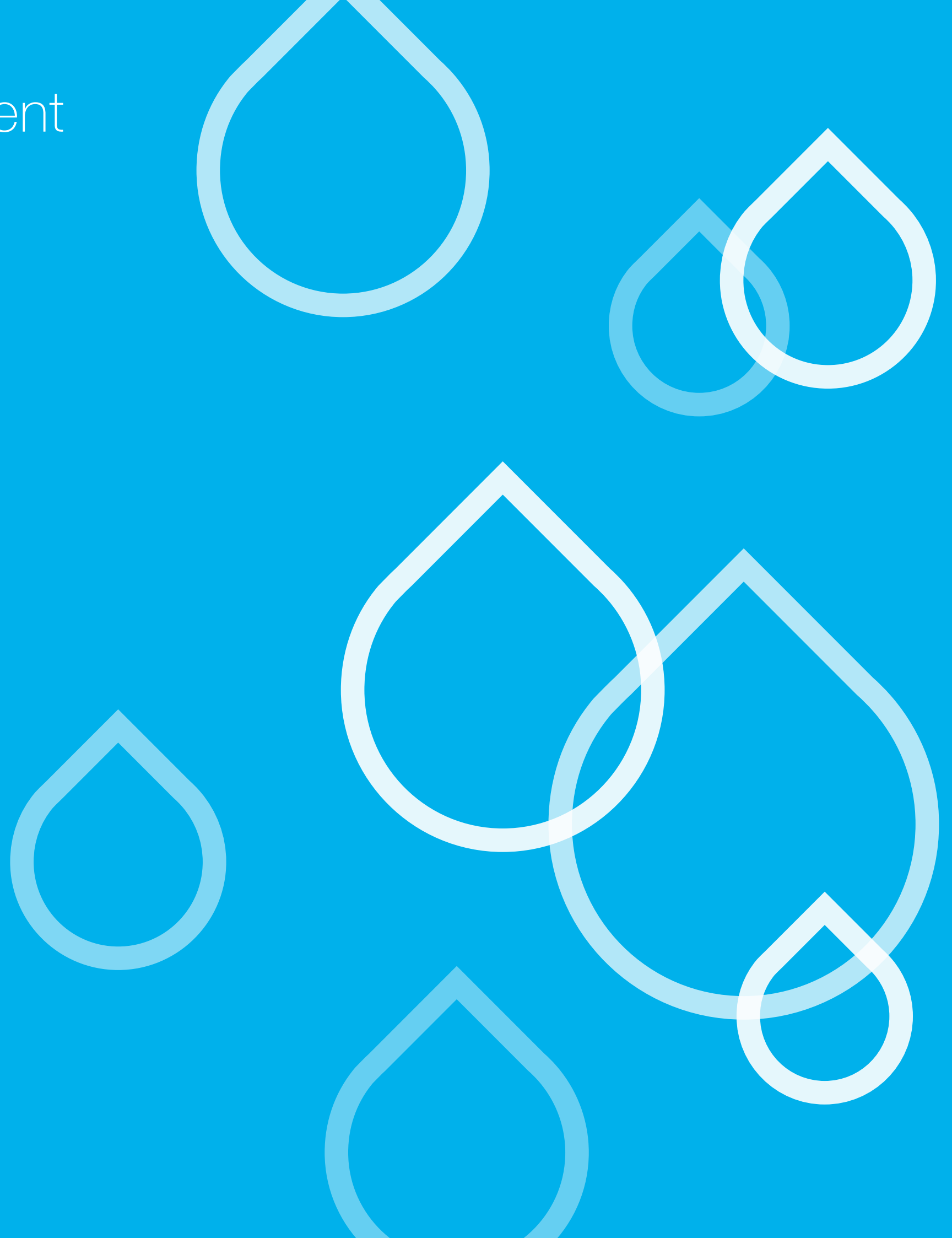


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“There is nothing permanent  
except change.”

Heráclito



# Inspired by water...

## Scope of the Report

This is the second Sustainability Report issued by OLI.

It outlines the main challenges and relevant data on the company's performance for the period between January 1st and December 31st 2016, providing stakeholders with information about its performance from the point of view of sustainable development.

The Sustainability Report was prepared in accordance with the guidelines for sustainability reporting – G4 – of the Global Reporting Initiative (GRI), in the "Comprehensive" option.

All indicators are compiled in the "GRI Content Summary", at the end of the report (available at [www.oli-world.com](http://www.oli-world.com)).



"At OLI, change is omnipresent, based on two convictions: the duty to change with humility and perseverance and the duty to make the world a better place to live, by protecting the planet and life itself."

#### Message from the Chairman

2016 was an important year for OLI. We managed to grow for the third consecutive year and completed significant investments for the future, in the field of industry and international expansion.

We have increased our manufacturing area, laid the foundation stone for the construction of an industrial moulding plant and began production at a new plant in Russia, which will provide flushing mechanisms for the main local ceramics companies and increase the presence of our brand in Russian distribution channels.

As part of our internationalisation project, we have set up a subsidiary in Germany, the third destination market for our exports, with the aim of increasing our turnover in strategic markets, such as Germany and Eastern Europe.

For the third consecutive year, we have strengthened our leadership in innovation, reaching the "top 3" of Portuguese companies with the highest number of European Patents. Our work in the field of Innovation was also recognised, namely by the awarding of the "Archiproducts Design Awards 2016", one of the most prestigious Architecture and Design awards in the world, and by having our solutions be prescribed for top Urban Regeneration projects.

We believe that these investments and recognitions, which marked 2016, reflect one of our DNA's main characteristics: the ambition for sustainable progress.

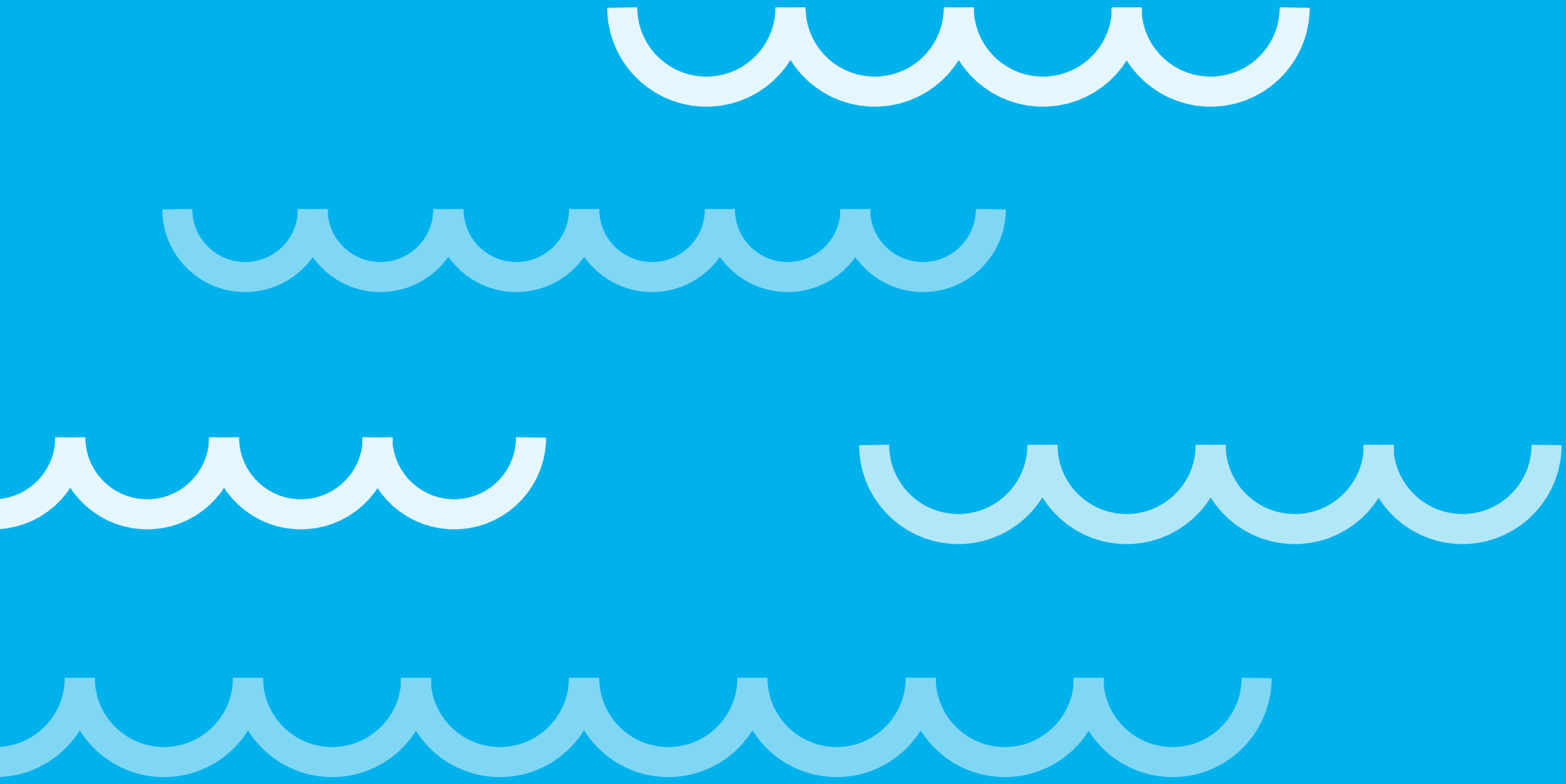
Change is "the law of life"! Over the course of our 62-year history, we have transformed the way we work, because we have always known that no progress is achieved without change. And in this unpredictable and volatile time in which we live, which gives us no certainties or guarantees, the only thing that is certain is that our future will heavily depend on our capacity for adaptation and transformation.

At OLI, change is omnipresent, based on two convictions: the duty to change with humility and perseverance and the duty to make the world a better place to live, by protecting the planet and life itself.

António Oliveira







## 1.1 OLI

OLI is the largest cistern manufacturer in Southern Europe. Established on March 1st 1954 in Aveiro, it started as a small family business, which, throughout its course, was involved in different areas of business, until it started manufacturing cisterns in 1980. To date, OLI has sold over 25 million units.

The production plant works around the clock, 24 hours a day, seven days a week, achieving a weekly output of 39 thousand cisterns and 159 thousand mechanisms. It is the only Portuguese company to produce concealed cisterns.

Eighty-three percent of its production is exported to 78 countries, on all five continents. In 2016, its turnover was around 49.2 million euros. The company currently employs 379 people in Portugal.

2016 was a very positive year for OLI: a growing sales volume for the third consecutive year, the beginning of production in Russia, the opening of a German subsidiary, the expansion of the Portuguese production plant (an additional 7,500 m<sup>2</sup>) and the construction of a new mould factory.





## 1.2 OLI in 2016



### Growth for the third consecutive year

OLI achieves growth for the third consecutive year, driven by growing exports to Germany, Europe's strongest economy.



## Opening of subsidiary in Germany

The opening of the German subsidiary intensifies the establishment of the brand in Germany and in neighbouring markets.



## Beginning of production in Russia

OLI built their first factory outside of Portugal in Russia. This production plant will manufacture mechanisms for ceramic cisterns.





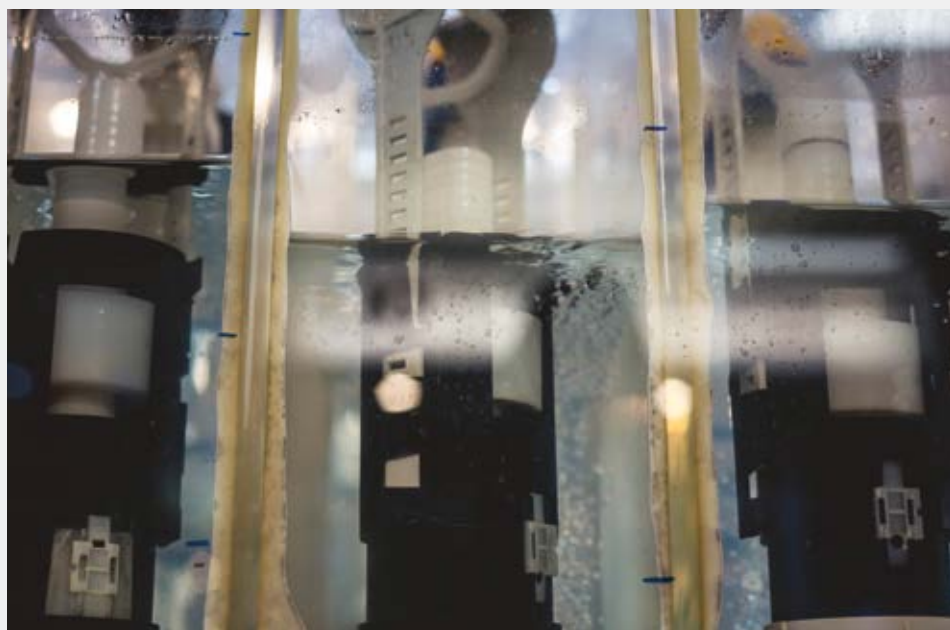
## New mould factory

The construction of a new mould factory aims at increasing our production capacity by 50% and at increasing the quality of complex and demanding moulds intended for hydro-sanitary and automotive industries all over the world.



## Excellence in Urban Regeneration

Three of the projects distinguished with the "National Urban Regeneration Award" were equipped with OLI solutions – Palácio do Raio (Braga) and Palácio do Bolhão (Porto): "Best Intervention in the 'Social Impact' category", and the Clérigos Church and Tower (Porto): "Honorable Mention for the Best Restoration".



