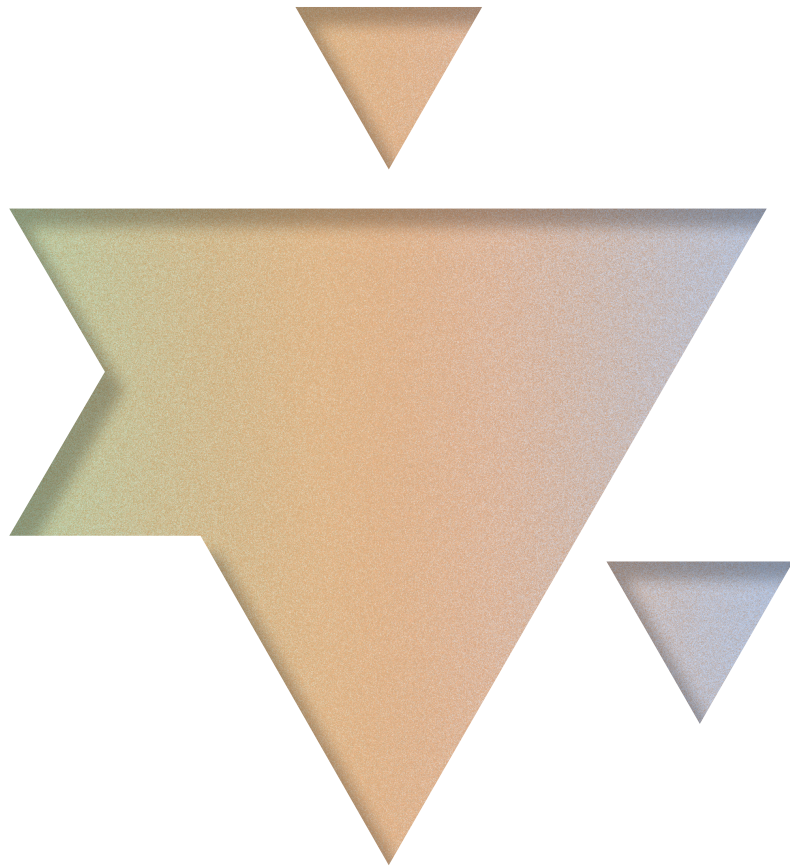
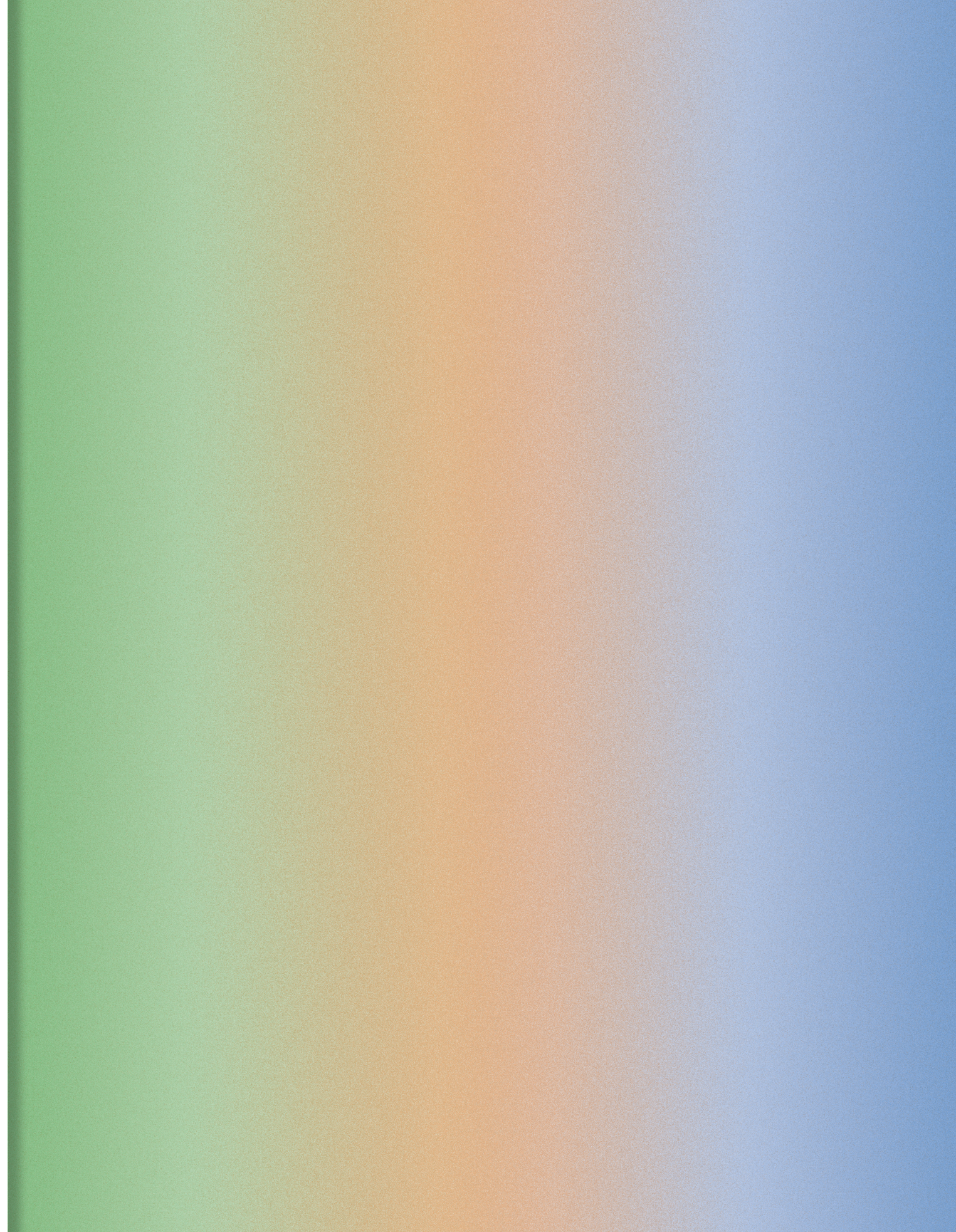


