

VERESCENCE



**SUSTAINABILITY REPORT**  
**2017**

GLASS MADE TO LAST



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# OUR COMMITMENTS

EDITORIAL



It has already been 10 years since Verescence launched Infinite Glass, the first eco-designed glass for bottles.

In recent years, we have worked to advance this pioneering spirit with the duty to set an example that our position as the world leader in luxury bottles demands.

We are aware of the exceptional heritage of Verescence, and are driven by the desire to protect it, improve it and pass it on to future generations. We are an industrial company backed by 120 years of experience, that has established global leadership through an ability to combine traditional know-how, with innovative organizations and processes, and international growth to serve increasingly demanding customers and products.

Our story is above all a human adventure born of the commitment of some 2,300 employees worldwide who share the same values of passion, excellence, respect and courage. In order to formalize our approach, which incorporates our main stakeholders, we have structured our organization with a CSR Directorate that reports to General Management.

We have targeted compliance with the strictest certification systems, which we have now achieved at all of our sites. Finally, to go the extra mile, we have challenged ourselves through feed-back from rating agencies, our partners and our customers, with all of whom we regularly share our CSR strategy.

This CSR strategy, entitled "GLASS MADE TO LAST", is based on three pillars: People First, Act for Society & Eco Solutions.

I would like to emphasize the fundamental principles behind them: give priority to the women and men who drive our success, determination to act in the social interest in the areas in which we operate, and an environmental imperative that forms a basis for our innovation and creativity.

Proud of our history and achievements, we are determined to go even further to make our company's actions sustainable.

**Thomas Riou**  
CEO

# VERESCENCE PAST AND PRESENT

**A UNIQUE HISTORY: BACKED BY MORE THAN A CENTURY OF FRENCH EXPERTISE, VERESCENCE HAS EXPANDED INTERNATIONALLY TO BECOME THE LEADER ON ITS MARKET.**

The history of the Verescence group dates back to 1896, when our first glass plant was founded in Mers-les-Bains, France. Through a series of acquisitions, the group reached its current form in 2016. We are now focused on the Perfumery & Cosmetics business, with the aim of strengthening our position further as the world's leading manufacturer of luxury glass bottles. Right from the start, the company aimed to expand internationally in order to get closer to its customers, and contribute to the development of the areas in which it operates.

We are also very proud to be pioneers in our industry in the eco-design of our products and processes (Infinite Glass, clean decoration, low-emissions furnaces, etc.).

**N° 1**

In Perfumery & Cosmetics bottles

**280 M€**

Revenue in 2017, with 500 million bottles produced

**2,300**

Employees worldwide

**85%**

Of purchases made locally

**1,000**

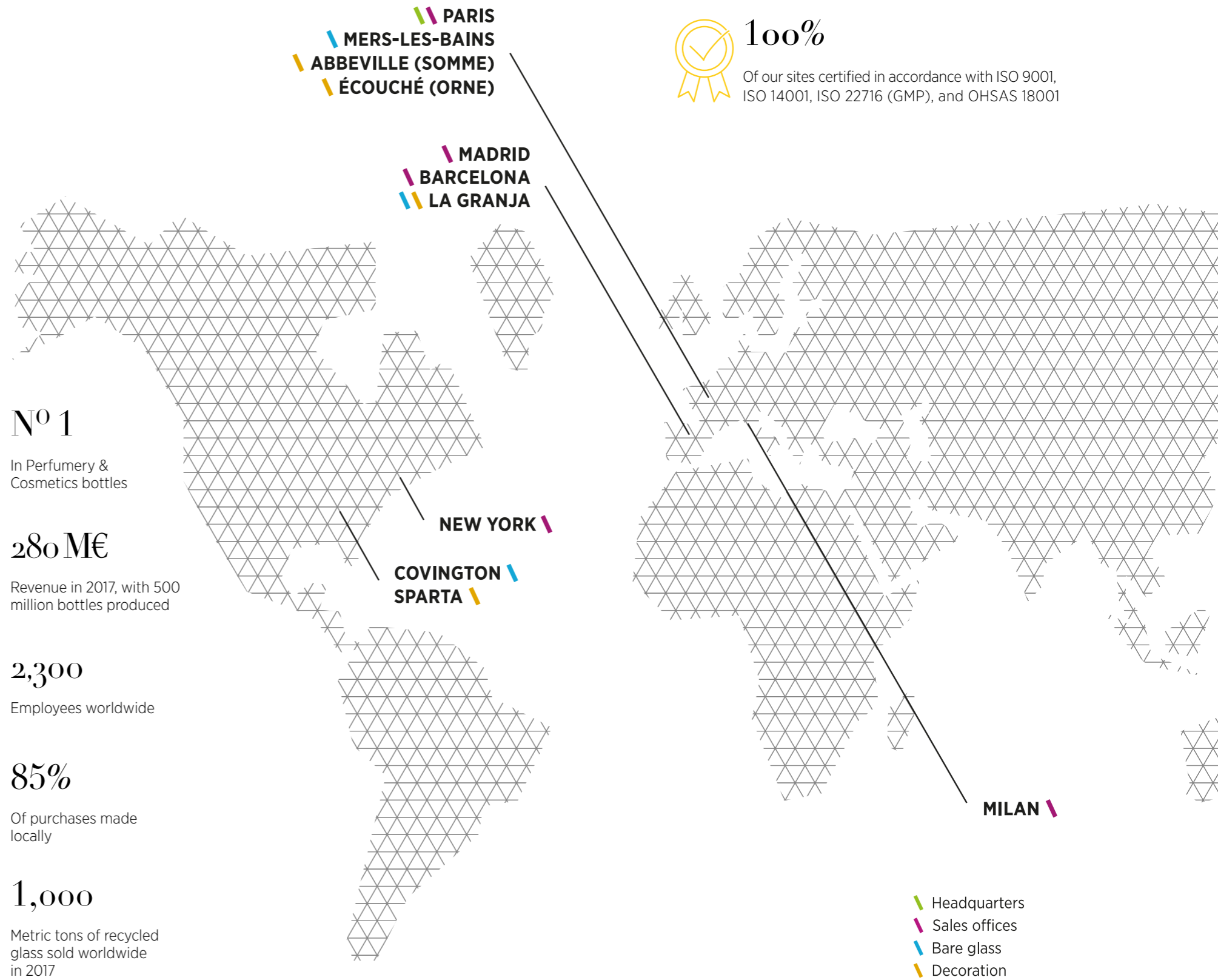
Metric tons of recycled glass sold worldwide in 2017

## GLASS MADE TO LAST



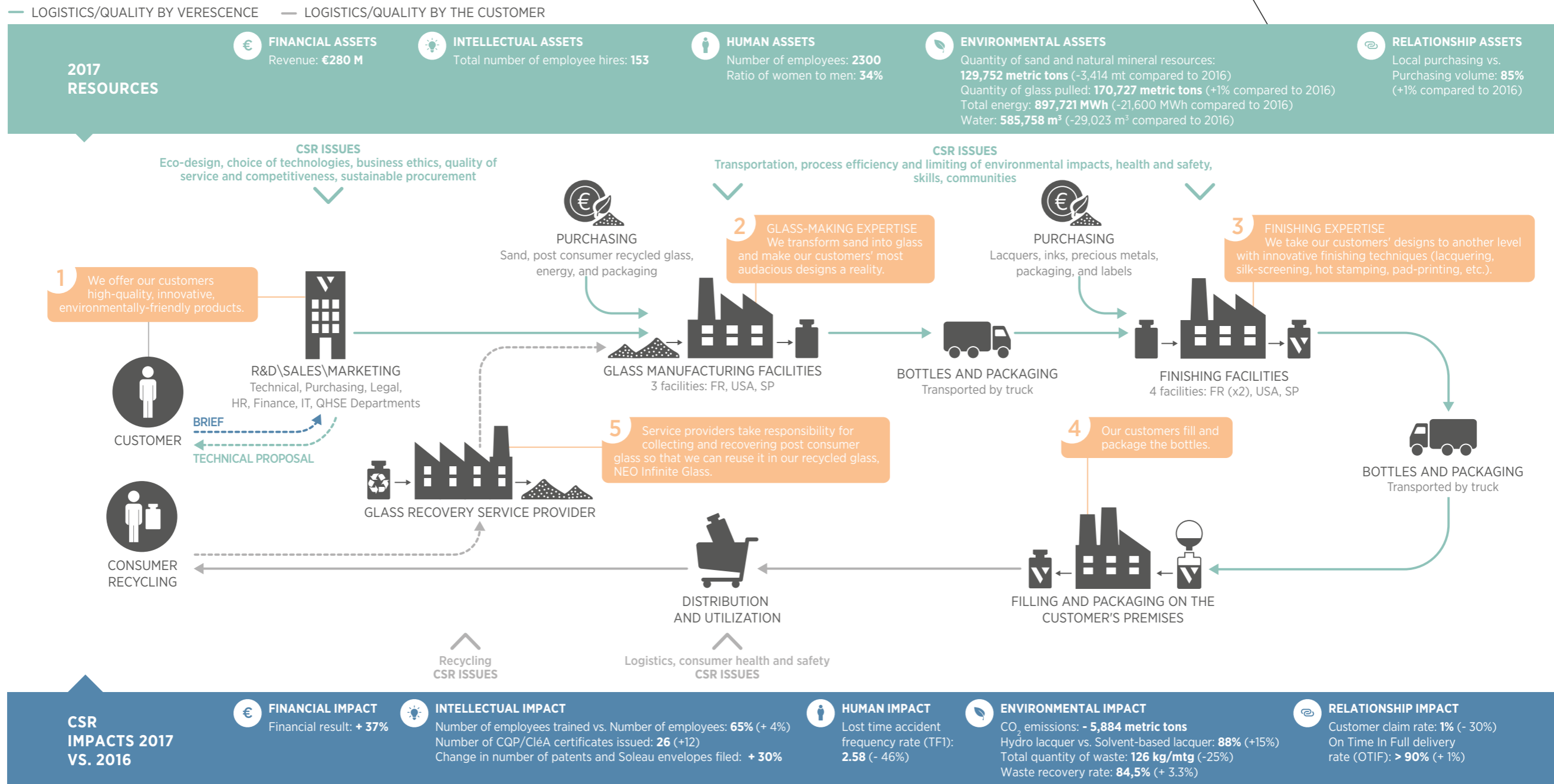
**100%**

Of our sites certified in accordance with ISO 9001, ISO 14001, ISO 22716 (GMP), and OHSAS 18001



