

Making What Matters

2018 CORPORATE SOCIAL RESPONSIBILITY UPDATE



KEY FACTS



Founded in 1903
as Owens Bottle Company



Worldwide headquarters:
Perrysburg, Ohio



\$6.9 billion
in net sales in 2017



78 plants
23 countries



6,000+
direct customers



26,500+
employees worldwide



AN ENDURING COMMITMENT

It is an exciting time for O-I as we transform for the future – a future of prosperity where sustainability is front and center.

It starts with our product. The glass container is the most sustainable packaging on Earth. It's made from natural sand, soda ash, limestone and recycled glass. It's infinitely recycled, natural, pure and healthy. It's good for you and good for the planet.

Every day, we strive to be responsible, safe and active in the community – it is a core part of who we are. We have more than 26,000 employees across 23 countries and we're still growing. Led by this talent, we're innovating to meet our customers' ever-evolving needs and to build their brands.

Having a rich and valuable history, our focus is on the future. We embrace technology as a lever for greater quality and efficiency. We are focused on new markets, new products and out-of-the-box thinking. We judge ourselves by our words and actions, but mostly by our results.

This Corporate Social Responsibility Update provides important information about where we have been and where we are headed. You will learn about the sustainability of glass, what we are doing to reduce our emissions profile at our plants and how we are expanding the use of recycled glass in our product. You will learn about our work to ensure that all our employees remain safe and engaged, and that they represent the diversity of the world we serve. You will also learn about our commitment to our communities, both financially and through volunteerism.

This Update will list metrics of our progress to date and concrete goals we have set for ourselves. But, perhaps most importantly, you will see some of the everyday examples of how we are putting corporate social responsibility and sustainability into action.

O-I is a story about hard-working, skilled craftspeople and innovators, who for more than 115 years have been creating a better, more exciting future for our stakeholders, our business and our planet.

O-I is a company dedicated to making what matters and we look forward to doing even more!

Andres Lopez
CEO

OUR VALUES

O-I is guided by core values that define the work we do each day and how we conduct ourselves.

SAFETY

Finishing each and every day injury and incident free

PASSION

Open, honest and courageous in creating a better O-I

TEAMWORK

Collaboration to get further, faster

INTEGRITY

Always do what's right

EXCELLENCE

Always improving

CUSTOMER CENTRIC

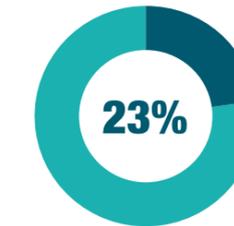
We win when our customers win

DIVERSITY

Multiple perspectives are better

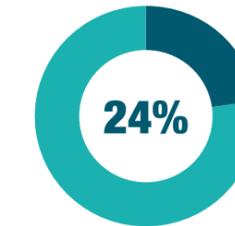
OUR PROGRESS

O-I is a forward-thinking company, but we hold ourselves accountable for our past performance. Here's a snapshot of the results we achieved (2007-2017) based on O-I's previous sustainability goals.*



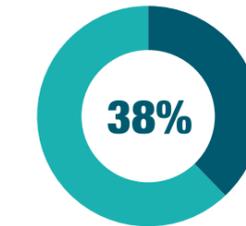
ENERGY

Reduction in absolute energy, or a 14% reduction per container packed



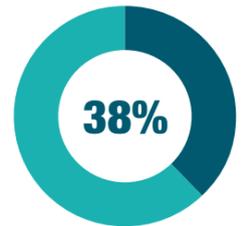
EMISSION

Reduction in absolute tonnes of CO₂ equivalent emissions, or a 14% reduction per container packed



RECYCLED GLASS

Global average for post-consumer recycled glass (cullet) use



SAFETY

Improvement in Total Recordable Incident Rate (TRIR) (2013-2017)

Industry Leadership

As a leader in the packaging industry, O-I also remains committed to providing leadership and advocacy to several industry associations, including:

- Container Recycling Institute
- Food Packaging Forum
- Glass Packaging Institute
- ABIVIDRO
- U.S. Glass Recycling Coalition
- FEVE

Two examples highlight the importance of our partnerships in educating and promoting glass as the sustainable packaging choice for today, tomorrow and in the future.