# VERESCENCE



SUSTAINABILITY REPORT  
2019-2020



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EDITORIAL

# OUR SUSTAIN- ABLE COMMIT- MENTS

**Thomas Riou  
& Alain Thorré**  
Chief Executive Officer  
& CSR Director

**A pioneer in eco solutions for luxury bottles, Verescence is advancing its sustainable development dynamic, as this third Sustainability Report demonstrates. By dint of its exacting standards and perseverance, the Group is consolidating its leadership in CSR. In 2019-2020, significant progress has been made through joining the Science Based Targets initiative (SBTi), pursuing eco-designed developments and structural investments.**

**THOMAS RIOU** Our CSR strategy is now fully integrated into our overall strategy, with sustainability at the heart of our strategic plan: Verescence 2022 – Forming the Future. Our ambition is to become the global reference in the sustainable beauty industry, driven by a material of the future: glass. Launched in 2019, it is structured into five components, all centered on sustainability: People First, Customer Excellence, Competitiveness, One Verescence and New Territories. A €122 million investment plan supports our strategic plan. Its goal is the constant improvement of our processes in order to respond responsibly to the increasing demand for glass in the beauty and insulator (electricity transmission) markets. In other words, we want to combine growth in our business with a reduction in our environmental impact. Our investment policy also responds to the challenges of digitalization, agility and eco-design.

**ALAIN THORRÉ** Since Verescence has reached a recognized level of CSR maturity, we are now incorporating a CSR dimension into each strategic pillar of Verescence 2022. A worldwide launch of Verescence 2022 took place at all our sites on June 19, 2019. We have strengthened our governance by creating a specific CSR committee, made up of members of the Executive Committee. Our performance system, renamed Verescence Sustainable Performance System, supports and consolidates the continuous improvement of our organizations and processes. All Verescence managers have at least one annual CSR-related objective. An assessment of CSR impacts is now systematic and integrated into all investment decisions.

**THOMAS RIOU** Today, more than ever, CSR performance is essential. It must be rigorously measured to avoid any greenwashing, and widely disseminated, both internally and externally. This applies across the board, whether it is a question of attracting talents; responding to societal demand to limit plastic; building meaningful partnerships with the communities around us and our suppliers; or obtaining financing on preferential terms. CSR is attracting growing interest in the world of luxury goods, and at the same time, our performance in this area is also increasingly recognized. We have shown ourselves to be pioneers in eco-innovation, starting in 2008 with the first 100% recycled glass, Verre Infini®, and then with Verre Infini® NEO in 2014. In 2019, the latter recorded a 130% surge in our order books. We will shortly be launching a new recycled glass range that could massively convert the market. It's all about creating value for our customers and for the end consumer!

“Our CSR strategy is now fully integrated into our overall strategy, with sustainability at the heart of our strategic plan: Verescence 2022 – Forming the Future. Our ambition is to become the global reference in the sustainable beauty industry.” **THOMAS RIOU**

**ALAIN THORRÉ** Year on year, we strive to report on the reality of our commitments and the impact of our actions in concrete terms, by measuring progress and any discrepancies in an objective manner so we can resolve them. For instance, our energy consumption is being monitored more and more closely thanks to multiple intelligent sensors currently being deployed at our sites. And it is out of the same desire for objectivity that we chose to have this CSR report and the PCR (Post-Consumer Recycled) glass rate in our Verre Infini® NEO appraised by an independent third party. Our aim is to ensure total transparency of our CSR performance, both internally and externally. Verescence has been awarded the “GOLD” level by the environmental rating agency EcoVadis for the second year in a row (with a score up six points: 77/100 at Group level), which represents both external recognition as well as a powerful benchmarking tool.