# OUR VALUE CHAIN

**OUR STRATEGY ADDRESSES THE CSR ISSUES THAT ARISE IN OUR VALUE CHAIN AND MEETS THE EXPECTATIONS OF OUR STAKEHOLDERS (EMPLOYEES, CUSTOMERS, SUPPLIERS AND PUBLIC AUTHORITIES).**



# THREE-PILLAR CSR STRATEGY AND GOVERNANCE

**CSR IS IN OUR DNA; IT LIES AT THE HEART OF OUR STRATEGY, OUR DECISIONS AND OUR ACTIONS.**

## CSR STRATEGY

Our CSR strategy is based on the Ten Principles of the UN Global Compact, which we have joined, and the 17 Sustainable Development Goals.

Our entire approach is inspired by our strong values of passion, excellence, respect and courage, and rests on three fundamental pillars.

Our ambition and responsibility as a leader is to remain the forerunner and set an example for our employees, our regions, and our customers.



## CSR MANAGEMENT TO IMPLEMENT OUR CONCEPT OF SUSTAINABILITY

Backed by a strong commitment from our shareholder, the Board of Directors, General Management and the Executive Committee, our approach is organized through a Group CSR Directorate and dedicated teams on each of our sites.

Specific objectives incorporated into the budget are monitored and coordinated at monthly steering committee meetings. We involve all employees by organizing an annual CSR day on all of our sites, and by incorporating our objectives into employees' variable remuneration packages.



## PEOPLE FIRST

### HEALTH AND SAFETY

Acting responsibly by applying the same standards on all sites to ensure safety and improve working conditions.

### WELL-BEING AT WORK AND RECOGNITION

Recognizing the results achieved collectively and individually. Providing all of our employees with optimum social welfare. Investing in our plants and offices to improve the workplace environment.

### SKILLS AND CAREERS

Ensuring the long-term future of our business lines through the Verescence glass and decoration schools, and developing our talents through training programs, inspiring careers and international mobility.

### DIVERSITY

Promoting social inclusion by providing equal opportunities for all, wherever we operate, and developing diversity.



## ACT FOR SOCIETY

### LOCAL PRESENCE, GLOBAL STRENGTH

Establishing facilities close to our customers, developing the areas in which we operate and capitalizing on the strength that comes from being part of a global group.

### PRESERVING EMPLOYMENT ON OUR SITES

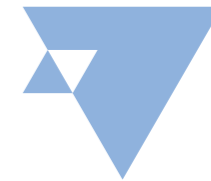
Preserving employment on our sites through sustainable economic performance and the preservation of glass-making and finishing competencies by developing training programs that lead to qualification of people in these skills, particularly focused on underprivileged people.

### SUSTAINABLE PROCUREMENT

Increasing our responsible purchasing by prioritizing local purchases and involving our suppliers in our CSR approach.

### BUSINESS ETHICS

Applying exemplary business ethics.



## ECO SOLUTIONS

### QUALITY OF SERVICE AND COMPETITIVENESS

Continuously improving our agility and quality in order to reduce waste, cut excess production and limit transportation and non-value-added packaging.

### INNOVATION AND ECO-DESIGN

Incorporating the environmental imperative as a source of creativity and innovation. Measuring the environmental impact of our products over the entire life cycle, and providing our customers with reports and more environmentally-friendly alternatives.

### OPTIMIZING THE ENVIRONMENTAL IMPACT OF OUR PROCESSES

Innovating in our industrial processes and the raw materials used, deploying best practices globally to limit our impact on the planet.

# OUR ACHIEVEMENTS AND 2020 OBJECTIVES

## VERESCENCE MONITORS ITS SUSTAINABLE DEVELOPMENT PERFORMANCE AND HAS SET AMBITIOUS OBJECTIVES FOR 2020.

The table below gives a brief overview of the Group's progress with respect to each of the three pillars of the "GLASS MADE TO LAST" program. Details of the figures and progress with respect to each commitment are given in the main body of this report.

	Achievements (1)	2020 Objectives
<b>PEOPLE FIRST</b>		
<b>HEALTH AND SAFETY</b>	<ul style="list-style-type: none"> <li>Threefold reduction in the accident rate in the last five years, and zero accidents in the United States in the last two years</li> <li>All of our sites have high-quality health insurance, and five out of six sites have a comprehensive welfare scheme</li> <li>Global CSR day</li> </ul>	<ul style="list-style-type: none"> <li>Lost time accident frequency rate (TF1) &lt; 2</li> <li>All of our employees enjoy health coverage in line with best practices in their country of residence, and financial protection in the event of a non-work-related accident</li> </ul>
<b>WELL-BEING AT WORK AND RECOGNITION</b>	<ul style="list-style-type: none"> <li>10% of our investments allocated to improving working conditions</li> <li>Renovation of social areas on 80% of our sites</li> <li>All managers have received Psychosocial Risk (PSR) training</li> </ul>	<ul style="list-style-type: none"> <li>2% of our investments allocated to improving working conditions</li> <li>All executives trained in management</li> <li>Absenteeism rate &lt; 4%</li> </ul>
<b>SKILLS AND CAREERS</b>	<ul style="list-style-type: none"> <li>Worldwide roll-out of the Glass School and establishment of the Finishing School</li> <li>Formalization of career paths on finishing sites</li> </ul>	<ul style="list-style-type: none"> <li>Consolidation and worldwide roll-out of the Finishing School</li> <li>Deployment of career paths on all sites</li> <li>Global job exchange</li> <li>More than 66% of employees receive training</li> </ul>
<b>DIVERSITY</b>	<ul style="list-style-type: none"> <li>Creation of the Women at Verescence network</li> <li>Women in leadership training</li> </ul>	<ul style="list-style-type: none"> <li>Equal recruitment</li> <li>At least 33% of management teams made up of women</li> </ul>

Equivalence with the UN's 17 Sustainable Development Goals:

(1): See APPENDICES, 2017 CSR Dashboard and 2017 CSR Initiatives



	Achievements (1)	2020 Objectives
<b>ACT FOR SOCIETY</b>		
<b>LOCAL PRESENCE, GLOBAL STRENGTH</b>	<ul style="list-style-type: none"> <li>85% of purchases from local suppliers</li> <li>Establishment of a decoration plant in La Granja (Spain) to cover 90% of local requirements (€3.5 M investment, 120 employees)</li> <li>On-site sorting subcontractors at Verescence La Granja (Spain) and Verescence Mers-les-Bains (France)</li> </ul>	<ul style="list-style-type: none"> <li>95% of purchases from local suppliers</li> <li>90% of sorting activities insured</li> </ul>
<b>PRESERVING EMPLOYMENT ON OUR SITES</b>	<ul style="list-style-type: none"> <li>26 CQP/CléA certificates issued in France*</li> <li>* CQP: Professional Qualification Certificate and CléA: Basic professional knowledge and skills certificate</li> <li>Contribution to the development of business activities in a Rural Regeneration Area and safeguarding of jobs at Verescence Orne (France)</li> <li>Exclusive glass-making partner of the Grand Musée du Parfum in Paris, and partnerships with the glass museums in La Granja (Spain) and Eu (France)</li> </ul>	<ul style="list-style-type: none"> <li>30 CQP/CléA certificates issued in France</li> <li>20% of recruitment from disadvantaged groups in France</li> <li>Continued work to safeguard rare expertise in the Perfumery and Cosmetics business lines</li> </ul>
<b>SUSTAINABLE PROCUREMENT</b>	<ul style="list-style-type: none"> <li>Creation of a Responsible Purchasing charter</li> <li>All purchasers trained in Responsible Purchasing</li> </ul>	<ul style="list-style-type: none"> <li>All suppliers signed up to the CSR Charter</li> </ul>
<b>BUSINESS ETHICS</b>	<ul style="list-style-type: none"> <li>Introduction of a Compliance Committee, an Ethics Code and Code of Conduct, a multi-issue whistleblowing procedure, and a procedure for checking third parties</li> </ul>	<ul style="list-style-type: none"> <li>All high-risk employees trained and qualified on corruption risks, anti-competitive practices, and information security</li> <li>All risks mapped</li> </ul>

Equivalence with the UN's 17 Sustainable Development Goals:



	Achievements (1)	2020 Objectives
<b>ECO SOLUTIONS</b>		
<b>QUALITY OF SERVICE AND COMPETITIVENESS</b>	<ul style="list-style-type: none"> <li>Fourfold reduction in complaint rate in five years</li> <li>OTIF &gt; 90%</li> <li>Output up 10 points in five years</li> </ul>	<ul style="list-style-type: none"> <li>Customer claim rate &lt; 0.75%</li> <li>OTIF &gt; 95%</li> <li>Output: +3 points</li> </ul>
<b>INNOVATION AND ECO-DESIGN</b>	<ul style="list-style-type: none"> <li>20% of major customers using NEO Infinite Glass</li> <li>15% of products eco-designed in 2017</li> <li>Launch of the lightweight glass program</li> <li>Launch of the life cycle assessment tool</li> <li>88% of lacquers water-based</li> </ul>	<ul style="list-style-type: none"> <li>50% of major customers using NEO Infinite Glass</li> <li>50% of customer requests satisfied by eco-friendly solution</li> <li>Zero solvent-based lacquer</li> </ul>
<b>OPTIMIZING THE ENVIRONMENTAL IMPACT OF OUR PROCESSES</b>	<ul style="list-style-type: none"> <li>40% reduction in CO<sub>2</sub> emissions with the new Furnace 6 at Verescence Mers-les-Bains (France)</li> <li>92% of waste recovered at Verescence Mers-les-Bains (France)</li> <li>Recycling of plastic covers and reuse of thermoformed packaging</li> <li>New filter to reduce particulate emissions on the La Granja site (Spain)</li> </ul>	<ul style="list-style-type: none"> <li>15% reduction in CO<sub>2</sub> emissions worldwide</li> <li>95% of our waste recovered</li> <li>20% reduction in water consumption</li> </ul>

Equivalence with the UN's 17 Sustainable Development Goals:



# PEOPLE FIRST



  
HEALTH AND SAFETY

  
WELL-BEING AT WORK  
AND RECOGNITION

  
SKILLS AND CAREERS

  
DIVERSITY

People First: because a company is nothing without its talent. At Verescence, this reality is all the more fundamental in that we are an international group, dedicated to manufacturing luxury products.

Glass-making and finishing are not easily learned skills. They are based on precise and rare expertise acquired over a long period of time. What's more, they evolve with the arrival of new technologies. Verescence must now find a way to maintain its historical skills and adapt to new developments, while guaranteeing safety and well-being at work.

 HEALTH AND SAFETY

Health and safety are vital issues in an industrial company. That's why we have set ambitious targets moving towards zero accidents and zero occupational diseases.

**SAFETY**

One objective particularly illustrates our commitment to safety. The lost time accident frequency rate, or TF1, was 8.3 in 2010, and has now fallen to less than three. This is a remarkable achievement, and we must continue to make progress towards zero accidents.

This significant improvement is the result of work done by dedicated teams on each of our sites, considerable capital expenditures, action plans that are monitored each month, and a system for alerts and to exchange best practices between sites. The priority given to this issue is

reflected in the fact that the CEO is informed of all lost time accidents within 24 hours.

**HEALTH**

At the end of 2017, all of our sites were certified in accordance with occupational health and safety management standard OHSAS 18001.

We implement targeted action plans on all of our sites to prevent occupational diseases.

We aim to provide all of our employees with healthcare in line with best practices in their country of residence, and financial protection in the event of a non-work-related accident.

We encourage involvement in sports, and organize a number of events such as the Course des Héros and Transbaie races.

MONITORING INDICATOR TO 2020

Lost time accident frequency rate	TF1 < 2
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INTERVIEW



**Alain Thorré**  
CSR Director

"Safety is a priority at Verescence. We have developed a safety alert system across the entire Group, which our sites can use to share best practices to address, avoid and anticipate hazardous situations."

Accident rate in the last 5 years

÷ 3





**WELL-BEING AT WORK AND RECOGNITION**

MONITORING INDICATORS TO 2020	
Investments to improve working conditions vs. Total investments	> 2%
Absenteeism rate	< 4%

We have invested all around the world to modernize work and rest areas. For example, in 2017, more than two million euros were spent on improvements at Mers-les-Bains. We plan to continue with this program and have allocated more than 2% of future investments to it. This should help to reduce our absenteeism rate, with the objective of a 27% reduction by 2020.

**A KNOWN AND SHARED DIRECTION**

Without clear knowledge of the company's strategy, there is no motivation. That's why our strategy, in the form of the Excellence 2018 plan, was communicated to all employees at a dedicated event. Employees receive information about its implementation and results at annual meetings or in the local "Verescence in Action" newspaper.

**MORE EFFECTIVE MANAGEMENT**

We pay great attention to the consistency and quality of our management, which must be both demanding and inspiring. As such, all of our managers received Psychosocial Risk (PSR) training in 2017 and we are increasing management training on all our sites in 2018.

**MODERN STRUCTURES**

We have introduced more modern, agile and empowering structures (Autonomous Production Units) on all of our finishing sites in the last four years, and are working to further develop them.

**PERFORMANCE RECOGNITION**

We have an individual performance evaluation system at all levels of the organization, and we are aiming to involve our employees even more closely in improving their performance.



**SKILLS AND CAREERS**

Our employees' fulfilment and the future of Verescence are ensured through training, mobility and preservation of glass-making and finishing skills. This vision is shared and applied at all levels of the company.

**SUPPORTING CAREERS**

When we introduced APUs in 2012 in our decoration sites, we defined career paths and training programs to facilitate our employees' professional development. Our objective for 2020 is to extend these to the entire organization. Every employee at Verescence should be able to progress according to his or her talents.

**INTERNATIONAL MOBILITY**

We also encourage geographical mobility, which is enriching for our employees and helps to develop a shared culture within Verescence. We are planning to introduce a "global job exchange" in 2019.

**OUR TRAINING SCHOOLS**

We are proud of our sectoral know-how and aware of the competitive advantage this brings to our company. Our historical site in Mers-les-Bains has been a certified "glass school" for many years. The worldwide training program it offers is shared with all of our sites. More recently, we have set up the "Finishing School" on the same model, which we hope to roll out globally by 2020.

MONITORING INDICATORS TO 2020	
Deployment of career paths on all of our sites	100%
% of employees trained	66%

**INTERVIEW**



**Sylvain Reny**  
Group Human Resources Manager

"We encourage exchanges and training at all levels and for all positions, in order to develop talents and promote One Verescence."

**10%**  
Of investments dedicated to improving working conditions in 2017



MONITORING INDICATORS TO 2020	
% of female managers	33%
% of female recruits	50%

In order to meet the increasingly complex challenges that we face, it is imperative that we make our organization smarter.

We therefore need to think, build and act differently, using the company's multicultural assets and developing diversity at all levels of our enterprise.

**WOMEN IN LEADERSHIP**

We are fully committed to diversity, one of our company's greatest assets. In 2014, we held awareness sessions for all of our management committees, and introduced the "Décllic" training program, which aimed to encourage women to take more responsibility and assert their leadership skills.

In 2017, we created the "Women at Verescence" group, and organized a networking event for our female employees and customers at the Grand Musée du Parfum in Paris.



**CULTURAL AND GEOGRAPHICAL DIVERSITY**

An international group is more complex, but also richer due to its different cultures.

At Verescence, we strive to take advantage as much as possible of our cultural diversity which generates more intelligence.

Three different nationalities shape our future in the Executive Committee.

We offer a wide range of opportunities abroad, and currently have around twenty expatriates.

Annual business line committee meetings that bring together experts of all nationalities, exchange visits between our sites, and major inter-regional projects round off our diverse approach.

INTERVIEW



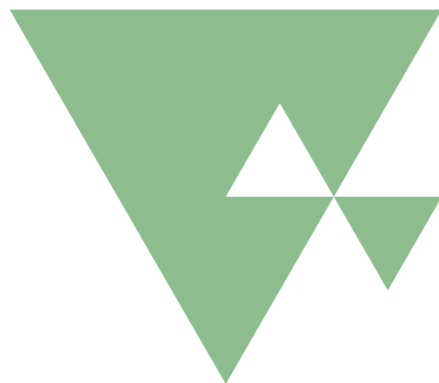
**Héléne Marchand**  
General Manager, France

"Verescence fully understands that it cannot do without 50% of its talents, and we are seeking a better gender balance in both technical and managerial roles.

A number of initiatives have been set up in recent years, and the lines have started to shift, with women being promoted to positions of responsibility.

Our objectives for 2020 are:  
- Equal recruitment  
- A better male-female ratio within the Group, with at least 33% of female managers.

# ACT FOR SOCIETY



  
LOCAL PRESENCE,  
GLOBAL STRENGTH

  
PRESERVING  
EMPLOYMENT ON OUR SITES

  
SUSTAINABLE PROCUREMENT

  
BUSINESS ETHICS

Verescence has the particular feature of being an international group with a strong local presence. As a leader, we have to set an example and make our actions sustainable so that we contribute positively to the ecosystems around us. We believe that economic and social performance can be conducted jointly.

Our concept of social responsibility is shared with all our partners and includes our economic activities, our employment policy and our business ethics. It is by thinking about our margin of improvement that the four major stakes in the pillar Act For Society were defined.



## LOCAL PRESENCE, GLOBAL STRENGTH

Our international development strategy is implemented through the establishment of strong, independent industrial and commercial sites in order to provide the best possible response to our customers' requirements (business practicalities, agility, service, etc.). Group headquarters supports our local offices, providing expert opinions, best practices, working methods, and common procedures.

### CUSTOMER PROXIMITY AND GLOBAL SERVICE

So that it can serve all its customers effectively, Verescence has locations in France, Spain, and the United States. This enables us to provide our customers with local support, while bringing them the benefits from being part of a strong, international group.

For example, we can launch a global product simultaneously from our American and European sites. Furthermore, our unique footprint also means that we can offer our customers two

#### MONITORING INDICATOR TO 2020

Local purchasing vs. Purchasing volume

95%

separate production locations for greater security of supply.