## Leadership in Innovation

For the third consecutive year, OLI is in the "Top 3" of Portuguese entities with the highest number of patents in Europe, according to the report of the European Patent Office for the year 2015.



## Archiproducts Design Awards 2016

The control plate "Trumpet" for concealed cisterns won 1st prize at the "Archiproducts Design Awards 2016", one of the most prestigious Architecture and Design awards in the world. The equipment was designed by architect Álvaro Siza Vieira and was chosen "Best of Category 2016", in the "Bathrooms" category, among 490 nominations from 250 brands, from 15 countries.





**39 thousand**  
cisterns manufactured  
each week

**159 thousand**  
mechanisms manufactured  
each week

**379**  
employees



OLI is  
present in  
**78**  
countries and  
on 5 continents



**83%**  
of production is exported

Turnover in 2016:  
**49,2 M€**





## Our Mission

To create hydraulically sustainable and inclusive WC solutions, with a focus on design and functionality.



## Our Vision

To be a company of excellence, recognised for creating value, innovation, ethical relationships and a passion for people and the planet.



## Our Values

To implement strategic management systems, foster operational efficiency and develop a culture of excellence through sustainable and transparent practices throughout the entire value chain, as well as authentic, trusting and lasting relationships with all stakeholders.

To disseminate the Integrated Management System policy among employees, seeking a commitment to the principles of quality, continuous improvement and innovation.



### 1/Quality, Environment, Occupational Health and Safety

The improvement in the company's business activity results reflects the application, consolidation and active promotion of the principles of quality, environmental protection and preservation (including the adoption of measures to prevent and control pollution) and the improvement of safety conditions.



### 2/Total Customer Satisfaction

Everyday work is focused on the planning of resources and the monitoring of processes that anticipate and support customer needs, with the ultimate goal of complete satisfaction. Customers and suppliers are partners, with whom we strengthen our skills, with a view to the continuous improvement of our products and services.



### 3/Continuous Improvement and Innovation

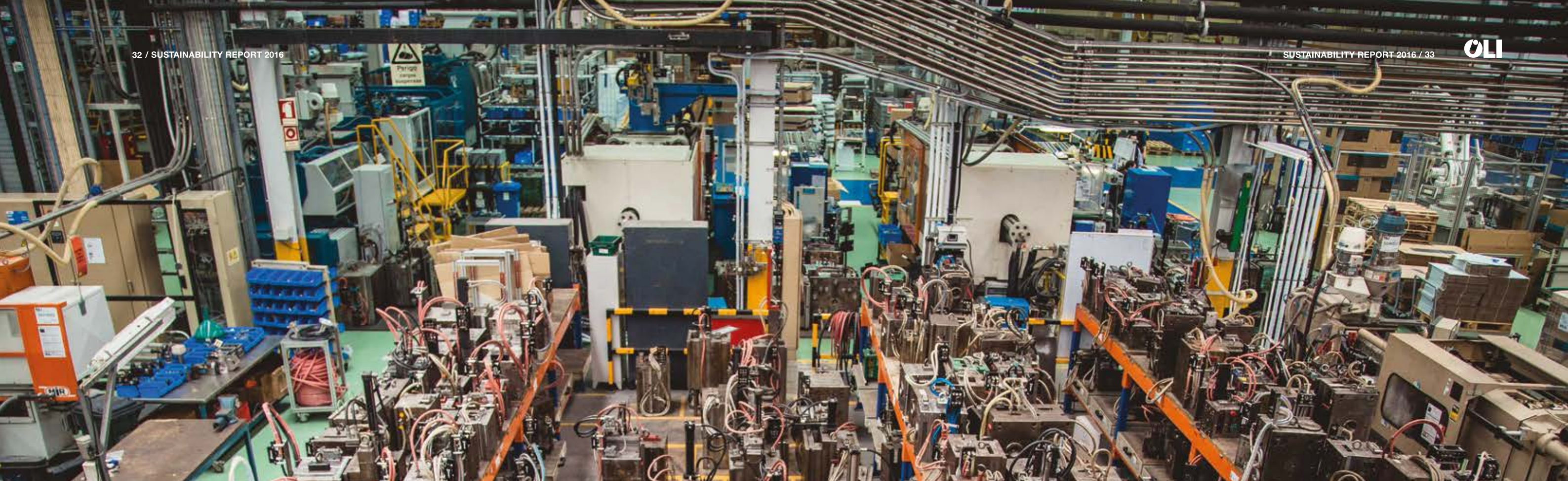
The process of continuous improvement and innovation begins with the measurement and monitoring of the different processes and the identification of key factors for progress. Therefore, it is essential to engage in a continuous search for improvements and creative solutions, with the belief that it will always be possible to do better in terms of products and organisation.



### 4/Cooperation

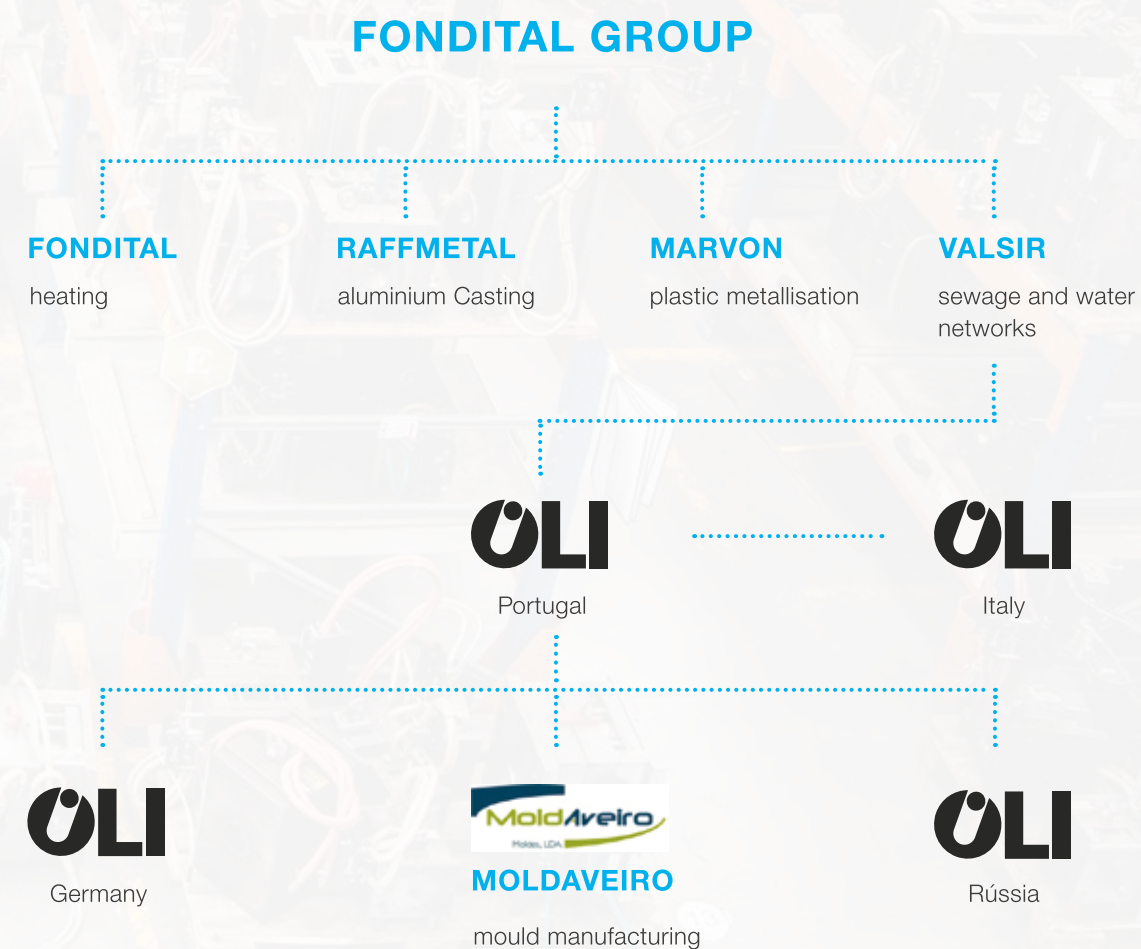
To recognise the value and importance of teamwork to achieve better results. To promote relationships of trust and proximity, stimulating the sharing of information and knowledge, valuing the contributions of all, with a view to ensuring collective growth.





## 1.4 Organisational Chart

In 1993, OLI became a part of the Italian Group Fondital, which operates in four sectors of activity – heating, aluminium, hydraulics and chromium plating and fire protection – and currently has 2600 employees and a sales volume of 674 million euros in 2015.





## 1.5 Milestones





## 1.6 OLI in the World

OLI is present in 78 countries on all the five continents, Europe being the main destination for its exports.

In 2016, the company established OLI Sanitärsysteme GmbH in Germany, in the town of Möckmühl, Stuttgart.

The German subsidiary will support the brand's international expansion plan, by intensifying its presence in this market and in neighbouring countries, through greater proximity to distributors and specialised retailers.

Also in 2016, OLI started the production of mechanisms in Russia, having opened its first industrial unit outside Portugal. This investment aims at catering to the needs of the Russian and neighbouring markets, eliminating the logistical problems and customs difficulties associated with the shipping of products to this geography.

A strategy based on water sustainability and product customisation (responding to the specifications of each country) has ensured the company international expansion and recognition.





## 1.7 Recognition

OLI's performance is characterised by ethical relationships and a commitment to innovation. In 2016, its work was recognised with new international distinctions and certifications.



### NATIONAL CERTIFICATIONS

**Management and Research, Development and Innovation Systems**

APCER

**Water Efficiency**

ANQIP

**Quality Management System**

**Research, Development and Innovation System**

**Occupational Health and Safety Management System**

**Environmental Management System**

### INTERNATIONAL CERTIFICATIONS

**LGA** (Germany), **KIWA** (Holland), **SIET** (Italy), **SAI GLOBAL** (Australia) e **WRAS** (England)

**UPC** (United States of America and Canada)

**SIRIM QAS** (Malaysia)

**CQC** (China)

**CSTB** (France)



### AWARDS

**Kaizen Lean Award 2012**

Category: "Excellence in Productivity"

**Prémio Inovação da Construção (Construction Innovation Award) 2014**

Category: "Bathrooms – Accessories and Equipment"

**Prémio Inovação da Construção (Construction Innovation Award) 2015**

Category: "Bathrooms – Accessories and Equipment"

**Prémio Inovação da Construção (Construction Innovation Award) 2015**

Category: "Bathrooms – Accessories and Equipment"

Category: "Businesses"

**Prémio Inovação da Construção (Construction Innovation Award) 2015**

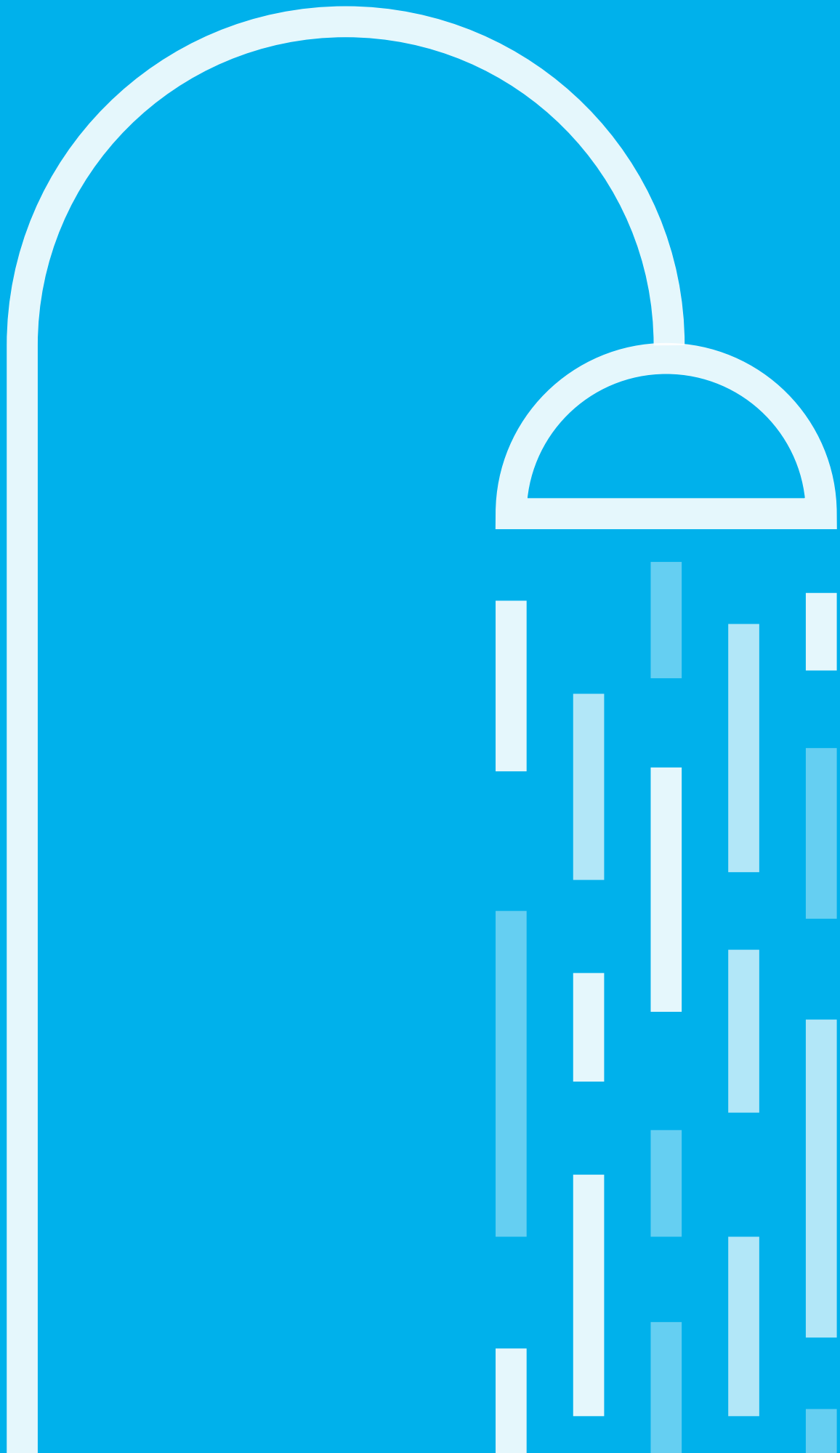
Category: "Bathrooms – Accessories and Equipment"