The Australian Packaging Covenant Organization (APCO) is a non-profit that has set a historic target for the country to use 100 percent recyclable, reusable or compostable packaging by 2025. O-I is advising them as part of the glass group – helping define and design the future of glass. We have also opened a recycled glass processing facility in Brisbane, which has diverted more than 175,000 tonnes of material from landfills since 2015.

FEVE promotes the benefits of glass containers across Europe. With O-I's support, FEVE has developed a public campaign, called Friends of Glass, which educates consumers about the sustainability benefits of glass packaging. The campaign has been recognized globally with several awards for its social media impact.

*The above results exclude the acquisition of Vitro Food and Beverage.

OUR GOALS

At O-I, we are focused on the future. Our goals are ambitious, but achievable.

At O-I, we care about climate change and are working responsibly to do our part.

GOAL
 25% reduction in greenhouse gas emissions by 2030 (interim target of 10% by 2025). This goal exceeds our expected rate of improvement for our industry under the Science Based Targets Initiative and the Paris Accord.

At O-I, glass recycling is essential to our future success.

GOAL
 Increase the global average of post-consumer recycled content in our products to 50% by 2025 (2017 baseline was 38%). O-I is taking a tailored approach to increase recycled content rates across its enterprise network as rates vary significantly by geography (e.g., Europe already exceeds this goal).

At O-I, safety is priority #1.

GOAL
 As part of our journey toward zero injuries, we are committed to a 35% improvement in O-I's three-year rolling average Total Recordable Incident Rate (TRIR) by 2025. We continue to enhance face-to-face communication with shop floor employees and increase employee engagement.

At O-I, people are our competitive advantage.

GOAL
 We will continue to foster a culture of employee well-being and an environment where development opportunities exist for everyone. We are expanding our employee development programs, with significant focus on leadership development and a greater level of diversity. Diversity leads to a broader range of perspectives that yield superior decisions and outcomes. We are focused on increasing all aspects of diversity across our management team, which includes taking steps to increase the representation of women in senior leadership roles (including the top three levels within the organization) compared to the base of 28% women in 2017.

At O-I, we play an important role in the communities that we serve.

GOAL
 We see tremendous opportunity to positively impact the planet and improve conditions in the communities where we operate. We will collaborate with customers, NGOs, suppliers and local leaders with a goal of implementing glass container collection programs in 75% or more of the communities we serve by 2025.



The Sustainable Development Goals (SDGs) are a collection of 17 global goals set by the United Nations in 2015. O-I is focused on six of them as areas of particular interest for our business and operations.

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Gender Equality
 UN: "Ending all forms of discrimination against women and girls is not only a basic human right, but is also crucial to accelerating sustainable development. It has been proven time and again, that empowering women and girls has a multiplier effect, and helps drive up economic growth and development across the board."
- 

Affordable and Clean Energy
 UN: "A global economy reliant on fossil fuels and the increase of greenhouse gas emissions is creating drastic changes to our climate system. This is impacting every continent."
- 

Responsible Consumption and Production
 UN: "Achieving economic growth and sustainable development requires that we urgently reduce our ecological footprint by changing the way we produce and consume goods and resources."
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Climate Action
 UN: "There is no country in the world that is not experiencing first-hand the drastic effects of climate change. Global warming is causing long-lasting changes to our climate system, which threatens irreversible consequences if we do not take action now."
- 

Clean Water and Sanitation
 UN: "Safe water and adequate sanitation are indispensable for healthy ecosystems, reducing poverty, and achieving inclusive growth, social well-being and sustainable livelihoods."
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Life Below Water
 UN: "The world's oceans – their temperature, chemistry, currents and life – drive global systems that make the Earth habitable for humankind. How we manage this vital resource is essential for humanity as a whole, and to counter balance the effects of climate change."

GLASS: THE MOST SUSTAINABLE PACKAGE ON EARTH

There is nothing quite like glass. It's made of natural, readily available raw materials. It's infinitely recyclable. It has endured the test of time for millennia. Glass is a trusted and proven packaging for health, taste and the environment.

O-I and glass go hand-in-hand. We are the industry leaders and the only global company exclusively committed to the commercialization of glass containers.

Glass containers are the only food contact material that is 'Generally Recognized as Safe' by the U.S. Food and Drug Administration. It provides UV protection and does not interact with the beverage or food inside.



HEALTH

Glass is pure and impermeable, so it helps keep foods and beverages fresh. It is easy to clean, sterilize and re-use—all increasingly important to a health-conscious world.