### LOCAL OPERATION THROUGH THE CREATION OF CLUSTERS

Our desire to act locally is reflected in the objective of procuring 95% of our supplies locally. We want to minimize our environmental impact while contributing to the economic life of the areas in which we operate. This desire is accompanied by major investments to insource our finishing and sorting activities worldwide. For instance, we have built a decoration plant in Spain and have created sorting teams and established subcontractors' workshops in our factories.

### ENTERPRISE-WIDE GOOD PRACTICES

In order to accelerate the introduction of new production processes or new practices, our technical and continuous improvement teams have each of our sites working on projects that are later deployed in the rest of the world.





**PRESERVING EMPLOYMENT ON OUR SITES**

Our key responsibility is to ensure the long-term future of our company, and that comes through improving economic performance, securing glass trades and training our employees.

**PROMOTING OUR TRADE**

The ancestral know-how of our trades must be promoted and preserved. We are a founder member of the Grand Musée du Parfum in Paris, which aims to highlight the French art of Perfumery, and sit on the Board of Directors of the Real Fábrica de Cristales de La Granja glass museum in Spain. We are also active members of European and French associations such as the FEVE, the Fédération du Verre, Cosmetic Valley, Glass Valley, and The Fragrance Foundation.

**MONITORING INDICATOR TO 2020**

Number of CQP/CléA certificates issued	<b>30</b>
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**DEVELOPING TRAINING PROGRAMS THAT LEAD TO QUALIFICATIONS**

Verescence aims to help make the areas in which it operates more dynamic both through its economic activity and employment opportunities, and by encouraging local populations to engage in training and qualifications.

As such, Verescence and its partners develop training programs that lead to qualifications (Professional Qualification Certificates (CQP) and Basic professional knowledge and skills certificates (CléA)). Since 2016, over twenty people on our three sites in France have obtained one of these qualifications. These training programs help to promote social inclusion. For example, at our Verescence Somme site, 50% of new entrants are involved.



**SUSTAINABLE PROCUREMENT**

Verescence shares its CSR strategy with its partner suppliers. Our goal is to convince 100% of our suppliers to sign our CSR charter.

**SUSTAINABLE PROCUREMENT, A STRATEGIC CHALLENGE**

Verescence currently purchases 85% of its supplies locally, and 100% of our purchasers have received responsible purchasing training. The goal of 95% of local purchases is in our sights, along with an ecosystem of suppliers fully engaged with our sustainable approach.

**SELECTING AND MONITORING OUR SUPPLIERS**

At Verescence, we have identified the suppliers that have a significant CSR impact. These suppliers, known as CSR1, are the focus of our awareness-raising efforts in 2018, before we move on to ensuring that 100% of our suppliers sign our CSR charter in 2020.

We want our suppliers to develop an effective local CSR strategy and this is our number one criteria when selecting them. That's why we audit them regularly. CSR already has a 26% weighting in supplier quality audits.

More than ever, CSR is a major factor in the evaluation of our service suppliers.

**MONITORING INDICATOR TO 2020**

Number of suppliers that have signed the CSR Charter vs. Number of suppliers	<b>100%</b>
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**INTERVIEW**



**Hervé Schricke**  
*Purchasing Director*

"We have developed a network of local partners around each of our manufacturing sites. That enables us to implement our sustainable procurement policy worldwide."

**100%**

Of purchasers trained in sustainable procurement



**BUSINESS ETHICS**

As the leader on its market, Verescence has to set an example in how it conducts its business. This approach has been in place for several years.

**NEW IMPETUS**

Verescence's approach has received new impetus following the introduction of the French Sapin 2 law on transparency, anti-corruption, and the modernization of the economy. We also aim to be in strict compliance with the US FCPA, UK anti-bribery laws and other international laws governing corrupt practices.



**CONCRETE ACTIONS**

In 2017, we strengthened our Code of Ethics, shared it with all employees and published it on our Intranet and web sites.

Our anti-corruption policy has been implemented through the creation of a Compliance Committee made up of members of the Management Committee and supervised by the CEO, and the introduction of a multi-issue whistleblowing procedure (corruption, conflicts of interest, money laundering, and failures), a procedure for checking third parties via the internationally-used WorldCheck database, and a procedure for limiting authority (for example, setting a limit for the value of business gifts).

The policy is also deployed through the organization of employee training and awareness-raising sessions worldwide, and through e-learning. Each employee considered in "at risk" population is made aware and trained through an e-learning platform.

In 2018, the focus will be on finalizing the risk map, which will be used to identify areas for improvement in future years. We will also continue to raise awareness among our employees through further training sessions.

**MONITORING INDICATOR TO 2020**

% of high-risk employees trained and qualified on corruption risks, anti-competitive practices and information security	<b>100%</b>
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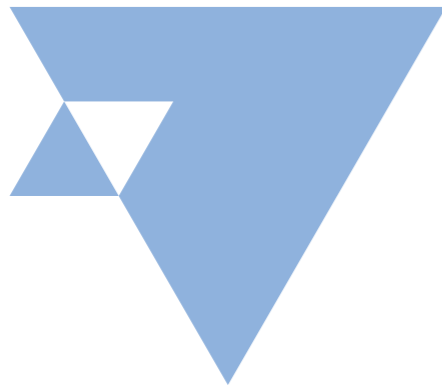
**INTERVIEW**



**Emmanuelle Camus - Nikitine**  
*Legal Director*

"Business ethics and anti-corruption are priorities for Verescence. As a result, we have provided appropriate annual training for all our teams and set up a whistleblowing system available to everyone."

# ECO SOLUTIONS



  
**QUALITY OF SERVICE  
 AND COMPETITIVENESS**

  
**INNOVATION AND  
 ECO-DESIGN**

  
**OPTIMIZING THE  
 ENVIRONMENTAL IMPACT  
 OF OUR PROCESSES**

Glass is a unique material that can be recycled an infinite number of times without any deterioration in its properties. It inspires us to incorporate the environmental imperative as a source of creativity and innovation.

We believe that developing more planet-friendly processes and eco-designed products is compatible with the codes of luxury and beauty. It brings an extra dimension to our customers' products, particularly for new generations of consumers.

  
**QUALITY OF SERVICE  
 AND COMPETITIVENESS**

MONITORING INDICATOR TO 2020	
Customer claim rate	< <b>0.75%</b>
On Time In Full deliveries (OTIF)	> <b>95%</b>

In our luxury business, the scrap rate is high and there are multiple manufacturing steps due to the sophistication of the products.

In order to reduce our environmental impact, our first challenge is therefore to simplify flows and improve control of our industrial processes.

**IMPROVING OUR PRODUCT QUALITY**

Improving the quality of our products will not only enable us to meet our customers' expectations, but also allow us to reduce the quantity of waste generated, by getting it right the first time. In 2017, our customer complaint rate fell to 1%, compared to 4% in 2011. By 2020, we aim to get this figure below 1%.

Alongside this, since 2011 we have increased our recovery by 10 points across all of our sites, thus

reducing scrap rates and consumption. Our 2020 target is a three-point improvement in performance.

**AGILITY AND DIRECT FLOWS**

We are working to optimize our flows and the agility of our processes in order to respond to increased market volatility, without generating overproduction and non-value-added operations. Our objective is to achieve an OTIF rate of > 95% worldwide by 2020.

Customer claim rate since 2011

÷ 4





**INNOVATION AND  
ECO-DESIGN**

Today, the obligation to develop eco solutions represents an exceptional opportunity: it gives us the chance to reinvent our business and breathe new, more creative, more sustainable life into it, without sacrificing our quality of service or customer satisfaction.

**ECO-DESIGN, A KEY AREA FOR INNOVATION**

Eco-design has been part of the group's identity for many years. Following the development of NEO Infinite Glass, we launched our lightweight glass program, which enables us to manufacture lighter bottles of the same quality and robustness. We are also working on refillable/recyclable high-end solutions. We continue to develop more eco-friendly decoration products. From pure research to raising awareness among our teams and partners, eco-design is an essential element of our sustainability strategy.

MONITORING INDICATORS TO 2020	
Percentage of customers using NEO Infinite Glass	50%
Percentage of customer requests satisfied by an eco-friendly offer	50%



**NEO INFINITE GLASS**

We have a clear objective: to convince all of our biggest customers to use NEO Infinite Glass (made using 90% recycled materials), which was developed in 2008 and significantly improved in 2014 to make it more attractive. Those of our customers who are committed to CSR and eco-design approaches are very interested in this unique composition, and three market leaders have already launched articles in NEO Infinite Glass.

**A TOOL FOR MEASURING ENVIRONMENTAL IMPACT**

Since 2017, we have been using Life Cycle Assessment (LCA) software, which generates a comparative analysis of the environmental impacts of our different products and guides our customers' choices according to eight impact indicators. This tool makes a significant contribution to raising awareness among our teams and customers.

INTERVIEW



**Samuel Joachim**  
*Director of Innovation and Development*

"We were the first to develop a premium recycled glass, NEO Infinite Glass, which uses 90% recycled materials. We are constantly working on new programs, such as Lightweight Glass and clean finishes."

3

Major customers using NEO Infinite Glass in 2017

15%

Eco-designed products in 2017



**OPTIMIZING THE ENVIRONMENTAL IMPACT OF OUR PROCESSES**

MONITORING INDICATORS TO 2020	
CO <sub>2</sub> emissions	-15%
Water consumption	-20%
Waste recovery	95%



Investing in efficient, environmentally responsible production processes is an exciting challenge. Verescence has set clear objectives for reducing its environmental impact by cutting energy consumption, CO<sub>2</sub> emissions, and solvent use, and optimizing water and waste management. These are all areas for improvement that require financial and human investments to maintain our competitiveness.