Category: "Businesses"

**Archiproducts Design Awards 2016**

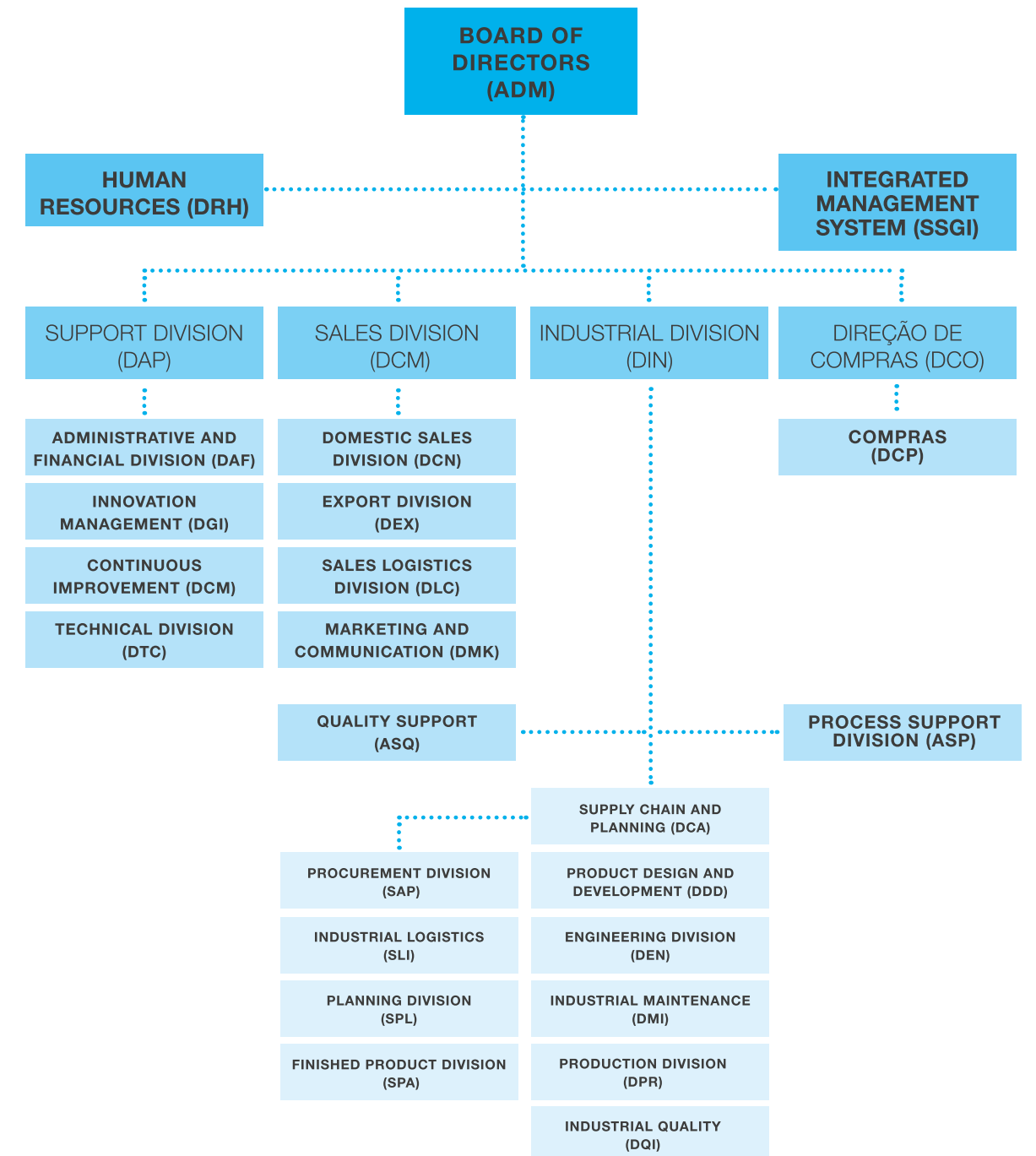
"Trumpet" control plate, designed by the 1992 Pritzker Architecture Prize Laureate Álvaro Siza Vieira





# 02/Governance and Management

## 2.1 Governance





## 2.2 Sustainable Production

At OLI, innovation, in terms of water preservation and socio-economic development, has contributed to a sustainable creation of value.

For the third consecutive year, OLI was in the "Top 3" Portuguese entities with the highest number of patents in Europe, according to the report of the European Patent Office for the year 2015. This study also shows that OLI is the most innovative WC solution brand in the country. It currently holds 41 active patents in the European continent.

OLI develops and manufactures a wide range of solutions for sanitary installation systems – concealed cisterns, exposed cisterns, control plates and mechanisms (inlet valves and outlet valves).

# 41

active patents



**CONCEALED  
CISTERNS**



**CONTROL  
PLATES**



**PLASTIC CISTERNS  
FOR CERAMIC TANKS  
(INNER CISTERNS)**



**SANITARY  
MODULES**



**EXPOSED  
CISTERNS**



**MECHANISMS**



Over the last 25 years, OLI has created solutions that have changed daily experiences in WC spaces on a global scale. The WC has become more efficient and environmentally friendly, more comfortable and autonomous, particularly for people with reduced mobility.

23 years ago, OLI was responsible for the mass production of dual flushing cisterns, an innovation that is currently present worldwide, and which is responsible for a 50% reduction in water consumption. Each year, the company launches novel products, all with two characteristics in common – water efficiency and accessibility. In 2016, among several innovations, the company launched the "IVC1000 LeakSafe" waste-preventing flushing system and the "Electra" flushing control plate. The "IVC1000 LeakSafe" inlet valve incorporates a slow and rapid leakage detection system, which alerts the user of malfunctions. The "Electra" incorporates a no-touch flushing system, which uses infrared sensors to avoid human contact and maximise hygiene and safety.

Over the last 25 years,  
OLI has created solutions  
that have changed daily  
experiences in WC  
spaces on a global scale.

These solutions, designed and developed at OLI's Research and Development Center, take on the challenge of reducing water consumption and meeting hygiene and safety requirements in public spaces, such as airports or hospitals.

From inlet valves that quickly and quietly fill flushing cisterns, to sturdy, self-supporting structures that allow the user to adjust the height of the toilet bowl, the brand's wide range of solutions reflects the ambition of a bathroom without any water waste and that is comfortable, autonomous and safe for all.





## 2.3 Advocacy for Sustainable Development

In Peru, the Amazon Discovery Hotel Boat, which offers contact with the natural beauty of the Amazon jungle, has chosen OLI to equip its WC spaces. This hotel chose the "OLI74 Plus Sanitarblock" concealed flushing cisterns, characterised by quick and quiet filling (with 3 or 6 litre water flushing options), the "Azor Plus" water-saving inlet valves and the "Slim" control plates.

This prescription strengthens OLI's presence in international reference projects that are environmentally responsible and value nature.

Also in 2016, OLI was chosen by the Israeli hospital Tel Aviv Sourasky Medical Center to assist in reducing contamination in washrooms. This hospital unit, renowned for its excellence in medical treatment and health research, has become the first public institution in Israel to adopt electronic flushing with a view to reducing the occurrence of hospital infections. OLI equipped this hospital with "OLI74 Plus Sanitarblock" concealed cisterns and "Electra III" control plates, with no-touch system.

Barco Hotel Amazon Discovery

Interior de um quarto no Barco Hotel Amazon Discovery



Centro Hospitalar Tel Aviv Sourasky



As part of the World Toilet Day (November 19th), OLI launched an alert: 2.5 million people worldwide do not have access to a safe and private bathroom and one in three people does not have a WC with adequate hygiene and safety conditions.

It is also known that, every day 5,000 children under the age of five die from poor sanitation, 60 million children are born in homes without basic sanitation and, in underdeveloped countries, only 47% of schools have adequate sanitary conditions.

In order to raise public awareness of problems in the field of Public Health, OLI, in partnership with LX Factory, invited 16 designers to turn WCs into works of art, as part of the World Toilet Day celebrations (November 19th).

Inspirations were diverse – from Kintsugi, the Japanese art of repairing broken objects with a mixture of lacquer and gold, the amusement of expressions in front of the mirror, the freedom of a bathroom in the middle of the forest and the dispute between Hillary Clinton and Donald Trump in the US presidential Elections.

Over 2.5 billion people worldwide do not have access to a safe and private bathroom

—  
every day 5,000 children under the age of five die from poor sanitation

—  
in underdeveloped countries, only 47% of schools have adequate sanitary conditions

This was not the brand's first association to art. Over the last five years, OLI has continuously and consistently worked with a number of authors, including the Pritzker Prize-winning architects Álvaro Siza Vieira and Eduardo Souto de Moura.

After the exhibit, the 16 works were auctioned and the amount raised was donated to a Private Institution of Social Solidarity that cares for people with motor and mental problems who require a high degree of hygienic care.









## 2.4 Commitment to Innovation

The future of the planet and of humanity depends on water, an increasingly scarce resource. In order to increase society's awareness of the pressing need for a change in consumption patterns, especially in the WC (responsible for 33% of the daily water consumption), OLI challenges each and every one of us to transform our relationship with the environment, through efficient solutions.

At OLI, strategic cooperation with knowledge networks in scientific and technological areas has been crucial for the creation of sustainable value and economic development. In recent years, we have intensified and diversified our cooperation with reference entities of the National Technological and Scientific System.

In 2016, new partnerships were established within the scope of the "Compete 2020" projects, as part of "Portugal 2020", namely in "R&D Programmes – Projects in Co-Promotion". Two project applications were also approved, whose main goal is the development, industrialisation and commercialisation of two innovative products.

Throughout the year, we have intensified our cooperation with partners such as the University of Aveiro, the University of Minho, ANQIP - Portuguese Association for Quality in Building Services and Inovadomus.

At OLI, strategic cooperation with knowledge networks in scientific and technological areas has been crucial for the creation of sustainable value and economic development.





In 2016, the reformulation of the Research, Development and Innovation (IDI) process was consolidated, and a new approach was taken in the development of new products. The addition of qualified human resources in 2015 proved crucial for the success of the various product projects developed throughout the year for new reference customers in international markets.

In the field of intellectual property management as a strategic activity in the RDI process, three new patent applications were filed.

In order to effectively manage employee knowledge and cooperate within innovation networks, the company has implemented an "RDI Management System", which allows it to discipline and systematise methodologies.

A life-cycle testing laboratory is in operation 24 hours a day, seven days a week, within the sphere of Research and Development. In a total of 72 testing stations, divided into six benches, all products are tested, including with different types of water (hard water, sea water and rain water), given that different types of water are used in the sanitary installation systems of each of OLI's different destination geographies.

In order to consolidate its leadership in the creation of technologically advanced and competitive solutions, throughout 2017, OLI will develop and implement a strategy within the scope of Industry 4.0.

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## 2.5 Strategic Axes 2017



Sales volume  
growth



Innovation



Environmental  
Sustainability and  
Quality



Competitiveness in  
Procurement



2.6 Involvement with Stakeholders

For OLI, sustainable development means sharing value with stakeholders, through various channels of communication, consultation and dialogue.

The company's performance before its various stakeholders is marked by solidity and based on ethical relationships. Committed to creating positive relationships, OLI invests on a permanent communication policy, implementing programmes designed to promote the values and ethical principles of its corporate culture, its sustainability policy and its strategic business goals.

The improvement and consistency of our business results reflect the participation and involvement of employees in the implementation and consolidation of the principles of the "Total Quality" project - Environmental Protection, Improvement of Occupational Health and Safety - and of the programme intended to minimise the most significant environmental impacts, particularly those related to energy consumption, hazardous substances and waste generation.