ENVIRONMENT

Glass is made from three natural ingredients: sand, limestone and soda ash. It is 100 percent recyclable, endlessly. In fact, a glass bottle can go from the recycling bin back to the store shelf in as little as 30 days.



EXPERIENCE

Glass creates emotional connections with the consumers through a multi-sensory experience. It is the only packaging material that people are inspired to save, reuse, repurpose, collect and display.



TASTE

Glass is all about the taste buds. Because it is odorless and flavorless, it preserves and presents the flavor of a product exactly as intended. When taste counts, glass wins.

Cradle to Cradle Certification

The Cradle to Cradle Certified™ Products Program is one of the premier sustainability certifications for products around the world and across industries. The certification is based on five categories: material health, material reutilization, water stewardship, renewable energy use and social fairness.

O-I is the first food and beverage packaging company to achieve a gold rating in material health on the Cradle to Cradle Product Scorecard. We received Cradle to Cradle Certification at nearly 90 percent of our operations producing certain container colors in the beer, food, NAB, spirit and wine markets.

Life Cycle Assessment (LCA)

In 2017, O-I refreshed its LCA in compliance with ISO 14044 standards. This LCA used internal and external operational data that was considerably more robust than what had been used previously. The system boundary of the LCA covers the environmental impacts of glass from cradle to gate plus end-of-life.

The report shows a downward trend in CO₂ equivalent emissions for all regions since 2010, resulting in a 24 percent reduction in absolute emissions over the period. This LCA serves as the foundation for identifying additional sustainability improvements for O-I's operations, and is the stepping-off point for the Cradle to Cradle certification. In addition, the LCA data is used as part of an LCA calculator tool that provides a comparative analysis of glass to the other packaging substrates, such as PET and aluminum. This comparative analysis once again confirms that refillable/returnable glass containers are the most sustainable package.

Advancing Recycling

In the last three years, O-I invested approximately \$6 million (USD) in glass recycling processing facilities around the world. We also align with other glass recycling processors through multi-year supply contracts ensuring there is an end market for curbside glass recycling.

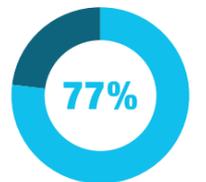
HOW THE PUBLIC DEFINES SUSTAINABLE PACKAGING

O-I asked a randomized sample of the U.S. adult population how they define "environmentally friendly packaging."

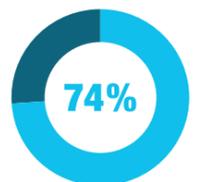
Here is what they told us:



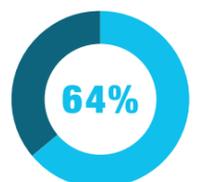
EASILY RECYCLED



CONTAINING RECYCLED CONTENT



MADE FROM RENEWABLE OR PLANT-BASED MATERIALS



CONTAINING NO OR LIMITED CHEMICALS

GLASS: THE DIFFERENTIATOR

Glass takes on a range of shapes, colors and textures. It's beautiful. It's memorable. It's iconic. It's also the most neutral and natural of packaging materials. What you put in is what you get out. Nothing more. When you eat or drink something packaged in glass, you're experiencing the pure taste of that food or drink.

Aunt Jean's Dairy Travels in Glass

Seventh generation dairy farmers Julian and Cathy Raine were thrilled to win gold for their Aunt Jean's Dairy one-litre glass bottle packaging at the Transform Awards Asia-Pacific in Hong Kong. The Raines teamed up with O-I to bring cows' milk fresh from the farm to milk lovers across New Zealand. "We believe milk tastes better in glass, and this bottle gives our customers the ability to experience the difference for themselves," said Julian Raine.



Sustainable Beer Production in UK

Adnams, a brewer based in Southwold, UK, has long been a leader in sustainable beer production. They wanted to reduce the environmental footprint of their bottle. O-I's designers and manufacturing team collaborated with Adnams to produce a lighter weight embossed branded beer bottle. The O-I team was able to take 19g off the brand's market-leading bottle, removing 115 tonnes from the glass waste stream annually. This lighter weight bottle has now become the standard weight for the majority of the 500ml ale beer bottles produced at O-I's Harlow plant.