**ENERGY**

Between 2016 and 2017, our energy consumption per metric ton of glass drawn fell from 5.38 MWh to 5.26 MWh. That's a saving of more than 21,500 MWh for the period, the equivalent of the energy consumed by over 1,000 homes in a year. This promising reduction is linked to the renovation of our main furnace in 2017 (15% lower energy consumption) for an investment in excess of 10 million euros. This work forms part of the ongoing renewal of our production facilities, which started in 2015 with the renovation of the first furnace and an initial energy saving of around 10%. The goal is to reduce our energy consumption while increasing production capacity.

**CO<sub>2</sub> EMISSIONS**

Carbon dioxide emissions decreased by 3% between 2016 and 2017, a reduction of over 5,800 metric tons in the CO<sub>2</sub> discharged into the atmosphere. That's equivalent to the CO<sub>2</sub> emitted by more than 5,800 homes with gas-fired heating in a year. Our 2020 objective is to reduce our CO<sub>2</sub> emissions to 0.95 metric tons per ton of glass drawn, a 15% decrease compared to 2017.

**WASTE**

The ultimate goal is the recovery of 95% of our waste by 2020. Today, we aim to reduce waste by promoting recyclable packaging and using short distribution channels. For example, in 2017 we set up a recycling channel for our plastic covers with a supplier that reincorporates them into its process. In addition, in 2017 all Group sites were certified in accordance with ISO 14001, a standard that promotes excellence in environmental management.

**WATER**

We are working to optimize the water cycle, maximize wastewater treatment, and reduce our consumption. Our global objective for 2020 is 2.9 m<sup>3</sup> of water consumed per metric ton of glass drawn, a 20% reduction compared to 2017.

**SOLVENTS (VOLATILE ORGANIC COMPOUNDS)**

Ten years ago, Verescence pioneered the development of hydro lacquers. We now wish to eliminate the use of solvent-based lacquers entirely by 2019. To this end, we are raising awareness among our customers and offering alternative solutions.

INTERVIEW



**Christophe Dhaene**  
*QHSE & Performance System Manager*

"The objective is to introduce environmentally friendly processes while making savings. All of our sites are working towards this goal."



**Laëtitia Denis**  
*Machine operator and Furnace 6 Sponsor, Mers-les-Bains*

"We're proud of this investment in Furnace 6, which is a cutting-edge furnace that enables us to reduce our energy consumption and CO<sub>2</sub> emissions."





# APPENDICES

# 2020 CSR DASHBOARD AND OBJECTIVES

PILLAR	THEME	KPI	UNIT	STARTING POINT	ACHIEVED	OBJECTIVES			
				2016	2017	2018	2019	2020	
PEOPLE FIRST	HEALTH AND SAFETY	Lost time accident frequency rate (TF1)	Rate	4.81	2.58	< 3	< 2.5	< 2	
		Investments to improve working conditions vs. Total investments	%	7%	10%	2%	2%	2%	
	WELL-BEING AT WORK AND RECOGNITION	Absenteeism rate	%	5.5%	5.4%	5%	4.5%	< 4%	
		Number of employees trained vs. Number of employees	%	61%	65%	66%	66%	> 66%	
	SKILLS AND CAREERS	Career path deployment rate	%	33%	50%	67%	83%	100%	
		Percentage of female managers	%	31%	30%	31%	32%	33%	
	DIVERSITY	Percentage of female recruits	%	29%	41%	44%	47%	50%	
		Local purchasing vs. Purchasing volume	%	84%	85%	85%	90%	95%	
	ACT FOR SOCIETY	LOCAL PRESENCE, GLOBAL STRENGTH	Number of CQP/CléA certificates issued	Number	14	26	28	29	30
		PRESERVING EMPLOYMENT ON OUR SITES	Number of suppliers that have signed the CSR Charter vs. Number of suppliers listed on the Verescence CSR 1 panel (suppliers with a significant effect on Verescence's CSR impact)	%	0%	0%	60%	100%	100%
SUSTAINABLE PROCUREMENT		High-risk employees trained and qualified on corruption risks, anti-competitive practices and information security vs. Total workforce	%	30%	80%	100%	100%	100%	
ECO SOLUTIONS	BUSINESS ETHICS	Customer claim rate	%	1.43%	1%	0.90%	0.80%	< 0.75%	
		On Time In Full delivery rate (OTIF)	%	88%	90%	> 92%	> 94%	> 95%	
	QUALITY OF SERVICE AND COMPETITIVENESS	Percentage of customers using NEO Infinite Glass	%	6%	20%	30%	40%	50%	
		Percentage of customer requests satisfied by eco-friendly solution	%	0%	15%	30%	40%	50%	
	INNOVATION AND ECO-DESIGN	CO <sub>2</sub> emissions (Scope 1: Direct GHG; Scope 2: Energy Indirect GHG)	t/tg(1)	1.13	1.10	1.04	1	0.95	
OPTIMIZING THE ENVIRONMENTAL IMPACT OF OUR PROCESSES	Water consumption	m3/tg(1)	3.6	3.4	3.3	3.1	2.9		
	Waste recovery rate	%	81.8%	84.5%	88%	92%	95%		

(1): /tg = per metric ton of glass produced

# 2017 CSR INITIATIVES

**OUR CONTINUOUS IMPROVEMENT APPROACH IS BASED ON IMPLEMENTING THE CSR POLICY ON EACH SITE AND SHARING BEST PRACTICES.**

The tables below identifies local best practices to be deployed when global issues are identified. These tables are not exhaustive, and are constantly changing.

-   
**PEOPLE FIRST**
-   
**HEALTH AND SAFETY**
-   
**WELL-BEING AT WORK AND RECOGNITION**
-   
**SKILLS AND CAREERS**
-   
**DIVERSITY**

## 2017 INITIATIVES STANDARDIZED AT GROUP LEVEL AND APPLIED ON ALL SITES

**Management:**

- Occupational Health and Safety objectives have been set for the Group and applied on all sites. They form part of the individual objectives set for all executives

**Performance recognition:**

- Process for evaluating executive performance via "People Success" (an Intranet-based workflow platform): three reviews throughout the year (objective setting, mid-year review and year-end review)  
- Extension of appraisals to all employees/workers

**Internal Communication:**

- Organization of a global CSR day on all sites: in 2017, the global safety day that is in place at Verescence since 2011 evolved to become a global CSR day, with booths on all sites to present and share with employees the CSR issues and impacts within Verescence

**Human Resources and Career Management:**

- An HR policy is defined within the Verescence group and implemented on all sites responsible for hiring their employees and managing their personnel  
- Internal mobility is encouraged when meeting new hiring needs

**Employee training:**

- All new arrivals (temporary and permanent employees, interns) receive Health and Safety training, which must be validated before they start work

**Management:**

- HR policy is consistent with the Ethics Charter, which applies Group-wide and is signed by all employees through their employment contract  
- A whistleblowing procedure to identify cases of harassment, corruption and discrimination has been implemented and rolled out on all sites. A committee led by the CEO is responsible for analyzing any reports from employees