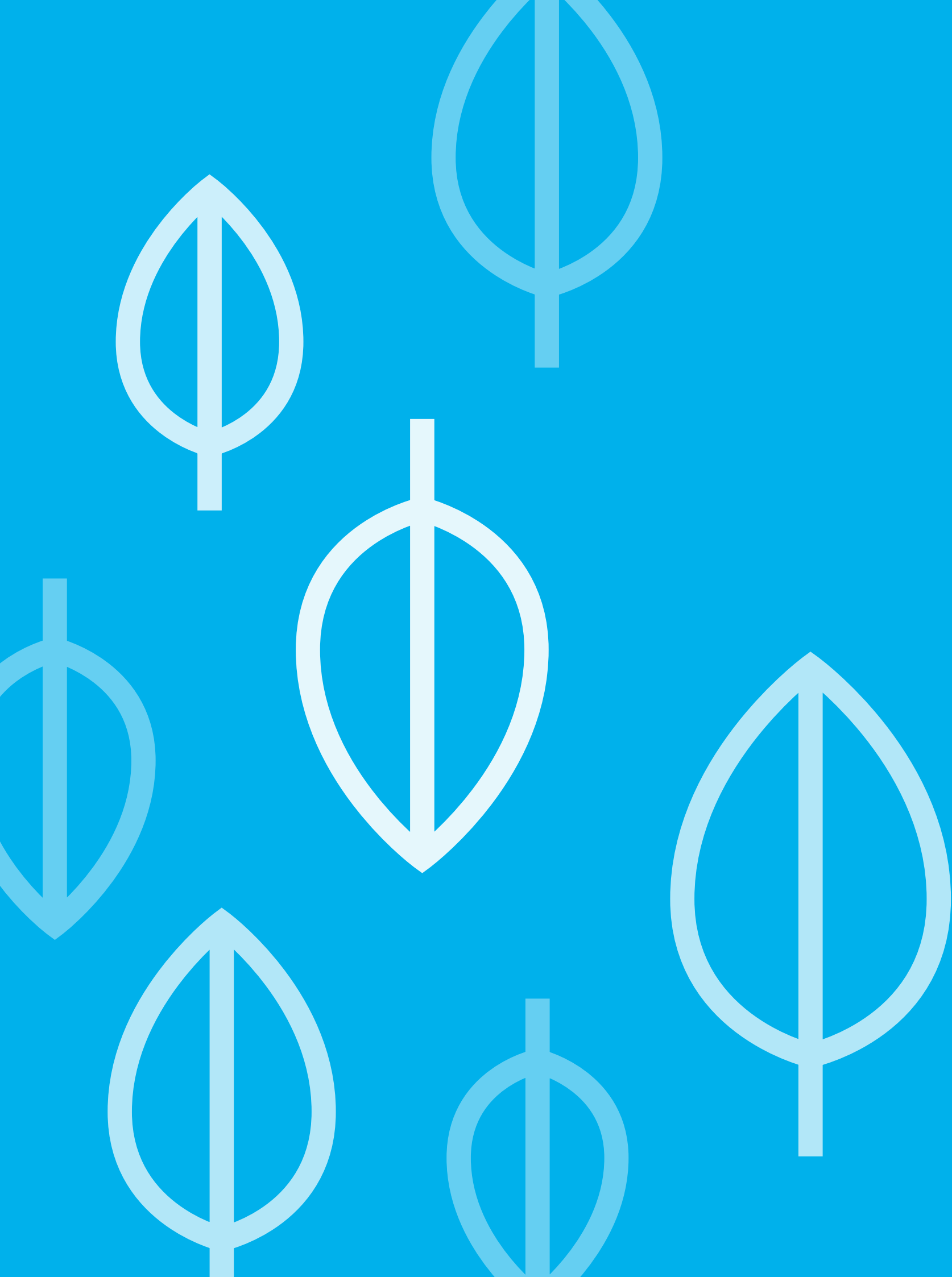
PUBLIC <i>(stakeholders)</i>	COMMUNICATION CHANNELS
Shareholders	<div><div>– Regular Board of Directors meetings</div><div>– Monthly Management Control Report</div></div>
Suppliers	<div><div>– Regular Follow-Up Meetings</div><div>– Annual Contract Renewal Meetings</div><div>– Audits and Visits</div><div>– Complaint Management</div><div>– Supplier Performance Evaluation Procedures</div><div>– Best Practice Statement</div><div>– Service Agreement</div></div>
Customers	<div><div>– Customer Audits (Top 10)</div><div>– Visits to and from Customers</div><div>– Complaint Analysis</div><div>– Satisfaction Evaluation Processes</div></div>
Partners	<div><div>– Visits to/from partners</div><div>– Development of research projects</div></div>
Regulating Bodies	<div><div>– Audits</div></div>
Employees	<div><div>– Monthly BSC Meetings</div><div>– Weekly meetings with the ADM (daily if necessary)</div><div>– Daily Kaizen Meetings</div><div>– Interdepartmental Evaluation</div><div>– Emotional Framework</div><div>– Idea Management System</div></div>
Competitors	<div><div>– Keep informed with communication and media (websites, brochures, catalogues, among others)</div><div>– Point of sale analysis</div></div>
Distributors	<div><div>– Service Evaluation Meeting (price, quality and deadlines)</div></div>



## 2.7 Risk Management

The company has implemented a risk management policy that measures and monitors risk with impacts on finance, health, safety, the environment and society.

Strategic Risks	<ul style="list-style-type: none"><li>– Efficiency of investments made by the company</li><li>– Capture and retention of qualified human capital</li></ul>
Operational Risks	<ul style="list-style-type: none"><li>– Resource estimation</li><li>– Ensuring health, safety and the environment</li><li>– Business continuity and crisis management</li><li>– High competition in certain product ranges</li></ul>
Financial Risks	<ul style="list-style-type: none"><li>– Credit restrictions</li><li>– Uncertainty regarding the economic setting</li></ul>
Internal Risks	<ul style="list-style-type: none"><li>– Concentration of product categories that represent the highest turnover in 10 customers and markets</li><li>– Entry of new players into the market</li><li>– Offsetting the relationship between a product's perception vs. its intrinsic value-quality</li></ul>
External Risks	<ul style="list-style-type: none"><li>– Industrial accidents – marginal since the company does not use any hazardous and/or toxic substances or gases, although it is located near the Industrial Zone of Taboeira (chemical industry risk is considered low)</li><li>– Natural Origin – floods, earthquakes, forest fires, cyclones, storms and thunderstorms</li></ul>



# 03/Vectors of Sustainability



## 3.1 Economic Performance

### MACROECONOMIC SETTING

In 2016, the macroeconomic performance of the European economies, which accounted for 84% of OLI's sales, was positive. The construction and real estate sectors showed some recovery, which was still tenuous but stimulating, after a long period of recession.

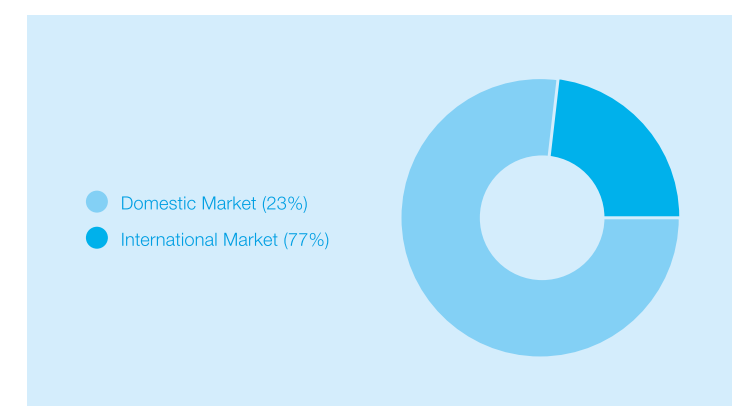
In Eastern Europe, particularly in Russia and neighbouring countries, and in the Middle East, geopolitical disturbances have negatively affected the company's performance. In Africa and Asia, there were positive signs of stability, economic growth and favourable market dynamics. Lastly, with regard to the American continent, despite the rhythm variations between countries, the data for the future was rather stimulating.

### ECONOMIC AND FINANCIAL ANALYSIS

In 2016, OLI achieved a turnover of 49.2 million euros (M€), which represents a 6.7% increase against 2015. The domestic market grew by 5.5% and accounted for 22.7% of total sales, whereas exports increased by 7%, accounting for 77.3% of total sales.

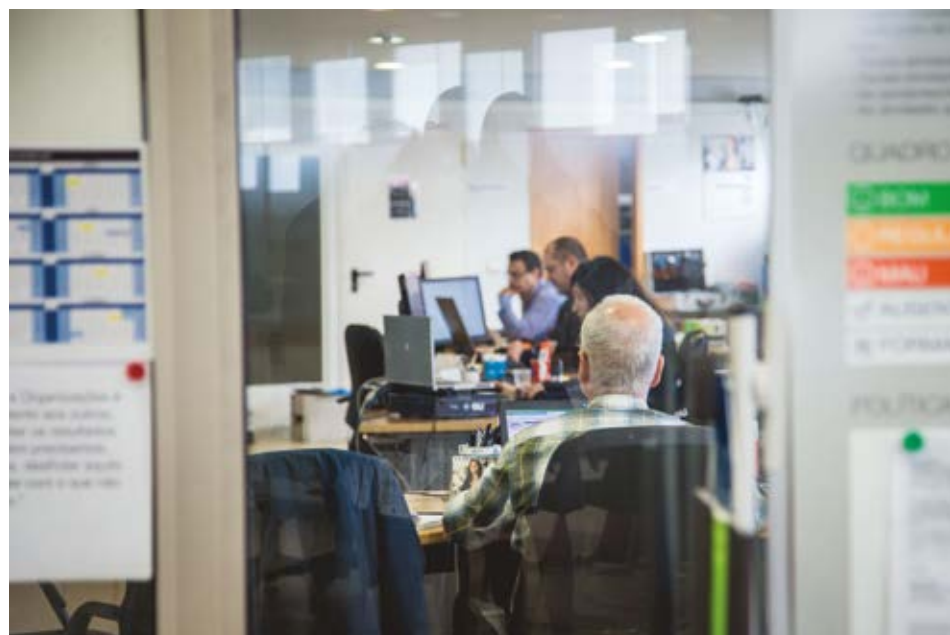
This upward trend was driven by the 20.5% growth in exports to Germany, the largest European economy, where OLI established a subsidiary in 2016 with the aim of supporting its international expansion plan into Germany and neighbouring markets, through closer proximity to specialised distributors and retailers.

49,2  
million euros  
turnover  
+6,7%

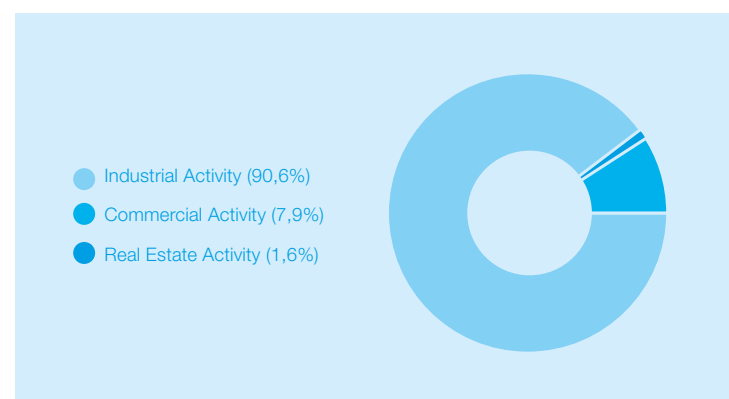


PERCENTAGE OF SALES IN THE VARIOUS MARKETS IN 2016





OLI's global sales are aggregated into three activities – Industrial (90.6% of total sales), Commercial (7.9% of total sales) and Real Estate (1.6% of total sales).

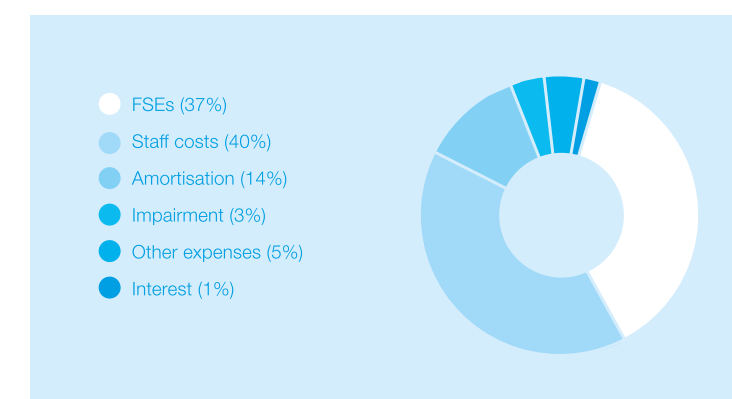


SALES BROKEN DOWN BY ACTIVITY IN 2016

In addition to the company's good commercial performance, we highlight the positive evolution of the gross accounting margin, which benefited from a drop in the cost of raw materials in international markets and from the higher added value generated by the product mix. Gross margin increased by 3 percentage points, reaching 56.4% of turnover.

Operating expenses kept up with the progress of the operating activity, resulting in an increase of 2.3 M€, corresponding to 10% of total expenses and resulting from the increase in the cost of FSEs and amortisations, of 11% and 30%, respectively.

Another item that contributed to the rise in operating expenses was impairment, namely related to the real estate activity, inventories and customer debts.



OPERATING COSTS IN 2016

Amortisation and depreciation for the financial year increased by 812,337 euros, as a result of investments made in fixed assets in recent years.

In line with the previous year, the item interest and similar expenses has decreased, as a consequence of a reduction in net indebtedness carried out throughout the year.

The combination of factors such as the developments in business volume, improvements in process efficiency and gross margins, as well as operating expenses, contributed to raise OLI's profitability levels.

EBITDA increased by 2.5 million euros, a 39% increase over the previous year. In relative terms and comparing with sales, the ratio increased to 18.6%. In turn, cash flow rose by 20%, from 6.9M€ in 2015 to 8.4M€ in 2016.