**THOMAS RIOU** As a glassmaker, we have an important role to play, especially since our material has many positive qualities: infinitely recyclable, aesthetic and protective. This is what popular apps like Yuka highlight. It underscores the sanitary and ecological qualities of glass compared to other materials. But at the same time, we must respond to climate challenge and therefore to the energy consumption and emissions generated by our high-temperature fusion process. I wanted Verescence to join the SBTi (Science Based Target initiative) to incorporate very strong commitments into our strategy. As a result, Verescence is to date the first glass group for the luxury Perfumery and Cosmetics industry to join this initiative. Another important commitment of Verescence is to help further develop glass collection and recycling. This is a commitment we share with all European glassmakers and collection and recycling industries.

**ALAIN THORRÉ** To come back in more detail to our support of the SBTi initiative, our objective is to base our decisions on sound scientific knowledge, looking beyond our normal horizon (3-5 years). This commits us to setting a greenhouse gas emission reduction target that is in line with the recommendations of the scientific community. To date, the majority of our furnaces (main CO<sub>2</sub> emission items linked to glass production) are new and are, on average, 15% more energy efficient than previous generations. Carbon footprint reduction will necessarily be gradual and is part of a long-term strategy, since a furnace has a lifespan of around ten years. Verescence is also cooperating at the glass industry level, alongside the FEVE (the European Container Glass Federation), which has recently committed to the “Furnace of the Future” project, to co-design, co-finance and co-construct a high-capacity hybrid electric furnace that will reduce CO<sub>2</sub> emissions associated with the production of glass packaging by 50%: a world first.

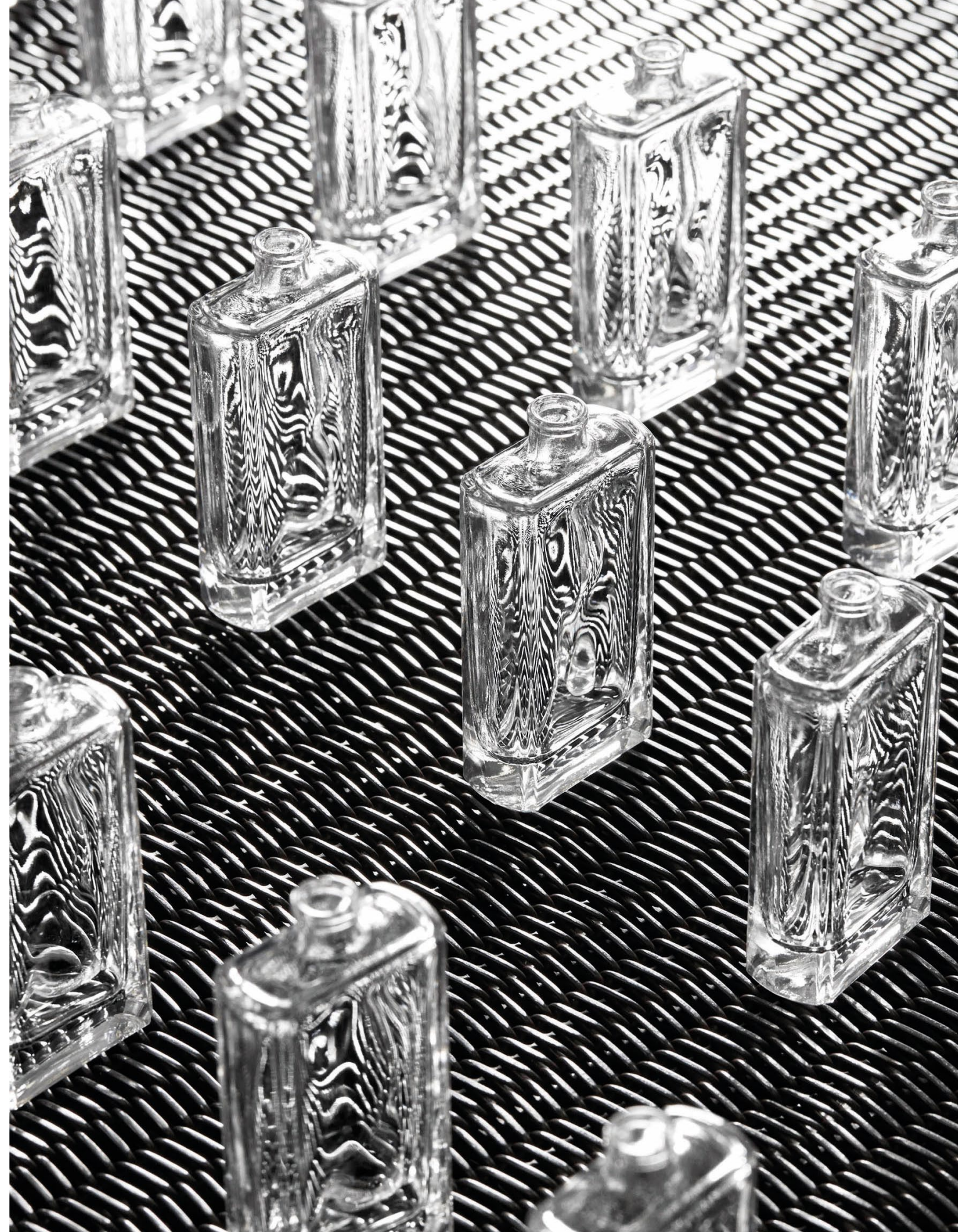
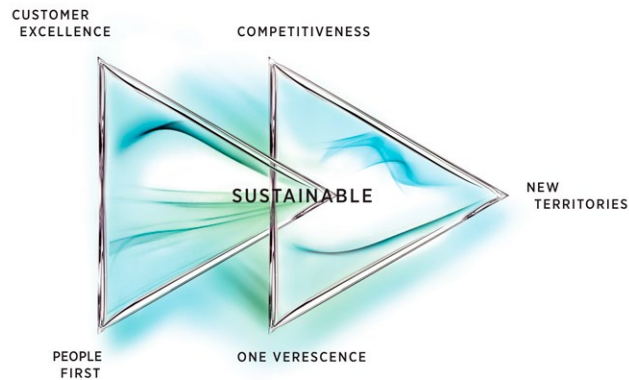
**THOMAS RIOU** We are of course supported in this strategy by our shareholder (Stirling Square Capital Partners) and our financial