Glass Is Good

Led by Diageo in Brazil, O-I joined customers Heineken, Pernod Ricard and Cia Muller to support Glass is Good, a pioneering program in glass reverse logistics. The program establishes a network between cooperatives, industry and restaurants. Empty glass bottles from restaurants are taken for separation and delivered to O-I for recycling. As of May 2018, the program has collected the equivalent of 43 million one-liter bottles.



A Clear Message

Reminding all consumers of the environmental benefits of glass was the spirit behind the Ecuadorian campaign, "Vidrio 100% Reciclable." By adding this unique logo to a number of glass products, the glass choice was distinctive and set apart.



Latte Tigullio Centro Latte Rapallo

Latte Tigullio Centro Latte Rapallo selected glass as the medium to celebrate famed artist Emanuele Luzzati. This limited edition bottle depicts Pulcinella, one of Luzzati's most classic characters and highlights the pureness and beauty of glass packaging.

MAKE WHAT MATTERS FOR THE PLANET

O-I is proud of the role we play in creating a better planet through our products and our processes. For example, the more efficient our melting process, the less energy we need to melt the raw materials. Every 10 percent of recycled glass or cullet used in production leads to a five percent reduction in carbon emissions and a three percent reduction in energy use.

Science-Based Targets Initiative

O-I is part of more than 460 global companies that have committed to set and implement science-based targets for emissions reduction. By committing to these targets, we are taking a public stand to do our part in helping achieve the level of decarbonization required to maintain a global temperature increase below 2 degree Celsius from pre-industrial levels in alignment with the Paris Accord of 2015.

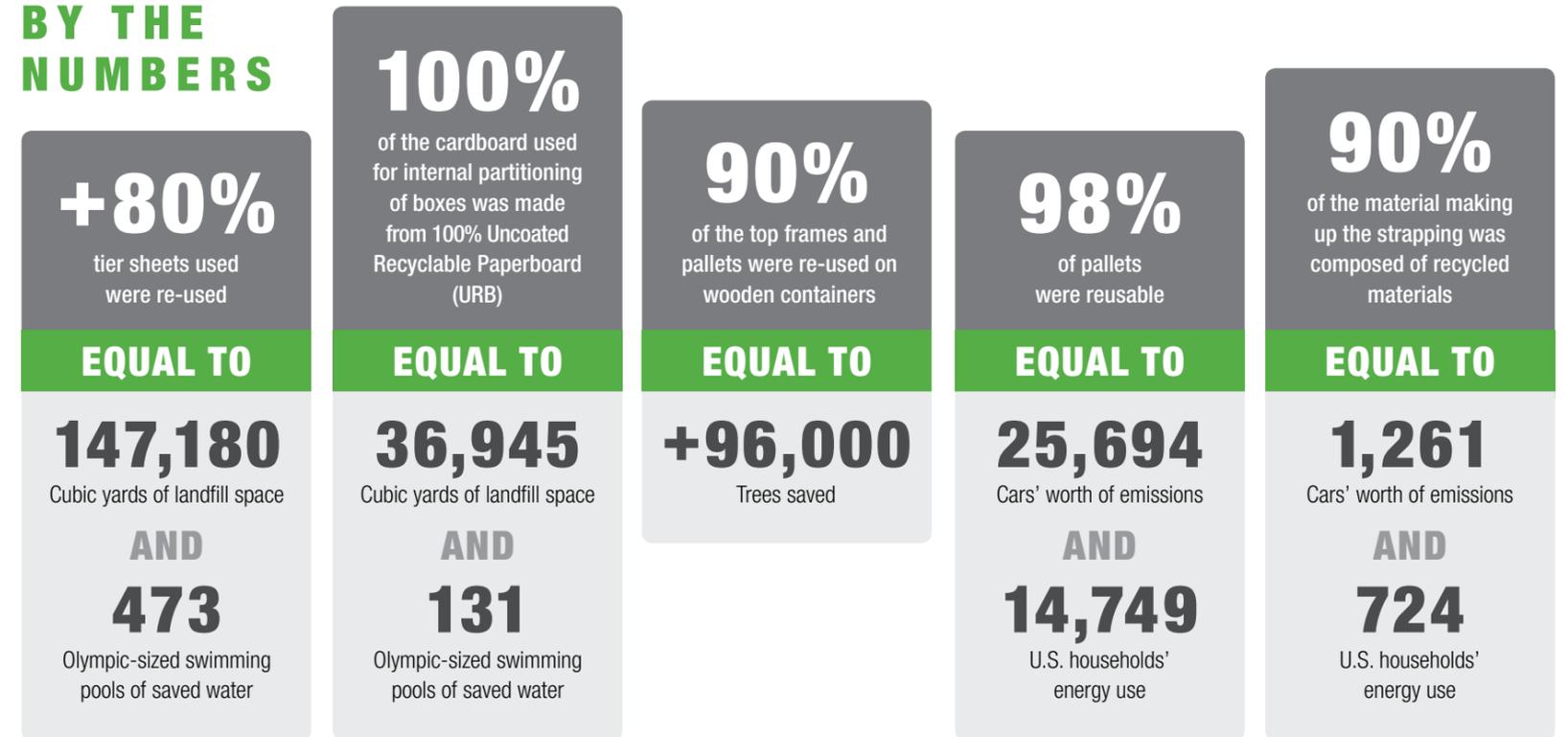
We have committed to set multiple absolute emission reduction targets. Short-term targets look at reductions that we aim to achieve by 2030. Long-term targets look towards 2050. To achieve these goals, we are looking to increase the percentage of renewable energy consumed at our facilities, increase energy efficiency in our plants, increase the use of recycled content in our containers and encourage post-consumer recycling of glass. We also seek opportunities to make advances in the transition to a circular economy while constantly seeking out innovative engineering and market-based solutions throughout our value chain.