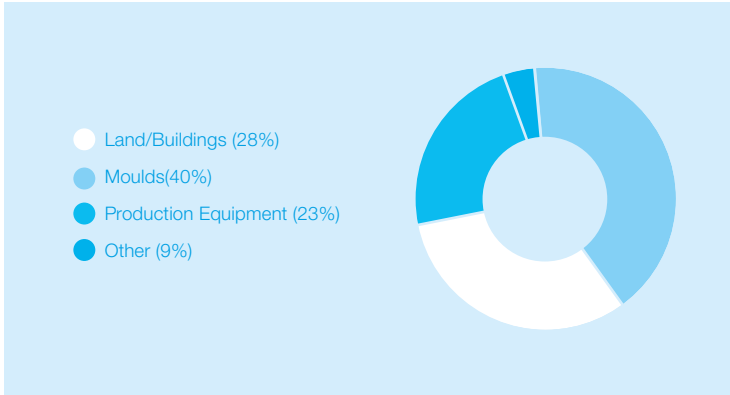
Investment in fixed assets stood at 3.3M€, representing a 38% decrease against 2015. Investments were concentrated in four areas – land and buildings (28%), moulds (40%), production equipment (23%) and other (9%).

2,5M€

EBITDA

+39%



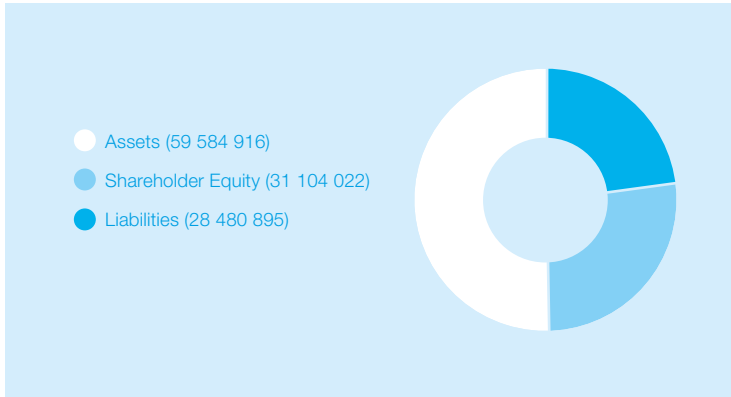


INVESTMENTS MADE IN 2016

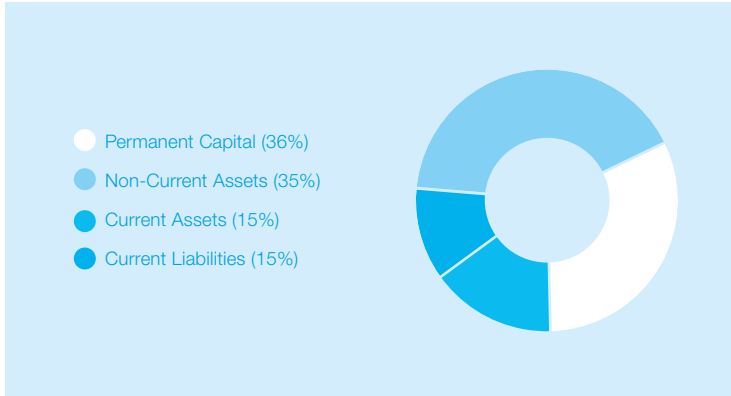
The increase in cash flow allowed us to cope with capital expenditure and reduce indebtedness, closing FY 2016 with a net debt of 15.6M€ (less 1.3M€ than in 2015). With the decrease in indebtedness and the increase in EBITDA, it was possible to significantly improve the debt ratio.



In terms of capital structure, the company maintained its structure optimisation policy, seeking to finance investments in fixed assets and permanent working capital needs, resorting to medium- and long-term financing, as well as to finance cash cycles using short-term instruments. In this regard, at the end of 2016, permanent capital represented 101% of non-current assets, while current liabilities represented 97% of current assets. Financial autonomy increased from 47% (2015) to 52% (2016).



BALANCE SHEET



CAPITAL STRUCTURE



## 3.2 Social Performance

It is people who are responsible for OLI's international success. It is they, with their involvement and commitment to quality, who have driven innovation, doing things differently every day, in a constant search for continuous improvement.

In 2016, OLI employed a total of 379 people, a 2.4% increase against 2015, which corresponded to the creation of nine new jobs. However, throughout the year, this number varied due to the need to adjust productive capacity to demand, in view of the seasonality that characterises some of the company's international target markets.

379

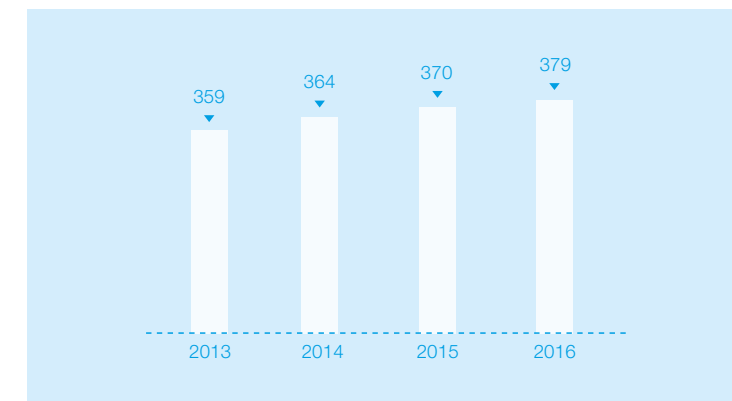
employees

300

open-ended contract

79

fixed-term contract

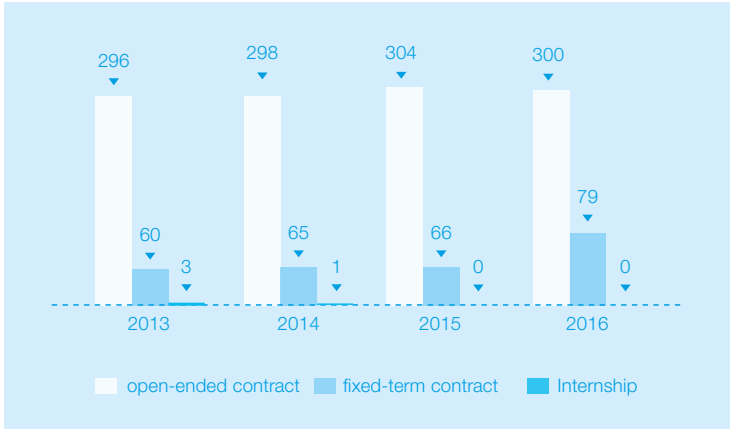


NUMBER OF EMPLOYEES 2013-2016



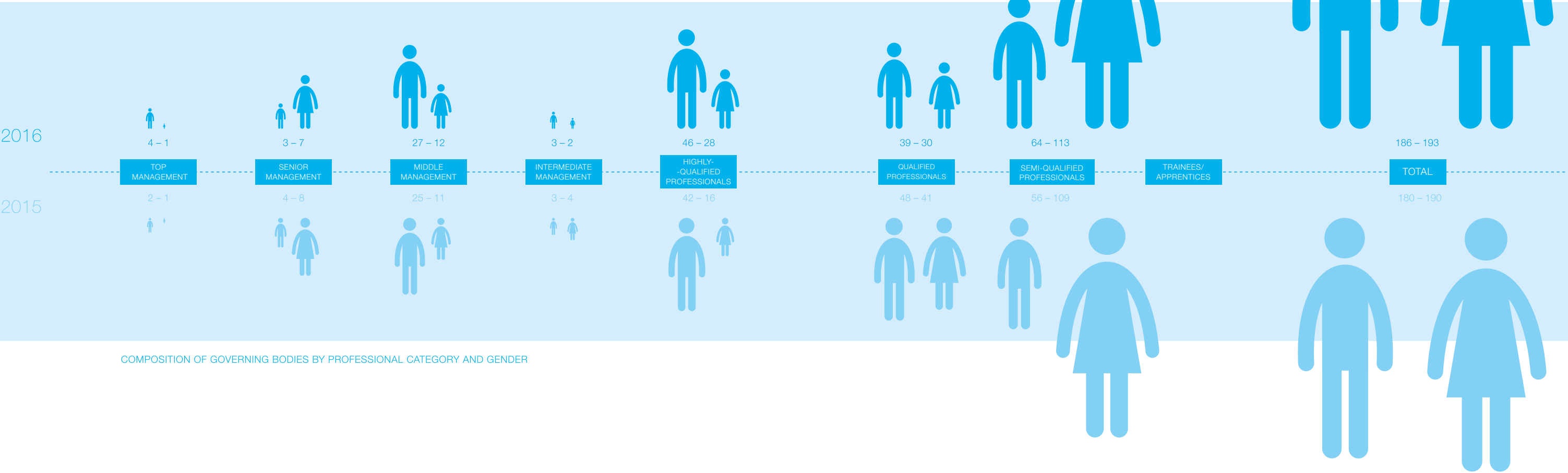


Consistent with the organisation's trend over recent years, the number of female workers (193) is higher than that of male workers (186). With regards to age distribution, there is still a concentration in the 30-50 range, as the average age is 39 years old.



GRAPHIC REPRESENTATION OF CONTRACT TYPES

193  
females  
186  
males



COMPOSITION OF GOVERNING BODIES BY PROFESSIONAL CATEGORY AND GENDER

PROFESSIONAL CATEGORY ▼ AGE GROUP ►	2014			2015			2016		
	< 30	30 - 50	> 50	< 30	30 - 50	> 50	< 30	30 - 50	> 50
Top Management	0	0	3	0	0	3	1	0	3
Senior Management	0	15	2	1	8	3	1	5	4
Middle Management	2	3	1	7	27	2	5	33	1
Intermediate Management	18	43	1	1	4	2	0	3	2
Highly-Qualified Professionals	6	36	2	16	38	4	7	61	6
Qualified Professionals	7	14	6	13	63	13	11	41	17
Semi-Qualified Professionals	30	132	42	29	107	29	31	116	31
Trainees/Apprentices	1	0	0	0	0	0	0	0	0
TOTAL AGE GROUP	64	243	57	67	247	56	56	259	64
YEAR TOTAL	364			370			379		

COMPOSITION OF GOVERNING BODIES BY AGE GROUP

EMPLOYEE TURNOVER	2014	2015	2016
Admissions	35	53	51
Exits	30	47	42
Employees at the end of the period	364	370	379
Average number of employees	361	369	373
Admission rate (%)	10	14	14
Exit rate (%)	8	13	11

NEW HIRE RATES AND TOTAL AND EMPLOYEE TURNOVER



Our organisational management is characterised by strict compliance with the fundamental principles of human rights, such as respect for human dignity, elimination of forced labour, renunciation of child labour, equal opportunities and absence of any discrimination based on sex, race, religion or political beliefs.

At the same time, the reconciliation of work, family and personal life, through the promotion of quality of life, health and well-being among employees, stand out as best practices and are promoted systematically.

OLI has implemented a human capital management policy based on strong and transparent relationships, seeking to stimulate change, action, motivation, understanding and cooperation on every level.

OLI has implemented a human capital management policy based on strong and transparent relationships, seeking to stimulate change, action, motivation, understanding and cooperation on every level.





In this sense, in 2016, we created an employee portal, allowing real-time access to important day-to-day information. This initiative has significantly improved interaction and organisational cohesion and there are plans to extend it to a wider number of employees throughout 2017.

In addition to this important communication medium, the company also publishes the monthly internal newspaper "MundOLI" which disseminates information on the organisation among all its workers.

OLI recognises the importance of internal communication in developing a strong sense of belonging, establishing a climate of individual and collective concern with competitors and encourages its human capital to raise its potential accordingly.

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## SKILL DEVELOPMENT

Knowledge and continuous improvement are two core pillars of OLI's organisational development. Investing in professional appreciation, through the promotion of actions aimed at the acquisition of technical and behavioural skills, has rendered better results in terms of productivity, efficiency and creation of value for the organisation.

The continuous participation of employees in training initiatives aims at ensuring their capacity to respond to the increasing demands of the competitive global market in which OLI operates.

The development of skills in a structured way, in specific areas, has allowed the adaptation of human resources to the new socio-economic context and their preparation for future challenges.

Over the last four years, the number of training hours has increased steadily, reflecting our consistent investment in ongoing learning.