partners. The latter have made it clear that value creation can no longer be achieved at the expense of the dimension previously referred to as “non-financial.” For us as an industrial group, a far-sighted policy based on a well-considered and robust performance system, is an additional guarantee of success.

Finally, we cannot end this editorial without mentioning the global crisis linked to the coronavirus epidemic and its consequences. For Verescence, this crisis only reinforces our convictions and our strategy. This only further anchors our People First commitment in our businesses by further accentuating risk prevention, increased cooperation with our territories, the regionalization of exchanges and therefore short and local supply chains, and finally the obligation to reduce the environmental impact of our businesses. In this respect, Verescence has accelerated its industry 4.0 projects during this period of crisis: big data, connected glasses, information systems, and new control technologies. As a result, we will have gained 2 to 3 years on our digital transformation schedule.

1. Corporate Social Responsibility

**VERESCENCE 2022**



# VERESCENCE PAST AND PRESENT

**An eco-innovative glassmaker rooted in France's "Glass Valley," Verescence develops a century-old expertise to satisfy both the requirements of luxury brands and those of sustainable and responsible development.**

Although the history of Verescence has its roots in 1896 in Mers-les-Bains, in the current world center of the luxury bottling industry, the Group's configuration has evolved, both in space and time, stabilizing in 2016. Between these two time points, our company refocused its activity on the Perfumery & Cosmetics industry and matured an ambitious CSR strategy. Very early on, we were convinced of the rightness of unifying our efforts: to keep international expansion as close as possible to our customers, to contribute to the development of the regions in which we operate, and, of course, to preserve the planet. This vision is evident in our successive eco-designed offers since 2008, and the proactive awareness of our markets towards these virtuous