The Packaging of Packaging

O-I recognizes that if we manufacture the world's most sustainable packaging, we must also ensure that the glass itself is packaged sustainably when delivered to our customers. We found several opportunities to meaningfully reduce the environmental impact of our packaging in North America in 2017.

BY THE NUMBERS



Around the world, O-I is innovating to deliver greater sustainability in our operations and in the marketplace.

Emission Reduction in France

Using an innovative combustion technique, a team at O-I's facility in Gironcourt was able to reduce its overall emissions by 15-20 percent. The technology has a low capital cost and can be adapted to existing furnaces. The team worked with university and research specialists to trial this equipment and received a grant from the European Union. This technology has been implemented in several other plants in Europe, contributing to lower emissions.

Renewable Energy in Colombia

From January to December 2017, O-I plants in Colombia purchased international renewable energy certificates, or I-RECs, to offset the emissions arising from electricity consumption. An I-REC represents proof that the consumed electricity was produced from renewable energy sources and added to the grid. Thus, it embodies all the environmental attributes of renewable electricity generation. Through these I-RECs, the facilities offset the emission of approximately 7,450 tonnes of carbon dioxide in 2017.

Energy Efficiency and Savings in Italy

In 2017, O-I's Origgio, Italy facility engaged with an energy efficiency and energy audit company, to reduce its consumption and improve overall costs. After an internal audit, the audit company proposed a number of modifications to the plant's infrastructure and controls. The plant is executing these changes and, once completed, expects to save 3.1 percent – 4.0 percent in total plant energy cost, saving money and resources.

Partnering to Expand Use of Refillable Glass Bottles

Refillable glass bottles (RGBs) take the world's most sustainable package a step further. They can be refilled about 25 times before recycling, while delivering up to 66 times less CO₂ emissions, per container, than aluminum cans. This makes RGBs one of the lowest CO₂ emitting packaging choices.

O-I and the Oregon Beverage Recycling Cooperative (OBRC) have teamed up to develop a unique glass bottle reuse program among craft brewers.

It started with O-I creating a more durable refillable bottle designed to survive the rigors of the marketplace and the cleaning process.

It was also important to clearly identify the bottle as refillable. The bottle has a unique conical neck, and is embossed with the BottleDrop logo on the shoulder. Additionally, it has "Refillable" and "Please Return" debossed on the bottle heel. These messages were intentionally placed at wear points so they will become more prominent over time as the bottle patinas.

"The partnership with O-I has been a major step forward for our glass bottle reuse program in Oregon," said Jules Bailey at OBRC. "The innovation and support of O-I has helped us expand its use among local brewers. It's a terrific collaboration with strong initial results."

"With OBRC, we have found partners who are committed to leveraging and building upon an infrastructure to support refillable bottles, closing the loop by supplying all of their cullet to our plant in Oregon," said Jim Nordmeyer, VP, Global Sustainability at O-I.

To date, seven Oregon breweries have committed to offering the refillable containers.