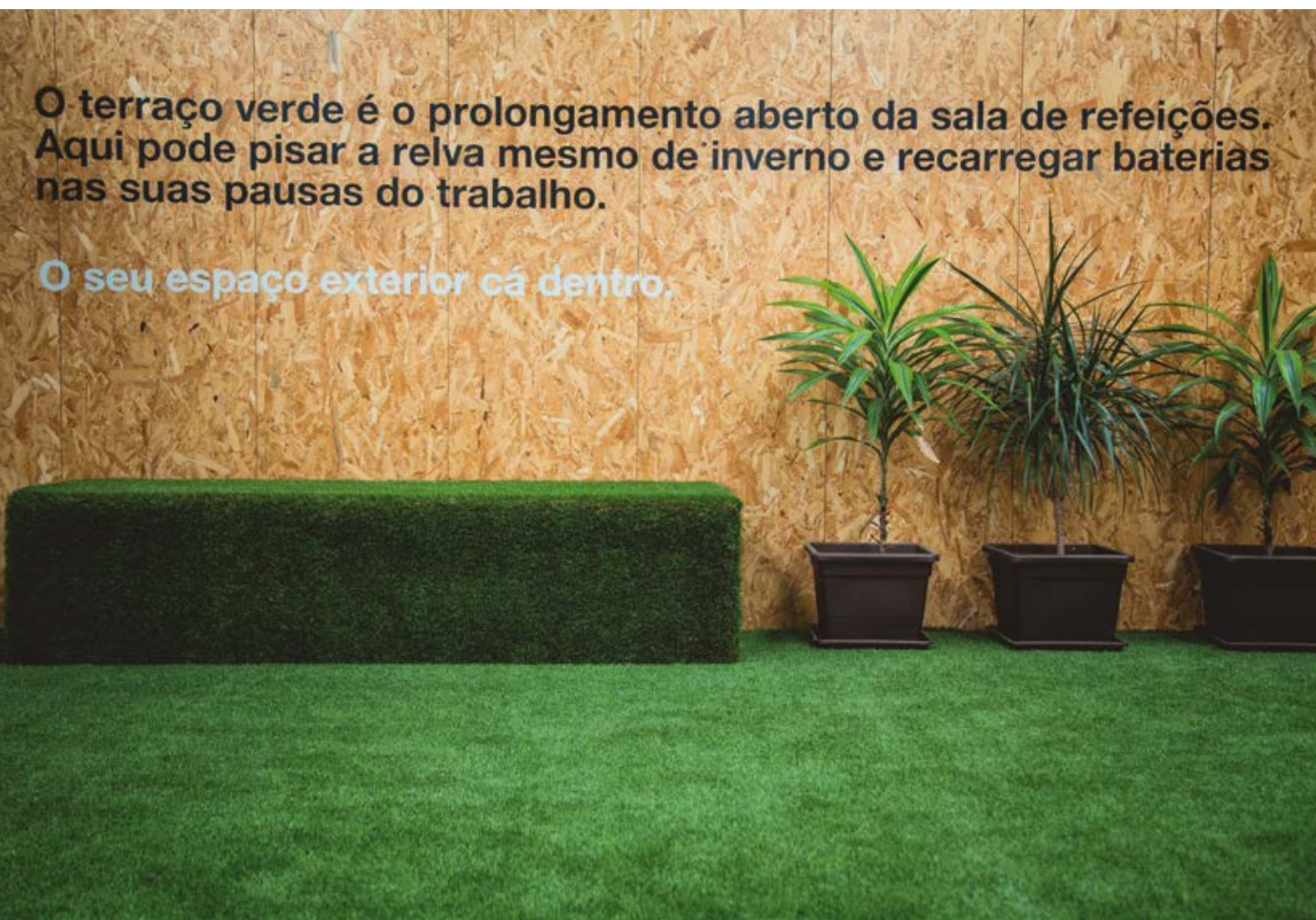
In 2016, a total of 13,860 training hours were provided. Business Organisation, Occupational Health and Safety and Personal Development were the areas most addressed in training.

Knowledge and continuous improvement are two core pillars of OLI's organisational development.

In 2016, a total of

# 13.860

training hours were provided.





TRAINING AREA	NO. OF HOURS		
	2014	2015	2016
Trade	415	431	118
Civil construction and civil engineering			69
Accounting and Taxes	38	57	179
Personal Development	432	462	1734
Electricity and energy	20	8	119
Electronics and automation	14	84	24
Engineering and related techniques	74	30	
Integration into the organisation/company	10999	11189	9033
Finance, banking and insurance	2	4	3
Training of teachers and trainers		360	
Business management and administration	68	413	289
Information technology		24	
Information technology for users	317		135
Foreign languages and literature	42	200	25
Marketing and advertising	12	38	21
Metallurgy and metalworking	20	14	112
Secretarial and administrative work			4
Occupational health and safety	443	81	1994
Transport services	3	35	
Environmental protection technology			44
Chemical process technology	8	234	52
TOTAL	12905	13666	13860

NUMBER OF TRAINING HOURS BY AREA

9.033  
organisation/company  
integration.

1.894  
Occupational Health  
and Safety.

1.734  
Personal Development.

MOMENTS OF SHARING

Committed to developing solutions, supportive attitudes, cooperative actions and general accountability regarding organisational performance, OLI promotes a set of recreational and sporting initiatives, geared towards an involvement and commitment to the company's goals.

Challenges, fun and strategy characterise these social networking activities, which promote team spirit and increase motivation. In 2016, several initiatives were organised – Sailing Championship, Christmas Party, Birthday Lunch, Open Day, Fishing Competition, among others.

Challenges, fun and strategy characterise these social networking activities, which promote team spirit and increase motivation.





SOME OF THE ACTIVITIES CARRIED OUT



Sailing Championship

Sailing championship for employees with a prize for the winning team.



World Water Day

The World Water Day is celebrated with a regatta involving special vessels – canoes, boats, dinghies, rafts and catamarans, built by employees and general public using OLI materials.



OLI Open Day

Every year, OLI brings together its employees and their families, offering various activities for all ages.



Fishing Competition

As part of the "OLI Open Day" initiative, there is a fishing competition for employees.



Christmas Basket

In December, OLI opens its doors to "elves", who bring a Christmas basket to each employee.



Christmas Party

OLI's Christmas Party is a unique moment of joy and fun for the children of the company's employees.


### Women's Day


On International Women's Day, celebrated on March 8th, all female workers receive a flower.



### "Magusto"


St. Martin's day was celebrated with a fun "Magusto" party.





### OLI's Anniversary

The anniversary lunch, held on the company's premises, is always a unique and joyful celebration.



### Inauguration of the Christmas Tree

The inauguration of the Christmas Tree, at Jardins das Oliveiras, welcomed the holiday season, in a moment symbolically marked with hot chocolate.

### Internal Newspaper

"OLI World" is a monthly internal newspaper, which contributes to directly disseminating information concerning the OLI universe. This communication channel disseminates the company's developments, projects and challenges, and enables employee participation.



### Team Building Activity

Employees participated in team building and leadership development activities

### Solidarity Training

The sum raised during a solidarity training initiative was donated to the "Florinhas do Vouga" Association.



## Employee Benefits



### Tax Return Filing Support

The company provides specialists to assist employees in preparing and filing their Tax Returns Statements.



### Birthday Gift

Employees receive a symbolic gift on their birthday.



### Physiotherapy

Free physiotherapy service offered to employees, on the company's premises and under a special protocol with a Physiotherapy Office.



### Symbolic Baby Gift

Employees receive a symbolic gift for their new born baby.



### Curative Medicine

OLI provides a physician and free curative medical consultations.



### Symbolic gift for Seniority

A symbolic gift is offered to employees celebrating 25 years at OLI.



### Workplace Gymnastics

Workout programme with specific exercises for employees in industrial and administrative areas.



### Protocol with Entities

Protocols with several discount entities and special conditions for various services – healthcare, sports, education, insurance, driving schools, and activities for children, among others.



### Health Insurance

The company offers its workers health insurance.

## OCCUPATIONAL HEALTH AND SAFETY

Reflecting its focus on health, in 2016, OLI carried out an assessment of the psychosocial risks to which the administrative human resources were subject, and no risk factors were diagnosed.

However, the company implemented the "Maximiza" programme, which involved several activities aimed at increasing self-knowledge among employees.

Also in order to promote occupational health and safety and develop a proactive culture of prevention of occupational and health risks, the company laid the foundations for a training initiative called "Jogar pelo Seguro" (Playing it Safe). The aim is for employees to acquire knowledge and skills in the field of occupational health and safety, raising their awareness of job hazards and issuing best practice recommendations.

OLI carried out an assessment of the psychosocial risks to which the administrative human resources were subject, and no risk factors were diagnosed.



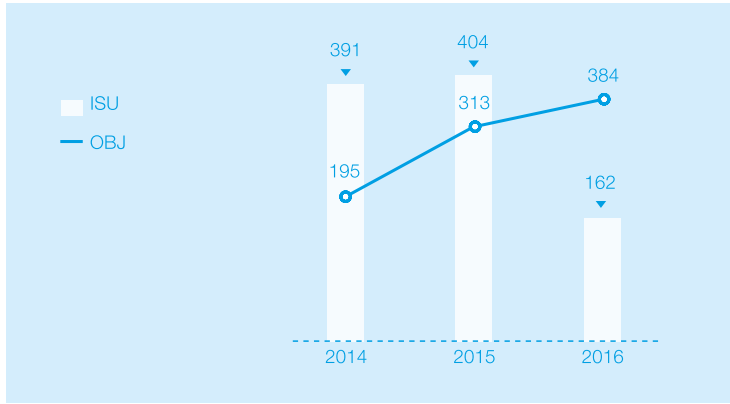
As a result of health and safety policies aimed at reducing incidents and improving the quality of life for all, indicators have improved. The severity index decreased by 60% and the frequency rate decreased by 34% compared to 2015.

In 2016, the NP EN ISO 9001:2015 and NP EN ISO 14001:2015 standards transition process began, an evolution that intends to reinforce and increase the trust of all of the organisation's stakeholders, through the continuous improvement of its processes, products and services.

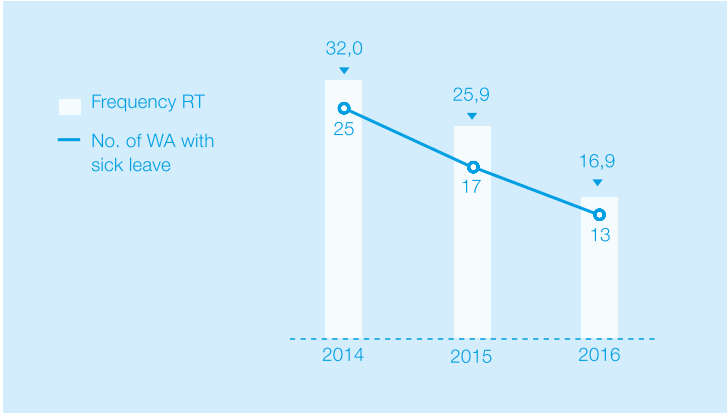
In 2011, the company began monitoring the SSI (Single Safety Index) indicator, which includes the accident frequency rate, severity and associated costs.

In 2016, the SSI was 160, which was the best result of the last five years, having decreased by 60% over the previous year.

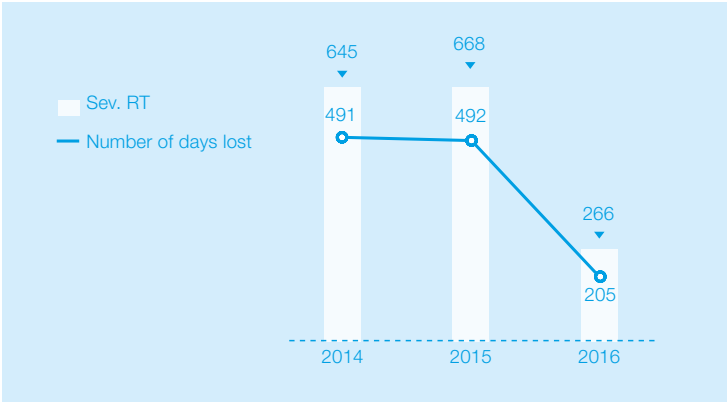
This result reflects the work carried out in the field of occupational health and safety, with a view to ensuring safer and healthier working conditions for all.



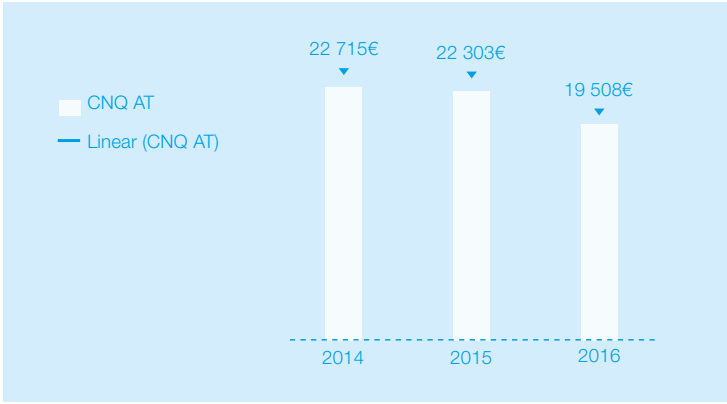
EVOLUTION OF THE SSI AND RESPECTIVE ANNUAL TARGET



FREQUENCY RATE AND RESPECTIVE NUMBER OF WORK ACCIDENTS RESULTING IN DISABILITY



SEVERITY RATE AND RESPECTIVE NUMBER OF LOST DAYS



COSTS ASSOCIATED WITH WORK ACCIDENTS



In terms of accidents, 23 work accidents were registered, whose main causes were found to be organisation (35%), workstation (17%), work space (17%), technical failure (13%), human failure (13%) and unknown failure (4%).

After analysing the causes of the occurrences, action plans were outlined, in order to avoid recurrences and, additionally, accident alerts were issued, with a view to sharing them with other sections and work teams.

CAUSE	2016	2016 (%)
Organisation	8	35
Workstation	4	17
Work space	4	17
Technical failure	3	13
Human failure	3	13
Unknown failure	1	4
TOTAL	23	

MAIN CAUSES OF WORK ACCIDENTS



IMPLEMENTED MEASURES

OLI has implemented a set of management and operational control measures that contributed to lower the SSL.

- Clear identification of accident sites
- Assessment of work equipment
- Mobile safety communication
- Ergonomic performance
- Ergonomic assessment of work stations
- Workplace gymnastics



### 3.3 Environmental Performance

At OLI, the duty to create economic value is accompanied by the duty to preserve the environment. In this sense, the company has an organised and continuous environmental policy, integrated into its management strategy.

On a daily basis, work teams are encouraged to adopt the best practices, thus contributing to the creation and dissemination of an internal culture aimed at ensuring sustainability. Careful waste management, based on reduction, reuse and recycling, has naturally become a collective practice.