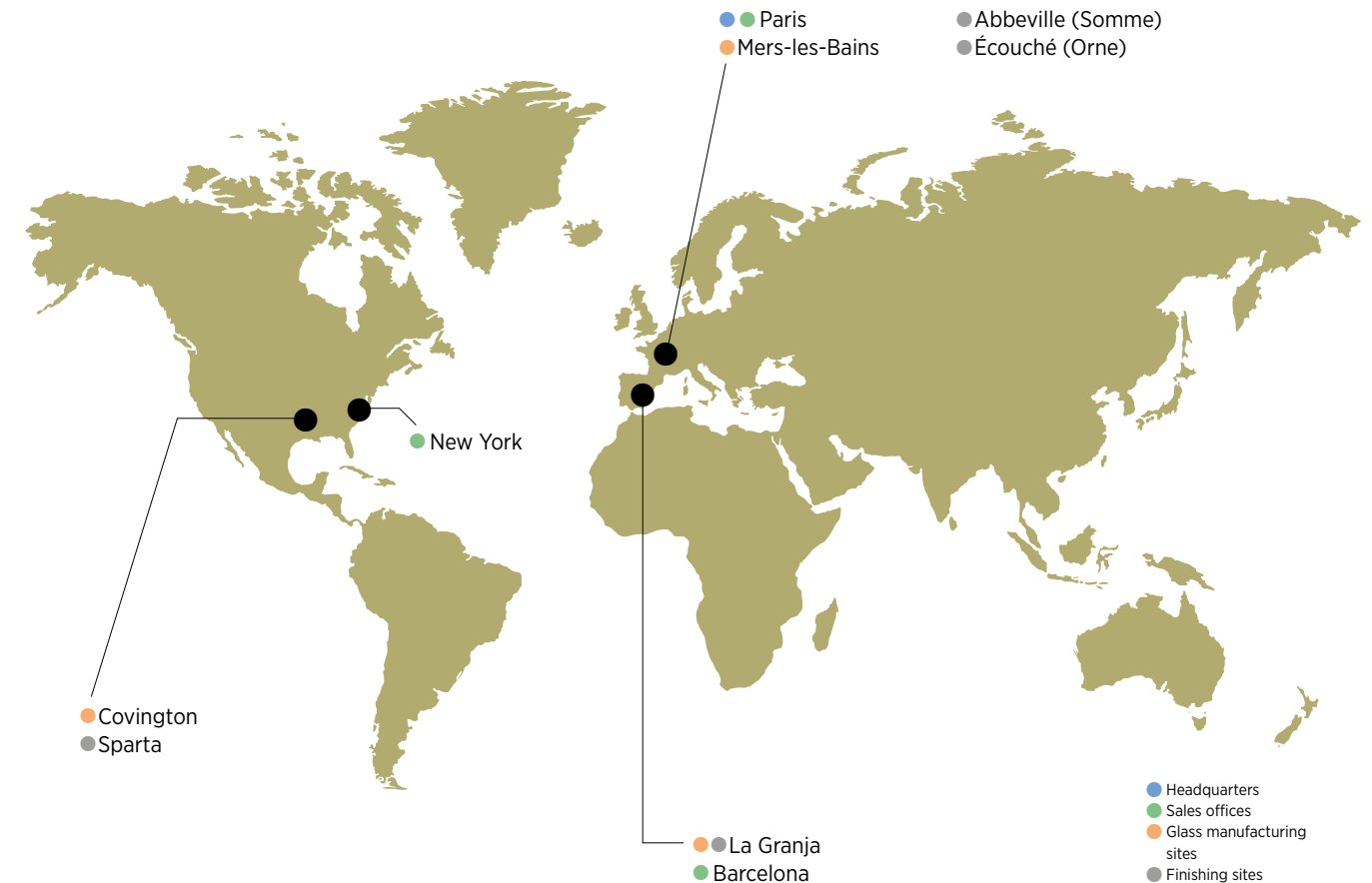
choices. The reality of climate change and the current awareness of the issue strengthen our initial ambition. This ambition is continuing, through ongoing training of our teams, awareness-raising among our partners and the digitalization of our processes.

While maintaining its original know-how, our Group is constantly innovating in terms of products, organization and processes to manufacture glass and to recycle it in the best possible way. First and foremost for the complete safety of our employees, our communities and, ultimately, the end consumer. This also led to a mini-revolution in terms of decorations which we have invested in since 1968 with the gradual integration of this stage, which is crucial for an eco-innovative glassmaker like Verescence. As a result, more than 90% of our finishing operations are now done in-house. The result is new solutions that respect our operators and the planet, something our company is proud to promote in its plants and among all its partners.

"Glass Made to Last", the banner of our CSR vision, has never been more relevant than it is today. For instance, signs of a "glassification" that we are happy to accompany are multiplying - including glass insulators for electricity transmission. This is thanks to know-how cultivated over many years in our Spanish plant in La Granja, a manufacturer of glass for the Iberian nobility since 1770.

We now have many opportunities within our reach, thanks to our €122 million investment plan that will enable us to roll out our strategic plan Verescence 2022 - Forming the Future.

## LOCATIONS



## OUR VISION

To become the global reference in the sustainable beauty industry

## OUR VALUES

Passion, Courage, Respect, Excellence

## DUAL EXPERTISE

Glassmaker + decorator

**What we do**

Perfumes and Beauty represent the main sectors in which we deploy our expertise. These are supplemented by our Insulator activity.



**Perfumes and beauty**

Our core business is glass bottle manufacturing for the Perfumery and Cosmetics market. We develop bottles with specific shapes that meet the requirements of the biggest names in the world of beauty products. Our finishing activity completes our offer and allows us to perfect our customers' creations.



We also offer a wide selection of standard models with multiple customization possibilities (colors, shapes and decorations).



**Insulators**

Since 1932, our production site in La Granja, Spain, has been manufacturing and marketing technical and innovative glass insulators for high-voltage power lines. With more than 100 million insulators installed worldwide, Verescence La Granja Insulators is recognized for its know-how and the quality of its products.