MAKE WHAT MATTERS SAFELY

Nothing is more important than safety. At O-I, health and safety are critical components of our social responsibility commitment. They are values that apply to all employees, contractors and visitors in our facilities.

At O-I, safety is a core value and we believe everyone should finish each and every day injury and incident free.



PROGRESS

From 2013 to 2017, we improved our Total Recordable Incident Rate (TRIR) by 38 percent.

GOAL

As part of our journey toward zero injuries, we are committed to a 35 percent improvement in O-I's three-year rolling average Total Recordable Incident Rate (TRIR) by 2025.



EHS Share Promotes Safety-Conscious O-I

To continue building a safety-conscious work environment and remind all employees, contractors and guests about the importance of environmental health and safety, O-I implemented the practice of "EHS Share."

At the beginning of every O-I meeting, one participant takes a few minutes to share a story and call-to-action about the potential EHS risks in our day-to-day work. By taking a few brief moments to reflect on the potential risks impacting our daily lives, every part of the O-I family better understands what we all need to do to ensure every day is injury and incident free.

Implementation of Enablon Leveraging Technology

O-I has invested heavily in software systems that help us track our work and progress in assuring the health and safety of our employees, customers and communities. O-I was recently recognized by EMEA with the 2017 Enablon Excellence Award for our forward-looking approach to environmental, health and safety reporting.



MAKE WHAT MATTERS FOR OUR EMPLOYEES

O-I employees share a passion for glass. We have more than 26,000 employees and 78 plants spread across 23 countries, and our company is still growing. Courageous people across all roles and levels are leading us into new markets and segments – expanding our reach as we change for the future. Led by our people’s knowledge and ambition, we are innovating against our customers’ ever-evolving needs to help build their brands and become valued partners, as well as sustainable producers.

As a company, we provide a safe, inclusive, motivating and collaborative work environment that encourages employees to bring their best to work every day. We are committed to developing our employees in a culture of respect and integrity. We believe our company is better when we reflect the diversity of the world we serve, and we are proud that O-I was ranked third among the top 55 Ohio-based Fortune 1000 for diversity in corporate governance by the National Diversity Council.



GOAL

Increase the representation of women in senior leadership roles (including the top three levels within the organization) **compared to 28% in 2017.**

Region	Total Number of Employees	Total Number of Male Employees	Total Number of Female Employees	Total Number of Full-time Employees	Total Number of Part-time Employees	Total Number of Salaried Employees	Total Number of Hourly/Waged Employees
Corporate	494	336	158	474	20	494	0
Europe	7475	6735	740	7193	282	1368	6107
North America	5254	4143	1111	5242	12	1002	4252
Latin America	10576	8404	2172	10576	0	3093	7483
Asia Pacific	3298	2663	635	3286	12	1382	1916
Total	27097	22281	4816	26771	326	7339	19758



Women in Leadership STEP Ahead Award

O-I is proud to report that two employees were recognized in 2018 with the STEP (Science, Technology, Engineering and Production) Ahead Award for Women in Manufacturing. Angie Pitt, Global Business Leader, Customer Relationship Management; and Ashleigh Henry, Manager of Environment, Health and Safety (EHS), were among the 2018 honorees recognized for their demonstrated excellence in leadership. In the last three years, five O-I women leaders have received the STEP Ahead Award.



Plant Manager Development Program

Through the Plant Manager Development Program, O-I is able to identify the next generation of leaders from plants across our global footprint and give them the tools they need to successfully lead their plants and grow performance.

The groups spend three weeks over a span of three to four months learning to refine their leadership skills in both a classroom setting and by touring plants around the world. This experience includes two visits to O-I’s largest glass container manufacturing facility in Monterrey, Mexico.

The plant tours and classroom work allow our future leaders to learn from a diverse collection of experiences, and foster the development of a long-term network where they’ll be able to share best practices, collaborate and leverage their collective capabilities to resolve any issues that arise.

“The teams that have completed the Plant Manager Development Program are already creating a lasting impact on the entirety of O-I. With nearly 100 graduates from 23 countries, these new leaders are collaborating across our footprint at an unprecedented level and are bringing some exciting new ideas to the table.”

JOHN WEBB, CHIEF HUMAN RESOURCE OFFICER

MAKE WHAT MATTERS FOR OUR COMMUNITIES

O-I recognizes and values the importance of giving back, and is dedicated to making a positive impact in the communities where we live and work around the world. This commitment radiates through the nonprofit organizations we support on a company level, as well as through our individual employees who actively support local nonprofits, both financially and through volunteerism. We are proud to make a difference in the lives of others.