  
PEOPLE FIRST

  
HEALTH AND SAFETY

  
WELL-BEING AT WORK AND RECOGNITION

  
SKILLS AND CAREERS

  
DIVERSITY

2017 INITIATIVES BY SITE

VERESCENCE Mers-les-Bains (France)	VERESCENCE Orne (France)	VERESCENCE Somme (France)	VERESCENCE La Granja (Spain)	VERESCENCE Covington (United States)	VERESCENCE Sparta (United States)
<p><b>Management</b></p> <ul style="list-style-type: none"> <li>- A performance bonus (including safety criteria) is awarded each year so that all operators share in improved results</li> <li>- Setting up of a health add-on covering 80% of the employer's contribution</li> </ul> <p><b>Improvement in infrastructure/PPE</b></p> <ul style="list-style-type: none"> <li>- Modernization of industrial facilities, particularly through the renovation of our main furnace (Furnace 6), improving working conditions</li> </ul> <p><b>Employee training</b></p> <ul style="list-style-type: none"> <li>- Introduction of "Movement and Posture" training for all new Hot End Operators (bottle forming)</li> <li>- Scheduling of "Self-Contained Breathing Apparatus" training (on a real fire) for all of our plant fire-fighters</li> </ul>	<p><b>Management</b></p> <ul style="list-style-type: none"> <li>- A performance bonus (including safety criteria) is awarded each year so that all operators share in improved results</li> </ul> <p><b>Improvement in infrastructure/PPE</b></p> <ul style="list-style-type: none"> <li>- Introduction of safety goggle wear in all workshops</li> <li>- Evaluation of stress factors during the PSR (Psychosocial Risk) analysis</li> <li>- Measures to assess workshop noise: personnel exposed to noise equipped with ear muffs</li> </ul>	<p><b>Management</b></p> <ul style="list-style-type: none"> <li>- A performance bonus (including safety criteria) is awarded each year so that all operators share in improved results</li> </ul> <p><b>Improvement in infrastructure/PPE</b></p> <ul style="list-style-type: none"> <li>- Introduction of safety goggles in all workshops</li> <li>- Annual performance of ergonomics analyses on the various stations</li> </ul>	<p><b>Management</b></p> <ul style="list-style-type: none"> <li>- Introduction of a general procedure for managing and storing hazardous materials</li> </ul> <p><b>Improvement in infrastructure/PPE</b></p> <ul style="list-style-type: none"> <li>- Continuous improvement actions relating to workstation ergonomics</li> <li>- Application of the Group work station risk assessment standard</li> </ul>	<p><b>Management</b></p> <ul style="list-style-type: none"> <li>- Introduction of a daily and monthly work station safety risk monitoring program</li> <li>- Safety observation cards for "near misses", to indicate potential safety problems</li> <li>- Safety-related efforts were also rewarded through the "Pride Incentive"</li> </ul> <p><b>Employee training</b></p> <ul style="list-style-type: none"> <li>- Introduction of monthly training on identified safety risks for all employees</li> </ul>	<p><b>Management</b></p> <ul style="list-style-type: none"> <li>- Introduction of a daily and monthly work station safety risk monitoring program</li> <li>- Organization of a "Health" information day and non-mandatory meetings with a doctor</li> </ul> <p><b>Employee training</b></p> <ul style="list-style-type: none"> <li>- Introduction of monthly training on identified safety risks for all employees</li> </ul>
<p><b>Well-being at work</b></p> <ul style="list-style-type: none"> <li>- Agreements signed relating to quality of life at work, standby duties, organization of working time, and employee benefits</li> <li>- Trophy awards ceremony to encourage and recognize Continuous Improvement group initiatives</li> </ul>	<p><b>Well-being at work</b></p> <ul style="list-style-type: none"> <li>- The managers and members of the Workplace Health and Safety Committee attended training on identifying and managing people exposed to PSR (Psychosocial Risks)</li> <li>- Hiring of an apprentice Ergonomist</li> <li>- Repainting the site</li> </ul>	<p><b>Well-being at work</b></p> <ul style="list-style-type: none"> <li>- Introduction of a procedure enabling employees to report all instances of PSR (Psychosocial Risks) identified to a "Well-being at work" working group</li> <li>- Increase in the hours of a physiotherapist available to personnel</li> </ul>	<p><b>Well-being at work</b></p> <ul style="list-style-type: none"> <li>- Introduction of a mandatory stretching program in decoration plants at the start of each shift</li> <li>- New cafeteria and more beneficial "meal voucher" package for employees</li> </ul>	<p><b>Well-being at work</b></p> <ul style="list-style-type: none"> <li>- Change in the number of hours per shift from 12 hours to 8 hours</li> <li>- Organization of interactive communication sessions with employees relating to working conditions</li> </ul>	<p><b>Well-being at work</b></p> <ul style="list-style-type: none"> <li>- Interactive communication session with employees relating to working conditions</li> <li>- Healthier food options in the cafeteria</li> <li>- Improved exterior lighting at the plant</li> <li>- Change from three rotating 8-hour shifts to three fixed, scheduled shifts</li> </ul>
<p><b>Career management</b></p> <ul style="list-style-type: none"> <li>- Multi-skills table for production personnel to promote career progression</li> </ul>	<p><b>Career management</b></p> <ul style="list-style-type: none"> <li>- Production of an individual career and development plan for all employees</li> <li>- Establish a career plan and personal goals for all employees</li> </ul>	<p><b>Career management</b></p> <ul style="list-style-type: none"> <li>- Establish a career plan and personal goals for all employees</li> </ul>	<p><b>Career management</b></p> <ul style="list-style-type: none"> <li>- Establish a career plan and personal goals for all employees</li> </ul>	<p><b>Career management</b></p> <ul style="list-style-type: none"> <li>- Establish a career plan and personal goals for all employees</li> </ul> <p><b>Employee training</b></p> <ul style="list-style-type: none"> <li>- Offer of online training</li> <li>- Organization of local seminars/lectures according to requirements</li> </ul>	<p><b>Career management</b></p> <ul style="list-style-type: none"> <li>- Offer of on-line training</li> <li>- Organization of local seminars/lectures according to requirements</li> </ul> <p><b>Employee training</b></p> <ul style="list-style-type: none"> <li>- Offer of on-line training</li> <li>- Organization of local seminars/lectures according to requirements</li> </ul>
<ul style="list-style-type: none"> <li>- Raising managers awareness towards the risks of discrimination and harassment</li> <li>- Workstation adjustments and exchange with company doctor for temporarily or permanent disabled employees</li> </ul>	<ul style="list-style-type: none"> <li>- Hiring of a woman as Quality and Continuous Improvement Manager, bringing the proportion of women on the site's management committee to 37%</li> <li>- Internal promotion of a woman to the position of Independent Production Unit Manager</li> </ul>	<ul style="list-style-type: none"> <li>- The person responsible for hiring has taken "Hiring without discrimination" training</li> </ul>	<ul style="list-style-type: none"> <li>- Introduction of a gender and ethnicity equality plan</li> <li>- Adaptation of premises to improve disabled access</li> </ul>	<ul style="list-style-type: none"> <li>- All managers and supervisors have received training on equal employment opportunities, discrimination and harassment</li> <li>- Buildings have been made accessible to wheelchair users, restrooms have been adapted for disabled users. All specific provisions are systematically designed according to requirements</li> </ul>	<ul style="list-style-type: none"> <li>- All managers and supervisors have received training on equal employment opportunities, discrimination and harassment</li> <li>- Buildings have been made accessible to wheelchair users, restrooms have been adapted for disabled users. All specific provisions are systematically designed according to requirements</li> </ul>

 ACT FOR SOCIETY

 LOCAL PRESENCE, GLOBAL STRENGTH

 RESPONSIBLE PROCUREMENT

 BUSINESS ETHICS

 LOCAL PRESENCE, GLOBAL STRENGTH

 PRESERVING EMPLOYMENT ON OUR SITES

2017 INITIATIVES STANDARDIZED AT GROUP LEVEL AND APPLIED ON ALL SITES

**Management**

- Review of all Verescence key processes by their owner at the level of the Executive Committee, Regional Management Committees, and Site Management Committees, taking into account CSR criteria, with SWOT analysis and improvement plan

**Equipment**

- All Verescence sites equipped with HD video conferencing systems, enabling highly efficient communication between sites and with our customers and key partners. This system makes it possible to limit travel, and therefore improve our employees' safety, while having a favorable impact on our CO<sub>2</sub> footprint (Scope 3: Indirect Emissions linked to activities relating to bottle production)  
 - All of our finishing sites equipped with 3D printers making it possible to produce most of our tools. This system makes it possible to reduce tool transportation flows, while considerably improving our agility through a significant reduction in lead time

**Supplier selection**

- Introduction of heavily-weighted CSR criteria in invitations to tender, specifications and purchasers' individual goals  
 - Implementation of the Purchasing Policy, CSR Policy and Supplier CSR Charter set out by the group  
 - Environmental and social audits on suppliers' sites

**Responsible procurement**

- The finishing plants use gold for some types of decoration. The plants have restricted the number of suppliers to two trusted companies. Their sources are certified and declared through official or CFSI declarations  
 Verescence maintains a "gold mapping" document that is used to trace the origin of the gold for all of the finishing plants

**Common provisions for all sites:**

- An "FCPA policy" that covers the following subjects: anti-corruption, conflicts of interest, fraud, anti-competitive practices  
 - Ethics Code and Code of Conduct for all employees  
 - "Cyber security policy and measures": committee, ISS (Information Security System) policies, internal audits  
 - "Whistleblower procedure" accessible on the Intranet  
 - Ethics Committee  
 - Anti-corruption training for all executives

2017 INITIATIVES BY SITE

VERESCENCE Mers-les-Bains (France)	VERESCENCE Orne (France)	VERESCENCE Somme (France)	VERESCENCE La Granja (Spain)	VERESCENCE Covington (United States)	VERESCENCE Sparta (United States)
<p><b>Local operation through the creation of clusters</b>                      - Incorporation of blank bottle sorting subcontractors on site</p> <p><b>Local presence and social commitment</b>                      - Employee participation in the "Course des Héros" race in Paris                      - Employee participation in the "La Transbaie" race in the Somme estuary</p> <p><b>Local sectoral collaboration</b>                      - Active participation in "Glass Valley" and "Cosmetic Valley", which bring together all local players in the sector, i.e. glassmakers, decorators, toolmakers, layout artists, sorters, etc.</p> <p><b>Collaboration with local authorities</b>                      - Regular collaborative work with the local authorities under environmental protection measures (limiting emissions into the air and water)</p>	<p><b>Local operation through the creation of clusters</b>                      - Insourcing of all decorated bottle sorting activities on site</p> <p><b>Local presence and social inclusion</b>                      - Development of business activities in a rural regeneration area (ZRR - Ecouché) where the population is disadvantaged in relation to access to employment</p> <p><b>Local sectoral collaboration</b>                      - Active participation in "Glass Valley" and "Cosmetic Valley", which brings together all local players in the sector, i.e. glassmakers, decorators, toolmakers, layout artists, sorters, etc.</p>	<p><b>Local operation through the creation of clusters</b>                      - Insourcing of all decorated bottle sorting activities on site</p> <p><b>Local presence and social commitment</b>                      - Breast cancer walk                      - Participation in the Employment and training forum (Amiens and Abbeville)                      - Blood donation campaign                      - Employee participation in the "La Transbaie" race in the Somme estuary</p> <p><b>Local sectoral collaboration</b>                      - Active participation in "Glass Valley" and "Cosmetic Valley", which brings together all local players in the sector, i.e. glassmakers, decorators, toolmakers, layout artists, sorters, etc.</p> <p><b>Collaboration with local authorities</b>                      - Regular collaborative work with the local authorities under environmental protection measures (limiting emissions into the air)</p>	<p><b>Local operation through the creation of clusters</b>                      - Insourcing of all blank or decorated bottle sorting activities on site</p> <p><b>Local presence and social commitment</b>                      - Sponsorship of several sports (soccer, Marcha BTT etc), cultural activities (Noches Mágicas, Mercado Barroco)                      - Collaboration with the public school relating to IT systems                      - Collaboration with the Valladolid University Foundation                      - Collaboration with the public authorities for employment of local people</p> <p><b>Local sectoral collaboration</b>                      - Participation in "Vidrio España", an environmental association that brings together glass manufacturers in Spain</p>	<p><b>Local presence and social commitment</b>                      - Cancer prevention event                      - "Nutrition" advisory campaign                      - "Adopt a mile" partnership with the city of Covington to clean the roadside leading to the plant                      - Toy collection campaign for the "Toys for Tots" association</p>	<p><b>Local operation through the creation of clusters</b>                      - Insourcing of all decorated bottle sorting activities on site</p> <p><b>Local presence and social commitment</b>                      - Cancer prevention event                      - "Nutrition" advisory campaign</p>
<p><b>Preserving the sector's trades</b>                      - Recognition of Verescence France's In-house training center as an accredited center for delivering training leading to qualifications (CQP: Professional Qualification Certificate) for the glass trades</p>	<p><b>Preserving the sector's trades</b>                      - Training leading to qualifications (CQP: Professional Qualification Certificate) for lacquering line operation</p>	<p><b>Preserving the sector's trades</b>                      - Verescence Somme is a "Datadock" certified training body that can deliver customized training to suit the requirements of our personnel                      - Training leading to qualifications (CQP: Professional Qualification Certificate) for lacquering line operation</p>	<p><b>Preserving the sector's trades</b>                      - Government-certified training center authorized to deliver training leading to qualifications of glass trades (Certificado Profesionalidad)</p>		