**KEY FIGURES**

**No. 1**

in glass bottle manufacturing for the Perfumery and Cosmetics industry



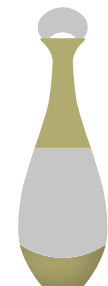
**€309M**

of revenue in 2019



**2,261**

employees worldwide



**3**

**glass production sites**  
France - Mers-les-Bains  
Spain - La Granja  
USA - Covington

**500**

million bottles produced/year

**4**

**finishing sites**  
France - Abbeville & Écouché  
Spain - La Granja  
USA - Sparta

**1,400**

tons of recycled glass sold worldwide in 2019



**100%**

of our sites certified, BPF 22716  
ISO 9001, ISO 14001,  
ISO 45001, ISO 50001  
(Mers-les-Bains), ISO 15378  
(Group; Abbeville),  
ISO 17025 (Insulators, La Granja)



# OUR PATH TO SUSTAINABILITY



**2009**

Launch of a Safety Day at all sites: safety, our priority



**2012**

Launch of the Performance 2015 plan to ensure long-term profitability



**2014**

Development of Verre Infini® NEO, the first premium glass made from 25% post-consumer recycled (PCR) glass



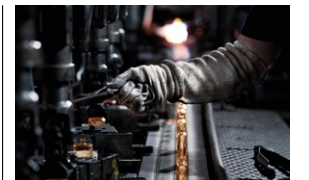
**2016**

Launch of the Excellence 2018 plan to consolidate our position as world leader in glass manufacturing



**2018**

- Signing of the United Nations Global Compact
- First Sustainability Report
- EcoVadis GOLD for the Group and all its sites
- Score B in CDP Climate Change and CDP Water Security
- Reconstruction of Furnace 1 in La Granja with reduced CO<sub>2</sub> emissions and energy consumption



**2020**

- Verescence joins the Science Based Targets initiative (SBTi)
- Investment in the "Furnace of the Future" project
- Launch of a tool to analyze the recyclability of glass according to decorations



**2008**

Launch of Verre Infini®, the first glass for the beauty market made from 100% cullet from post-consumer recycling (PCR)



**2010**

Launch of the TOP 2012 plan to improve quality and service



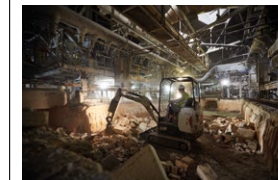
**2013**

Implementation of Autonomous Production Units (APU) at all our finishing sites



**2015**

Reconstruction of Furnace 1 in Mers-les-Bains with reduced CO<sub>2</sub> emissions and energy consumption



**2017**

- All of our sites are certified ISO 9001, ISO 14001, ISO 22716, OHSAS 18001
- Reconstruction of Furnace 6 in Mers-les-Bains with reduced CO<sub>2</sub> emissions and energy consumption
- Creation of a Life Cycle Analysis software



**2019**

- Launch of the strategic plan Verescence 2022 - Forming the Future with 5 sustainability components
- Reconstruction of the Covington Furnace with reduced energy consumption

# VALUE CHAIN

At Verescence, we believe that our employees and partners make all the difference: they are essential resources for perfecting our customers' products.

## Resources

### FINANCIAL CAPITAL

**€309M**  
of revenue

Verescence's activities cover 2 sectors: Perfumery-Cosmetics and Insulators. In 2019, we generated revenue of €309 million, 89% of which from the beauty business. We invested €29.4 million to improve our industrial facilities and the working conditions of our employees.

### HUMAN CAPITAL

**2,261 employees**

We are an international group with 2,261 employees in 3 countries (France, Spain, United States) where 78% of our customers are present. In 2019, 33% of our employees were women.

### INTELLECTUAL CAPITAL

**198 employee hires**

Innovation is the engine of our future growth. Our 76-strong R&D department around the world feeds our innovation strategy. Verescence has 41 active patents and patent applications around the world.

### INDUSTRIAL CAPITAL

**7 industrial sites**

We have 3 glass plants and 4 finishing plants in France, Spain and the United States.

### ENVIRONMENTAL CAPITAL

**-24,159 MWh of energy savings**

**Quantity of sand and natural mineral resources vs. Quantity of glass produced:** 75%

**Quantity of glass drawn:** 134,525 tons  
**Total energy:** 689,583 MWh (-24,159 MWh)  
**Water:** 340,979 m<sup>3</sup> (-79,864 m<sup>3</sup>)

### RELATIONAL CAPITAL

**96% local purchases**

Our ecosystem grew in 2019 and now represents 121 partners listed on CSR panel 1 (suppliers having a significant positive effect on Verescence's CSR impact). We are thus extending our sustainable development requirements to our suppliers, who represented €190 million in 2019.

## Value creation

### HUMAN IMPACT

**TF1 = 2.85**

Our priority is to guarantee the highest safety standards and to eliminate accidents at our plants. In 2019, the number of accidents with lost time per million hours worked (TF1) was 2.85 (vs. 13.9 for the hollow glass manufacturing industry in France).