At OLI, the duty to create economic value is accompanied by the duty to preserve the environment.

A OLI encara a sustentabilidade e as boas práticas ecológicas como uma estratégia de gestão



In 2016, OLI began an NP EN ISO 9001:2015 and NP EN ISO 14001:2015 standards transition process geared towards the continuous improvement of its processes, products and services – in line with its customers' goals and expectations – with a view to creating value for all stakeholders.

In this regard, the company identified 22 stakeholders, 19 of which were considered relevant. The survey of stakeholder needs and expectations led the process chart to be revised and updated.

The company thus proceeded to update the policy, procedures and documentation of its Integrated Management System (IMS).



## INTEGRATED MANAGEMENT SYSTEM



Controlling documented  
information



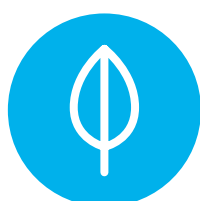
Handling occurrences and  
implementing actions



Auditing the system



Preparing for and  
responding to emergencies



Identifying and assessing  
environmental aspects



Operational control



Hazard Identification and  
Risk Assessment



Managing incidents and  
occupational diseases

As the environmental aspect is "an element of the activities, products or services of an organisation that can interact with the environment" (NP EN ISO 14 001), the identification and assessment of the environmental aspects that can be controlled and that have a significant impact are a priority.

Of the 138 environmental aspects identified, three are significant, and are related to:

- Global electricity consumption;
- Contaminated effluents from the moulding workshop;
- Treated effluents generated by the hydrocarbon separator.

A total of 91 direct environmental aspects and 47 associated indirect environmental aspects were identified.



PERFORMANCE EVALUATION

In recent years, OLI has focused on continuously improving its environmental performance, having set targets for five critical areas: consumption of raw materials, fuel consumption, water consumption, waste production and greenhouse gas emissions.

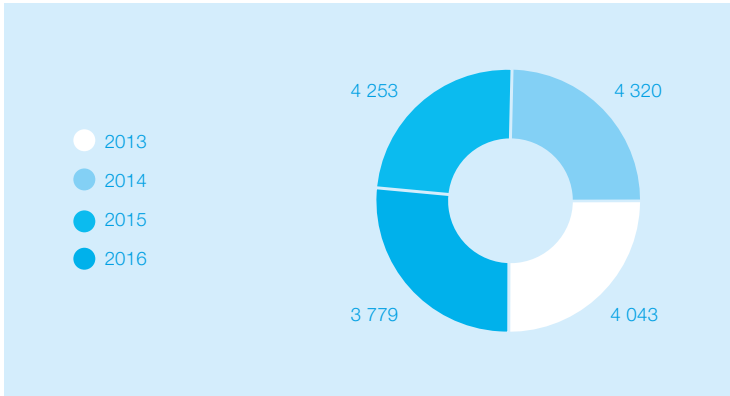
In recent years, with the implementation of more efficient procedures for the management of consumption and of the impacts of its activities, the company has shown an improvement in its overall performance.

Sustainable management of raw materials

In 2016, the consumption of plastic and carton packaging fell by 43% and by 17%, respectively. Packaging standardisation and the offer of product mixes in a single package contributed to these results.

-43%  
carton packaging

-17%  
plastic packaging



RAW MATERIALS CONSUMED (t)

INDICATOR	2014	2015	2016
Industrial product packaging	12 454	17 518	10 047
Plastic (Kg) Industrial product packaging	209 587	225 325	187 595
Paper and Cardboard (Kg) Industrial product packaging	41 106	49 815	47 324
Wood (Kg)	263 147	292 658	244 966
ESTIMATED PACKAGING – DOMESTIC MARKET (Kg)	1 052 588	1 170 632	979 864
ESTIMATED PACKAGING – EXPORTS (Kg)	1 315.74	1 463.29	1 224.83
TOTAL (t)	42 342 853	46 116 416	49 198 159
BILLING	0.0000306	0.0000314	0.0000312

TOTAL PACKAGING CONSUMED/BILLING

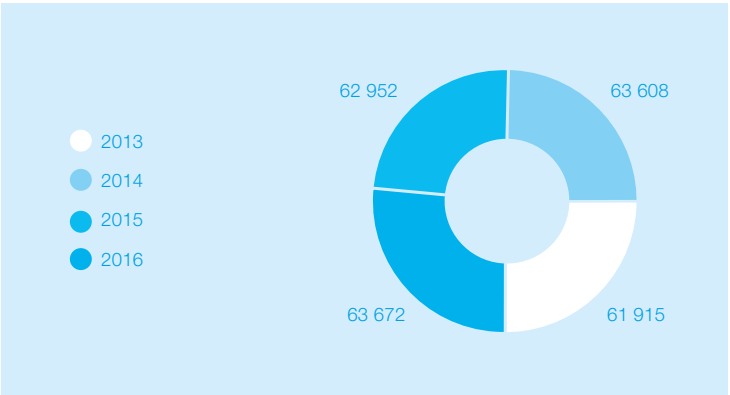
Sustainable fuel management

As we can see, there has been a decline in the total consumption of diesel fuel and an increase in the number of kilometres driven, which is justified by the expansion of the vehicle fleet.

The ongoing optimisation of commercial routes and transported cargo volumes, as well as the monitoring of fuel consumption, were some of the measures taken towards sustainable fuel management.

INDICATOR	2014	2015	2016
Total fuel consumption (l)	62 952	63 608	61 915
No. of Vehicles	27	29	33
Total Km travelled	943 273	1 004 330	1 447 683
Specific diesel consumption	0.067	0.063	0.043

EVOLUTION OF TOTAL FUEL CONSUMPTION



TOTAL FUEL CONSUMPTION (l)



Energy Resources and consequent greenhouse gas (GHG) emissions

The consumption of electricity, the main source of energy used, is one of the main environmental impacts of OLI's activity.

Outdoor LED lighting, motion detectors in bathrooms, twilight sensors and the application of thermal sleeves on injection chambers to minimise energy waste stand out among the measures that have contributed to reduce energy consumption.

INDICATOR	Total	Average	2016/2015
Total Active Energy (kWh)	8 118 600	676 550	-1,0%
Power - Continuous period (kW)	-	1 710	1,8%
Power - Peak period (kW)	-	1 172	0,08%
Reactive Energy - Consumed (kVArh)	43 657	3 638	10,2%
Reactive Energy - Supplied (kVArh)	58 884	4 907	-1,0%
Billing - Cost (€)	836 404	69 700	-0,8%
Billing - Average Cost - (€/kWh)	0,103		0,2%

ENERGY CONSUMPTION



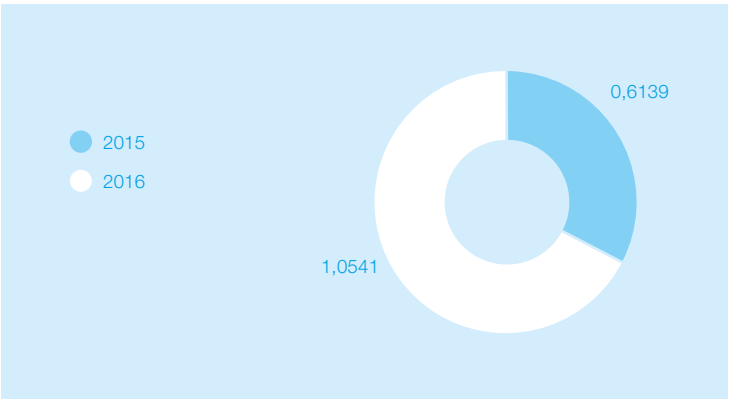
Sustainable water management

In 2016, the consumption of water from the public network and from wells and boreholes increased by 71.7% compared to 2015.

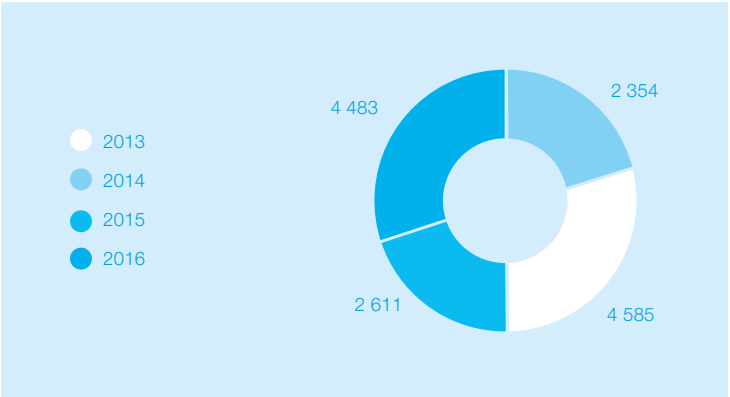
This performance is justified by the use of tap water in life cycle testing laboratories and in the industrial process, as well as a more frequent irrigation of the company's green spaces, in a hot and dry year.

INDICATOR	2014	2015	2016
Total specific gross water consumption		0.6139	1.0541
Total tap water consumption (m3)	2 354	2 611	4 483
Total well water consumption (m3)		3 506	4712.9
Total borehole water consumption (m3)		9 156	13 109

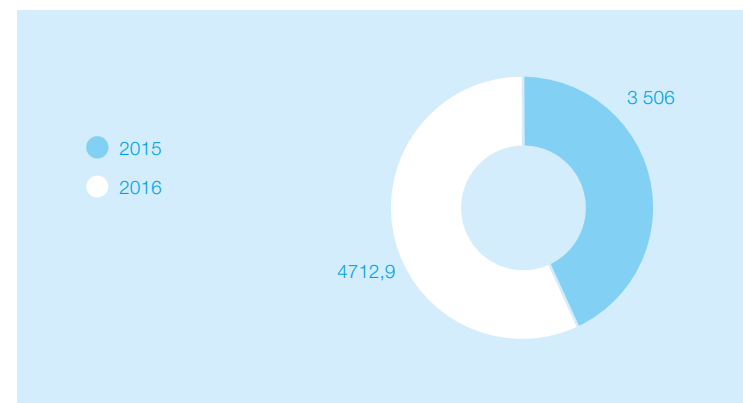
TOTAL SPECIFIC GROSS WATER CONSUMPTION



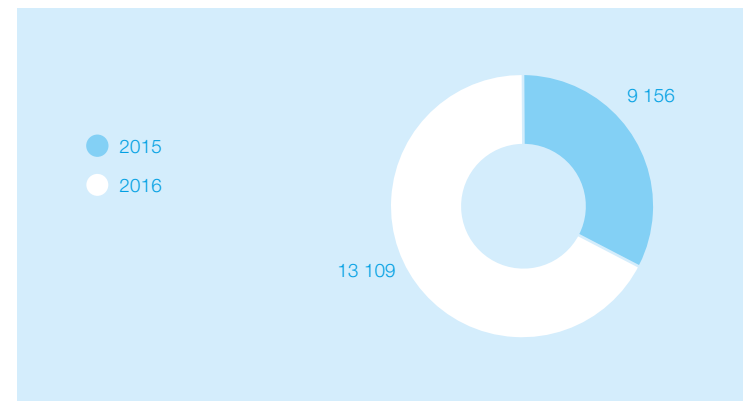
TOTAL SPECIFIC GROSS WATER CONSUMPTION (m3)



TOTAL TAP WATER CONSUMPTION (m3)



TOTAL WELL WATER CONSUMPTION (m3)



TOTAL BOREHOLE WATER CONSUMPTION (m3)



Sustainable waste management

Waste collection points and spaces intended for custom ecopoints have led to a reduction in waste production and an increase in the rate of reuse, recovery and proper disposal.

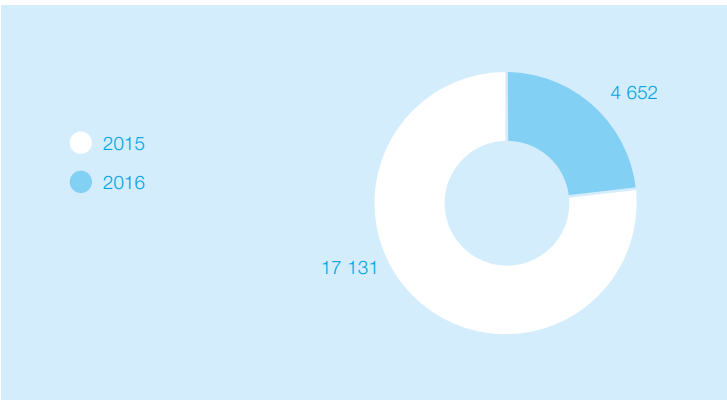
In 2016, the maximum value reached in recent years is explained by the monitoring of all waste, some of which had not been accounted for in previous years (common industrial waste).

However, we should highlight the 43% decrease in treatment costs and the 70% increase in the revenue resulting from its recovery.