## 2017 INITIATIVES STANDARDIZED AT GROUP LEVEL AND APPLIED ON ALL SITES

### Management and organization

- Strengthening of ONE VERESCENCE through the roll-out of a standard QHSE Management System across the entire Verescence group, based on a strong continuous improvement approach
- Management of performance at monthly committee meetings by site and by business line, enabling rapid deployment of good practices
- All sites are subject to CSR objectives covering the three pillars. Included in their respective budgets, these objectives are reported and reviewed during monthly Business Reviews. Therefore all sites work actively to reduce their energy and water consumption, and emissions into the air (CO<sub>2</sub>, NOx, SOx, VOC, etc.), and are committed to recovering as much of their waste as possible while examining all local recycling solutions. All of this data is collected each month within the HSE network, and consolidated on a non-financial reporting platform administered by TENNAXIA
- Monitoring of waste by type and disposal method on all sites
- Insourcing of bottle sorting activities on our sites in order to optimize our processes, reduce our delivery times and reduce transportation
- All Verescence sites are certified in accordance with all of the following standards: ISO 9001, OHSAS 18001, ISO 14000, Cosmetics GMP, ISO 22716

- The Verescence R&D teams, positioned at group level, work to systematically improve the ecological impact of the products manufactured on all of our sites:

- Development of NEO Infinite Glass (25% PCR = "Post Consumer Recycled")
- Use of Hydro lacquers instead of solvent-based lacquers
- Use of organic inks instead of enamels or precious metals
- Development of lightweight glass

- Creation of specific software, in partnership with certain customers, used to measure and analyze the life cycle of Verescence products. All sites contribute through their performance to enhance the environmental impact model that we have developed using a unique life cycle analysis tool. This tool makes it possible to compare two bottles and give our customers an objective opinion for a more environmentally responsible selection process based on eight impact indicators: Global Warming (CO<sub>2</sub>), Acidification, Photochemical Oxidation, Eutrophication, Ecotoxicity, Exhaustion of mineral resources, Non-renewable energy consumption and Water consumption

## 2017 INITIATIVES BY SITE

VERESCENCE Mers-les-Bains (France)	VERESCENCE Orne (France)	VERESCENCE Somme (France)	VERESCENCE La Granja (Spain)	VERESCENCE Covington (United States)	VERESCENCE Sparta (United States)
<p><b>Energy consumption and reduction of CO<sub>2</sub> emissions</b></p> <ul style="list-style-type: none"> <li>- Reconstruction of our main furnace (Furnace 6): 15% drop in energy consumption</li> <li>- Impact of energy switch on our main furnace (Furnace 6): heavy fuel oil replaced by gas -&gt; 18% reduction in CO<sub>2</sub> emissions for the site</li> <li>- Certification of CO<sub>2</sub> emissions</li> <li>- Installation of LED lighting at Cold End</li> </ul> <p><b>Pollution reduction (air, emissions)</b></p> <ul style="list-style-type: none"> <li>- Disposal of our electrostatic filter dust by inclusion in salt mines</li> <li>- Monthly measurements sent to the Regional Environment, Development and Housing Department (DREAL) to check our atmospheric emissions: dust, particulates, SOx, NOx, etc.</li> </ul> <p><b>Waste and end of life</b></p> <ul style="list-style-type: none"> <li>- Plastic recycling: collection of our plastics for production of plastic covers and sheaths (secondary raw material)</li> <li>- Recovery of IT waste (GreenIT)</li> </ul> <p><b>Impact on water</b></p> <ul style="list-style-type: none"> <li>- Feasibility study for rainwater collection started in 2017</li> <li>- Cooling tower consumption monitoring</li> <li>- Monthly reporting to the Regional Environment, Development and Housing Department (DREAL) on discharges into water</li> </ul> <p><b>Team training</b></p> <ul style="list-style-type: none"> <li>- 50% of employees on site trained on the environmental issues involved in our activities</li> </ul>	<p><b>Energy consumption and reduction of CO<sub>2</sub> emissions</b></p> <ul style="list-style-type: none"> <li>- Use of variable speed compressors</li> <li>- Gradual installation of low energy consumption LEDs on the entire site</li> </ul> <p><b>Pollution reduction (air, emissions)</b></p> <ul style="list-style-type: none"> <li>- New lacquering guns: reduction in lacquer consumption and therefore in associated waste and VOC (Volatile Organic Compound) emissions</li> <li>- Use of filters on lacquering booths (removal of VOCs) and on atmospheric discharges from the new frosting line (Auto 2) by gas scrubbing, together with the use of a dust separator for the sandblasting workshop</li> </ul> <p><b>Waste and end of life</b></p> <ul style="list-style-type: none"> <li>- Selective waste recovery: recycling of polyethylene film</li> </ul> <p><b>Reduction of impact on water</b></p> <ul style="list-style-type: none"> <li>- Reuse and recycling of effluent wherever possible</li> </ul>	<p><b>Energy consumption and reduction of CO<sub>2</sub> emissions</b></p> <ul style="list-style-type: none"> <li>- Use of variable speed compressors</li> <li>- Installation of low energy consumption LEDs on the entire site</li> <li>- Employee awareness-raising on eco-friendly habits</li> </ul> <p><b>Pollution reduction (air, emissions)</b></p> <ul style="list-style-type: none"> <li>- Reduction in lacquer consumption and therefore in associated waste and VOC (Volatile Organic Compound) emissions</li> <li>- Removal of dust and particulates: use of filters on outputs from lacquering booths</li> </ul> <p><b>Waste and end of life</b></p> <ul style="list-style-type: none"> <li>- Selective waste recovery: recycling of polyethylene film</li> </ul> <p><b>Reduction of impact on water</b></p> <ul style="list-style-type: none"> <li>- Reuse and recycling of effluent wherever possible</li> </ul>	<p><b>Energy consumption and reduction of CO<sub>2</sub> emissions</b></p> <ul style="list-style-type: none"> <li>- Reduction in energy consumption through employee awareness programs</li> <li>- Certification of CO<sub>2</sub> emissions</li> </ul> <p><b>Pollution reduction (air, emissions)</b></p> <ul style="list-style-type: none"> <li>- Commissioning of an electrostatic filter to reduce emissions of particulates, NOx, and SOx</li> <li>- Introduction of measures to reduce the impact due to employee journeys (car sharing, new canteen, bike park, etc.)</li> </ul> <p><b>Waste and end of life</b></p> <ul style="list-style-type: none"> <li>- Reduction in hazardous waste: pollution filters and inorganic salts</li> </ul> <p><b>Reduction of impact on water</b></p> <ul style="list-style-type: none"> <li>- Closed cooling water system</li> <li>- Lacquering: collection of overspray by dry filter -&gt; no water consumption</li> <li>- Water consumption reduction project: flow meters installed</li> </ul>	<p><b>Energy consumption and reduction of CO<sub>2</sub> emissions</b></p> <ul style="list-style-type: none"> <li>- Energy audit</li> <li>- Certification of CO<sub>2</sub> emissions</li> </ul> <p><b>Pollution reduction (air, emissions)</b></p> <ul style="list-style-type: none"> <li>- Renovation and purchases of silos to limit dust and particulate emissions</li> </ul> <p><b>Waste and end of life</b></p> <ul style="list-style-type: none"> <li>- Installation of waste compactors</li> <li>- Recycling of all cardboard</li> <li>- Recycling of 80% of metal</li> <li>- Recycling of printer cartridges and IT waste (Green IT)</li> </ul>	<p><b>Energy consumption and reduction of CO<sub>2</sub> emissions</b></p> <ul style="list-style-type: none"> <li>- Use of variable speed compressors</li> <li>- Energy audit</li> <li>- Installation of LED bulbs on site</li> </ul> <p><b>Waste and end of life</b></p> <ul style="list-style-type: none"> <li>- Installation of waste compactors</li> <li>- Implementation of a cardboard and metal recycling program</li> </ul> <p><b>Reduction of impact on water</b></p> <ul style="list-style-type: none"> <li>- Lacquering: closed water system for the water curtain and collection of overspray (excess sprayed lacquer) eliminates the need for continuous use of water</li> </ul> <p><b>Employee training</b></p> <ul style="list-style-type: none"> <li>- Annual employee training on the environmental issues involved in our activities</li> </ul>

# GRI (GLOBAL REPORTING INITIATIVE) AND GLOBAL COMPACT EQUIVALENCE TABLE

**VERESCENCE HAS SET OUT ITS STRATEGY AND REPORTING IN ACCORDANCE WITH THE PRINCIPLES OF THE GRI (GLOBAL REPORTING INITIATIVE) IN ORDER TO ENSURE THE COMPLETENESS OF ITS APPROACH.**

The following table shows the equivalence between the essential principles of the GRI (2016 update) and our CSR report.