2017 O-I CHARITIES FOUNDATION

Total Contributions:

\$2,145,932.23

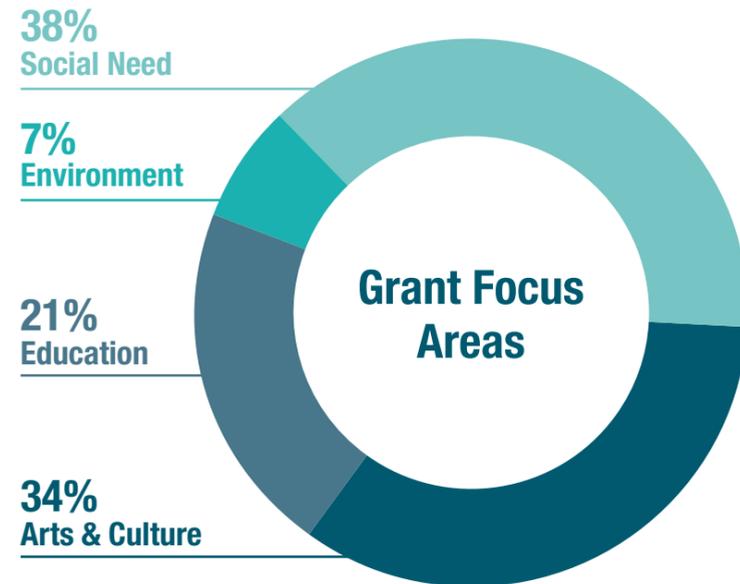
*Total grants and company-funded matching donations. Does not include employee donations.

Total Grants:

\$985,903.00

Total Number of Organizations:

50+



Supporting Worthy Causes

O-I Charities Foundation was first started in 1937. Today, it supports charities that focus on education, arts and culture, sustainability and basic needs. In 2017, O-I Charities Foundation gave nearly \$1 million to more than 50 nonprofits in Northwest Ohio. The Foundation also matched another \$1 million in gifts from our employees to almost 200 organizations in the United States.



France Recycling Fund Fights Cancer

O-I is raising money for cancer research and patient support through glass recycling in France. For every tonne of glass collected annually, O-I, donates funds to La Ligue Contre le Cancer (The League Against Cancer). In 2018, our efforts raised €88,660 for La Ligue Contre la Cancer, five percent more than the previous year, which was a direct result of the increase in local glass recycling.



Supporting the United Way

O-I's largest global community engagement effort is through United Way, and we encourage partnerships at all of our facilities in the Americas. Our operations within several other countries, including Australia, Peru, Colombia, Argentina, Brazil and Mexico are volunteering, running campaigns and helping start local United Way organizations. In the United States, O-I and our employees donated \$907,151 to the 2017-2018 campaign.



Volunteerism

O-I employees are committed to volunteerism. At our global headquarters, employees spent 4,368 hours volunteering in 2017, taking advantage of the 16 hours of paid volunteer time O-I provides each year.



Helping Earthquake Victims in Mexico

O-I joined community efforts to support victims of an earthquake that ravaged parts of Mexico in 2017. In each of our business units in the country, food and hygiene items were collected and distributed to victims through the Red Cross of Mexico. Additionally, O-I employees from Guadalajara, Querétaro and Monterrey donated money to Habitat for Humanity to help rebuild homes affected by the earthquake.



Toledo Zoo and Aquarium

For over three decades, O-I has been a supporter of the Toledo Zoo and Aquarium. We are currently the title sponsor of the newly renovated aquarium, committing significant funding resources for a 90,000 gallon reef exhibit, which supports our commitment to the UN Sustainable Development Goal, Life Below Water.

It is certainly true that any business exists to deliver value to shareholders. But the most successful enterprises do much more than that.

O-I believes that “doing well” and “doing good” are inseparable. We deliver to shareholders by delivering to our employees, our communities, our world.

With more than a century of experience crafting pure, sustainable, brand-building glass packaging for many of the world’s best-known food and beverage brands, we occupy a unique place in the economic and cultural landscape around the world. We do not take this responsibility lightly.

As O-I continues to grow and prosper, we continue to look at what more can be done to better serve our customers, empower our employees to achieve their highest potential, and leave the world a better place.