-43%  
waste treatment costs  
+70%  
waste recovery revenues

INDICATOR	2014	2015	2016
Waste produced (t)	88.8	94.6	182.2
Waste produced in relation to RM cons. (t)	0.0206	0.0222	0.0429
Cost of waste treatment	20 897	21 637	12 288
Revenue from waste recovery R	5 202	4 506	7 636
Raw materials consumed	4 320	4 253	3 779

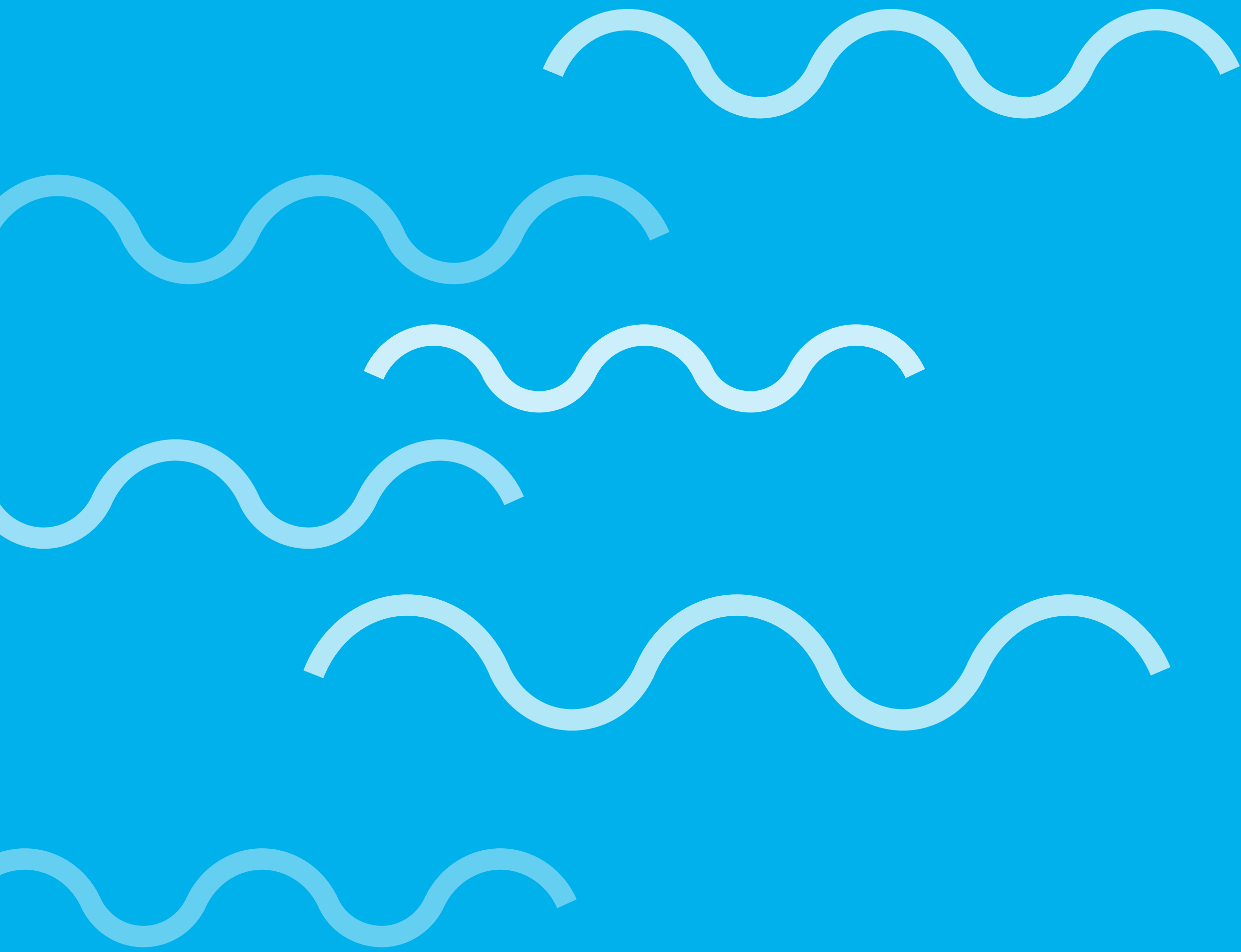
WASTE PRODUCED

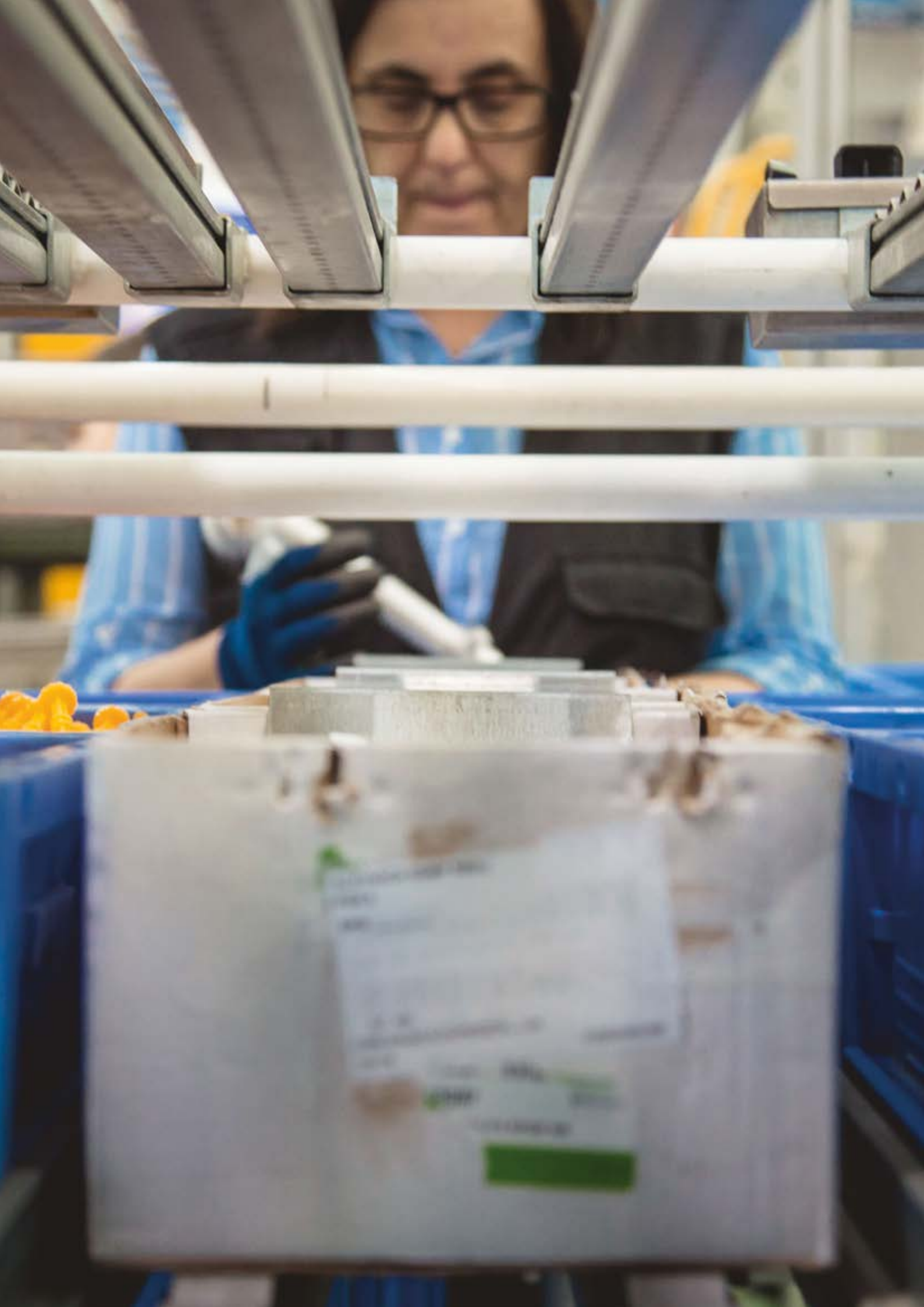


FINAL COST OF WASTE



# 04/Índice GRI





General Standard Contents	Description	Page	Comments
Strategy and Analysis			
G4-1	Message from the Chairman	15	
G4-2	Risks and opportunities arising from sustainability trends	45 – 57	
Perfil Organizacional			
G4-3	Name of the organization	18	
G4-4	Primary brands, products, and services	45	
G4-5	Location of the organization’s headquarters	18	
G4-6	Number and Name of the countries where the organization operates	36	
G4-7	Nature of ownership and legal form	33	
G4-8	Markets served	37	
G4-9	Scale of the organization	18	
G4-10	Total number of employees by employment contract and gender	73 – 74	
G4-11	Percentage of total employees covered by collective bargaining agreements	73	
G4-12	The organization’s supply chain		
G4-13	Significant changes during the reporting period		There were no significant changes in the organization during the period of analysis
G4-14	Risk management	62 – 63	
G4-15	Externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses	38	
G4-16	List memberships of associations (such as industry associations) and national or international advocacy organizations	38	
Identified Material Aspects And Boundaries			
G4-17	Scope of the report	12	
G4-18	Process for defining the report content and the Aspect Boundaries	12	
G4-19	Material Aspects identified in the process for defining report content	12	
G4-20	For each material Aspect, report the Aspect Boundary within the organization	12	
G4-21	For each material Aspect, report the Aspect Boundary outside the organization	12	
G4-22	Effect of any restatements of information provided in previous reports, and the reasons for such restatements		No restatements were issued
G4-23	Significant changes from previous reporting periods in the Scope and Aspect Boundaries		No significant changes were made.
Envolvimento das partes interessadas			
G4-24	List of stakeholder groups engaged by the organization	60 – 61	
G4-25	Basis for identification and selection of stakeholders with whom to engage	60 – 61	
G4-26	Report the organization’s approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process	60 – 61	
G4-27	Report key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting. Report the stakeholder groups that raised each of the key topics and concerns.	60 – 61	
Perfil do Relatório			
G4-28	Reporting period	12	This is the second edition of the Sustainability Report.
G4-29	Date of most recent previous report	12	
G4-30	Reporting cycle	12	
G4-31	Provide the contact point for questions regarding the report or its content	110	
G4-32	Report the ‘in accordance’ option the organization has chosen. Report the GRI Content Index for the chosen option. Report the reference to the External Assurance Report, if the report has been externally assured.	11	
G4-33	Report the organization’s policy and current practice with regard to seeking external assurance for the report.		External assurance was not carried out.



General Standard Contents	Description	Page	Comments
Governance			
G4-34	Report the governance structure of the organization, including committees of the highest governance body.	43	
G4-37	Report processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics.	60	
Ética e Integridade			
G4-56	Describe the organization's values, principles, standards and norms of behaviour such as codes of conduct and codes of ethics.	30	
Disclosure on Management Approach			
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CATEGORY: ECONOMIC			
Economic Performance			
G4-EC1	Economic-financial indicators	67-71	
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G4-EN1	Manufacturing process Performance evaluation	93-101	
G4-EN2	Performance evaluation	93-101	
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G4-EN3	Performance evaluation	98	
Water			
G4-EN8	Performance evaluation	99	
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G4-EN11	Not applicable		
Emissions			
G4-EN15	Performance evaluation		
G4-EN16	Performance evaluation		
Effluents and Waste			
G4-EN23	Performance evaluation	101	
Products and Services			
G4-EN27	Not applicable		
Compliance			
G4-EN29	Not applicable		
Transport			
G4-EN30	Performance evaluation		
Geral			
G4-EN31	Not applicable		
Supplier Environmental Assessment			
G4-EN32	Not applicable		
Environmental Grievance Mechanism			
G4-EN34	Not applicable		
CATEGORY: SOCIAL			
Labor Practices And Decent Work			
Employment			
G4-LA1	Total Number and Rates of new employee hires and Employee Turnover by Age Group, Gender And Region		
Labour/Management Relations			
G4-LA4	Not applicable		

General Standard Contents	Description	Page	Comments
Occupational Health and Safety			
G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	87	
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G4-LA9	Average hours of training per year per employee by gender, and by employee category	79 – 80	
Diversidade e Igualdade de Oportunidades			
G4-LA12	The importance of people for OLI	77 – 78	
Equal Remuneration for Women and Men			
G4-LA13	Not applicable		
Supplier Assessment for Labour Practices			
G4-LA14	Not applicable		
Labour Practices Grievance Mechanisms			
G4-LA16	Not applicable		
Human Right			
	Not applicable		
Society			
	Not applicable		
Product Responsibility			
G4-PR5	Product Responsibility		







#### TECHNICAL DATA

##### COORDINATION

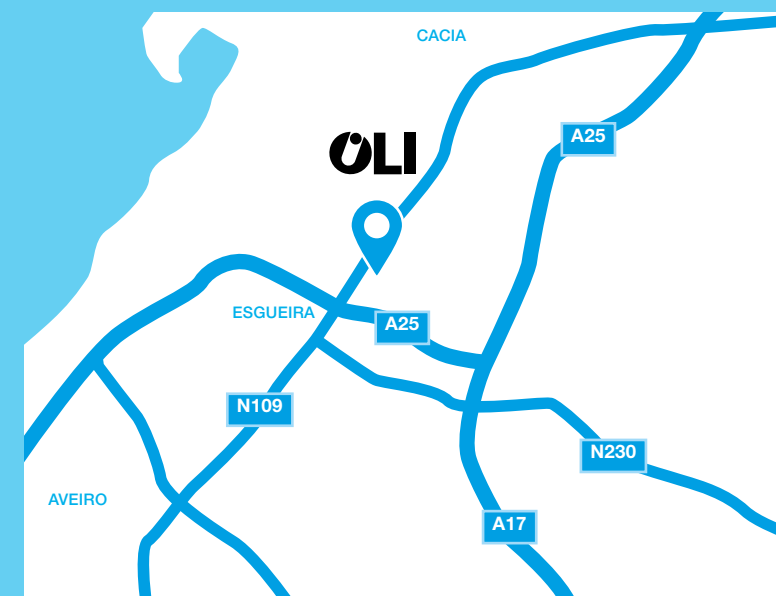
Marketing and Communication Department

##### EDITING AND COMMUNICATION DESIGN

AD communication

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