▼ Complete equivalence    ▼ Partial equivalence    ▼ No equivalence

NO.	GRI INDICATORS	EQUIV.	SECTION/COMMENTS
<b>102</b>	<b>General disclosures</b>		
102-1	Name of the organization	▼	Cover page
102-2	Activities, brands, products and services: description of the organization's activities, brands, products, and services	▼	Our value chain
102-3	Location of the organization's headquarters	▼	Verescence past and present
102-4	Location of operations: number of countries where the organization operates, names of countries where either the organization has significant operations or that are specifically relevant to this report	▼	Verescence past and present
102-5	Nature of ownership and legal form	▼	-
102-6	Markets served: geographic location of markets, sectors served, and types of customers and users/consumers	▼	Our achievements and 2020 objectives
102-7	Scale of the organization: number of employees, information about operations, sales, capitalization, and quantity of products provided	▼	Verescence past and present
102-8	Information about employees and other workers: employees by type of employment contract (permanent/temporary), gender, region, full time/part time, and whether a substantial portion of the organization's work is performed by workers who are not employees of the organization	▼	Verescence past and present
102-9	Supply chain: including the organization's main structure for the activities, brands, products and services	▼	Our value chain
102-10	Significant changes regarding the organization's size, structure, ownership, or its supply chain (change in the location of operations, main suppliers, or the share capital structure)	▼	-
102-11	How the precautionary principle is addressed	▼	-
102-12	External initiatives (list of CSR charters, principles, or other initiatives that the organization endorses)	▼	Three-pillar CSR strategy and governance
102-13	Membership of associations (list of memberships of international industry associations or organizations or other associations or organizations incorporating CSR issues)	▼	Three-pillar CSR strategy and governance
102-14	Statement from the most senior decision-maker of the organization (such as CEO, chair, or equivalent senior position) about the relevance of CSR to the organization and the strategy developed	▼	Editorial

▼ Complete equivalence    ▼ Partial equivalence    ▼ No equivalence

NO.	GRI INDICATORS	EQUIV.	SECTION/COMMENTS
<b>102</b>	<b>General disclosures</b>		
102-16	Values, principles, standards, and norms of behavior	▼	Editorial
102-18	Governance structure of the organization, including committees of the highest governance body and their CSR responsibilities	▼	Three-pillar CSR strategy and governance
102-40	List of the Group's stakeholders	▼	Our value chain
102-41	Collective bargaining agreements: percentage of total employees covered by collective bargaining agreements	▼	100% of employees covered by collective bargaining agreements in all countries where the legal framework allows (84% of total employees)
102-42	Identification and selection of stakeholders: method of identification and selection of stakeholders	▼	-
102-43	Approach to stakeholders: the organization's approach to stakeholders, including frequency of engagement and specific commitments made for each stakeholder group	▼	-
102-44	Key topics that have been raised through stakeholder engagement: including how the organization has responded to those key topics and the stakeholders concerned	▼	-
102-45	Entities included in the organization's consolidated financial statements: including reasons justifying exclusion	▼	Verescence past and present
102-46	Report content and boundaries: process for defining the report content and the Aspect Boundaries	▼	Our value chain
102-47	List of material Aspects identified in the process for defining report content	▼	Our value chain
102-48	Review of previous statements: the reasons for and effects of restatements of information provided in previous reports	▼	New reporting period: first CSR report
102-49	Changes in reporting: significant changes from the previous year in the list of material Aspects and report content	▼	New reporting period: first CSR report
102-50	Reporting period	▼	2017 calendar year
102-51	Date of the most recent previous report (if any)	▼	New reporting period: first CSR report
102-52	Reporting cycle	▼	Annual
102-53	Contact point for questions regarding the report or its contents	▼	Contents
102-54	Reporting statements in accordance with GRI standards: this report has been prepared in accordance with GRI standards: Core or Comprehensive	▼	GRI (Global Reporting Initiative) Equivalence Table
102-55	GRI Equivalence Table	▼	GRI (Global Reporting Initiative) Equivalence Table
102-56	External assurance: description of the organization's approach with regard to seeking external assurance for the data in the report (if the report has been externally assured, and the External Assurance Report, if any)	▼	No external assurance



▼ Complete equivalence    ▼ Partial equivalence    ▼ No equivalence

NO.	GRI INDICATORS	EQUIV.	SECTION/COMMENTS
<b>Specific disclosures</b>			
20	Economic		
<b>201</b>	<b>Economic performance</b>		
201-1	Direct economic value generated and distributed	▼	Our value chain: resources and financial impacts Our achievements and 2020 objectives
<b>204</b>	<b>Procurement practices</b>		
204-1	Proportion of spending on local suppliers	▼	Our achievements and 2020 objectives
<b>205</b>	<b>Anti-corruption</b>		
205-2	Communication and training on anti-corruption policies and procedures	▼	Our achievements and 2020 objectives
30	Environmental		
<b>301</b>	<b>Materials</b>		
301-2	Recycled input materials	▼	Our achievements and 2020 objectives
<b>302</b>	<b>Energy</b>		
302-3	Energy intensity	▼	Eco Solutions
302-4	Reduction of energy consumption	▼	Our achievements and 2020 objectives
<b>303</b>	<b>Water</b>		
303-1	Total water withdrawal by source	▼	Our achievements and 2020 objectives
<b>305</b>	<b>Emissions</b>		
305-4	Greenhouse gas (GHG) emissions intensity	▼	Our achievements and 2020 objectives
305-5	Reduction of greenhouse gas (GHG) emissions	▼	Our achievements and 2020 objectives
<b>306</b>	<b>Effluents and waste</b>		
306-2	Waste by type and disposal method	▼	Our achievements and 2020 objectives Eco Solutions

▼ Complete equivalence    ▼ Partial equivalence    ▼ No equivalence

NO.	GRI INDICATORS	EQUIV.	SECTION/COMMENTS
<b>Specific disclosures</b>			
40	Social		
<b>401</b>	<b>Employment</b>		
401-1	New employee hires and employee turnover	▼	Our achievements and 2020 objectives
<b>403</b>	<b>Occupational health and safety</b>		
403-2	Type of injury and rates of injury, occupational diseases, absenteeism, and work-related fatalities	▼	Our achievements and 2020 objectives - People First Well-being and recognition
<b>404</b>	<b>Training and Education</b>		
404-1	Average hours of training per employee	▼	Our achievements and 2020 objectives
404-2	Programs for skills management and programs that assist employees in managing career endings	▼	Our achievements and 2020 objectives
<b>405</b>	<b>Diversity and Equal Opportunity</b>		
405-1	Diversity of governance bodies and employees	▼	Our achievements and 2020 objectives
405-2	Ratio of basic salary and remuneration of women to men	▼	-
<b>407</b>	<b>Freedom of association and collective bargaining</b>		
407-1	Operations and suppliers identified in which the right to collective bargaining may be at risk	▼	Our achievements and 2020 objectives
<b>413</b>	<b>Local Communities</b>		
413-1	Local community engagement, impact assessments, and development programs	▼	Our achievements and 2020 objectives
<b>417</b>	<b>Product and Service Labeling</b>		
417-1	Product and service information and labeling requirements	▼	Our achievements and 2020 objectives

# GLOBAL COMPACT EQUIVALENCE TABLE

**VERESCENCE HAS JOINED THE GLOBAL COMPACT AND IS COMMITTED TO THE TEN PRINCIPLES. EACH YEAR, THE GROUP ISSUES A COP (COMMUNICATION ON PROGRESS), WHICH IS PUBLISHED ON THE GLOBAL COMPACT WEB SITE. THIS REPORT CONSTITUTES VERESCENCE'S 2018 COP (2017 DATA).**

▼ Complete equivalence    ▼ Partial equivalence    ▼ No equivalence

NO.	TEN PRINCIPLES OF THE GLOBAL COMPACT	EQUIV.	SECTION/COMMENTS
<b>Human Rights</b>			
1	Businesses should support and respect the protection of internationally proclaimed human rights.	▼	Act for society - Responsible purchasing
2	Businesses should make sure that they are not complicit in human rights abuses.	▼	Act for society - Responsible purchasing
<b>Labor</b>			
3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	▼	People first - Well-being at work and recognition
4	Businesses should contribute to the elimination of all forms of forced and compulsory labor.	▼	Act for society - Responsible purchasing
5	Businesses should contribute to the effective abolition of child labor.	▼	Act for society - Responsible purchasing
6	Businesses should contribute to the elimination of discrimination in respect of employment and occupation.	▼	People first - Diversity
<b>Environment</b>			
7	Businesses should support a precautionary approach to environmental challenges.	▼	Eco Solutions - Optimizing the environmental impact of our processes
8	Businesses should undertake initiatives to promote greater environmental responsibility.	▼	Eco Solutions - Optimizing the environmental impact of our processes
9	Businesses should encourage the development and diffusion of environmentally friendly technologies.	▼	Eco Solutions - Innovation and eco-design
<b>Anti-corruption</b>			
10	Businesses should work against corruption in all its forms, including extortion and bribery.	▼	Act for society - Business ethics

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