We are committed to gender parity (37.4% female hiring) and offer the best protection systems to our employees (all of our employees benefit from health insurance and a life insurance policy).

### RELATIONAL IMPACT

**99.2% compliant deliveries**

In 2019, our OTIF (On Time, In Full) across all our plants was 94% and our customer complaint rate was 0.79%, i.e. 99.2% compliant deliveries, which considerably reduced rejects and unnecessary transport.

### INDUSTRIAL IMPACT

**100% of sites certified**

In 2019, our key industrial performance indicators improved:  
Glass: productivity: +3.5% kg/line hour worked  
Decoration: changeover time reduction: -9%  
Productivity: +8%

### FINANCIAL IMPACT

**+1% sales growth**

### ENVIRONMENTAL IMPACT

**-3,652 tons of CO<sub>2</sub> emissions** (Scope 1 and Scope 2)

**Hydro lacquer vs. Solvent:** 98%  
**Total quantity of waste:** 141 kg/tg\*  
**Waste recycling rate:** 82.14%

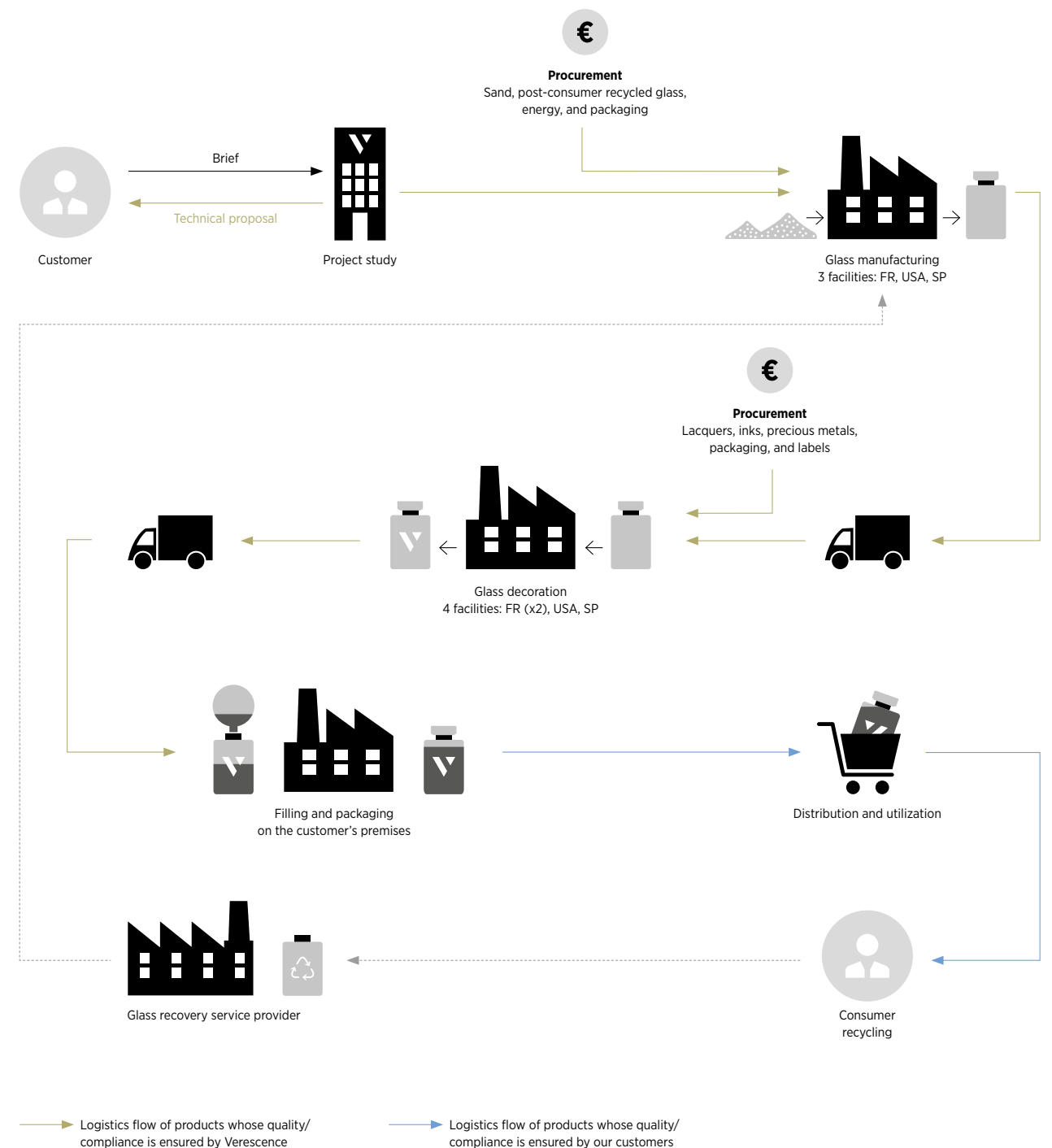
### INTELLECTUAL IMPACT

**61% of employees trained**

**Number of employees enrolled in training courses eligible for obtaining a professional qualification certificate:** 44

In 2019, Verescence filed two new patents. We help customers reduce their carbon footprint with eco-responsible solutions such as the use of PCR (Post-Consumer Recycled) glass. We enable sustainable performance by providing comprehensive environmental LCA (Life Cycle Analysis) information for all eco-design offers. In 2019, 56 offers were subject to an LCA; up 30% compared to 2018.

\*tg = metric ton of glass





## People First

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 find a way to maintain its historical skills and adapt to new developments, while guaranteeing safety and well-being at work.

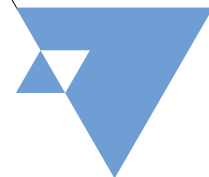
- Health and safety
- Well-being at work and recognition
- Skills and careers
- Diversity



## Act for Society

What makes Verescence unique is its status as 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 must and can be coordinated jointly.

- Local presence, global strength
- Preserving employment at our sites
- Sustainable procurement
- Business ethics



## Eco Solutions

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.

- Quality of service and competitiveness
- Innovation and eco-design
- Optimizing the environmental impact of our processes

# CSR STRATEGY IN 3 PILLARS AND GOVERNANCE

Verescence is pursuing its development in accordance with its values and its DNA. Since the launch of our Verre Infini® in 2008, CSR has been at the heart of our strategy, our decisions and our actions.

### GLASS, OUR REFERENCE

An emblematic material of our trades and our know-how, glass not only has a rich past, but it also turns out to be a material of the future. Aesthetic, clean, and endlessly recyclable.

### INNOVATING FOR A SUSTAINABLE BEAUTY INDUSTRY

Verescence's innovation is global. It is also sustainable and responsible.

1 **Organizational innovation**, with the establishment of autonomous production units in particular.

2 **Process and machine innovation**, first of all with the replacement of all our furnaces to increase eco-efficiency and now, the gradual digitalization of our plants to measure and monitor our consumption of energy and water as accurately as possible, our performance and therefore our environmental impact. Then significant investments in our glass and decoration plants to gain flexibility, in particular

by investing in new machines that can integrate several operations.

3 **Product innovation**, around the 4R&D (Reduce, Reuse, Recycle, Replace & Disrupt) for glass containers for luxury perfumes and care products, by expanding our eco-designed offers to make-up products and beyond glass by offering new finishes.

### FROM OUR THREE CSR PILLARS TO VERESCENCE 2022

Our CSR actions fall under three pillars: "People First", "Act for Society" and "Eco Solutions". This year again, they structure our Sustainability Report.

Shared with all employees at the end of 2019, our Verescence 2022 - Forming the Future strategic plan aims to make our Group the global reference in the sustainable beauty industry. Our strategic plan is structured around 5 pillars, all centered on sustainability: People First, Customer Excellence, Competitiveness, One Verescence and New Territories. It is supported by a €122 million in-

vestment plan which aims to improve our processes, increase our capacities and capabilities, and achieve ever more ambitious eco-design objectives.

**STRATEGY OVERSIGHT**

Our Executive Committee (EXCOM) decided to sign the SBTi (Science Based Targets initiative) at the beginning of 2020, thus responding to the call addressed to business leaders, during COP 25 (in late 2019), by several UN organizations, in the face of the urgency of climate change.

As such, we are committed to setting ourselves even more ambitious targets to reduce our greenhouse gas (GHG) emissions and to achieve our CSR ambition based on scientific, physical and measurable criteria.

Verescence’s CSR Committee, made up of members of the EXCOM, now meets every two months to review our progress and our outlooks. In this context, we updated our analysis of internal and external CSR risks in 2019 based on three criteria (severity, occurrence and control).

Each investment within the Group is scrutinized using a CSR table before being validated. Within Verescence, CSR concerns every operational employee, whatever their position. It is broken down into specific objectives that are reviewed monthly by steering committees. In addition, the bonuses of each manager systematically include one or more CSR objectives.

**INTERVIEW**



**RICHARD JACQUET**  
Executive Chairman - Zencap AM, Financial Partner of Verescence

“Zencap is active in a wide variety of financing solutions in three main areas: businesses, major projects & infrastructure, and real estate. We publish an annual report entitled “ESG” (Environment, Social and Governance) which, in its latest version (2019), aimed to present our global approach with specific examples, beyond the requirements of the French Energy Transition Act. In particular, Zencap wishes to highlight in this report recent financings recognized for their maturity in terms of CSR. In this regard, we have chosen to cite Verescence and its CSR strategy as an example to illustrate the “Business” axis of our activities.”

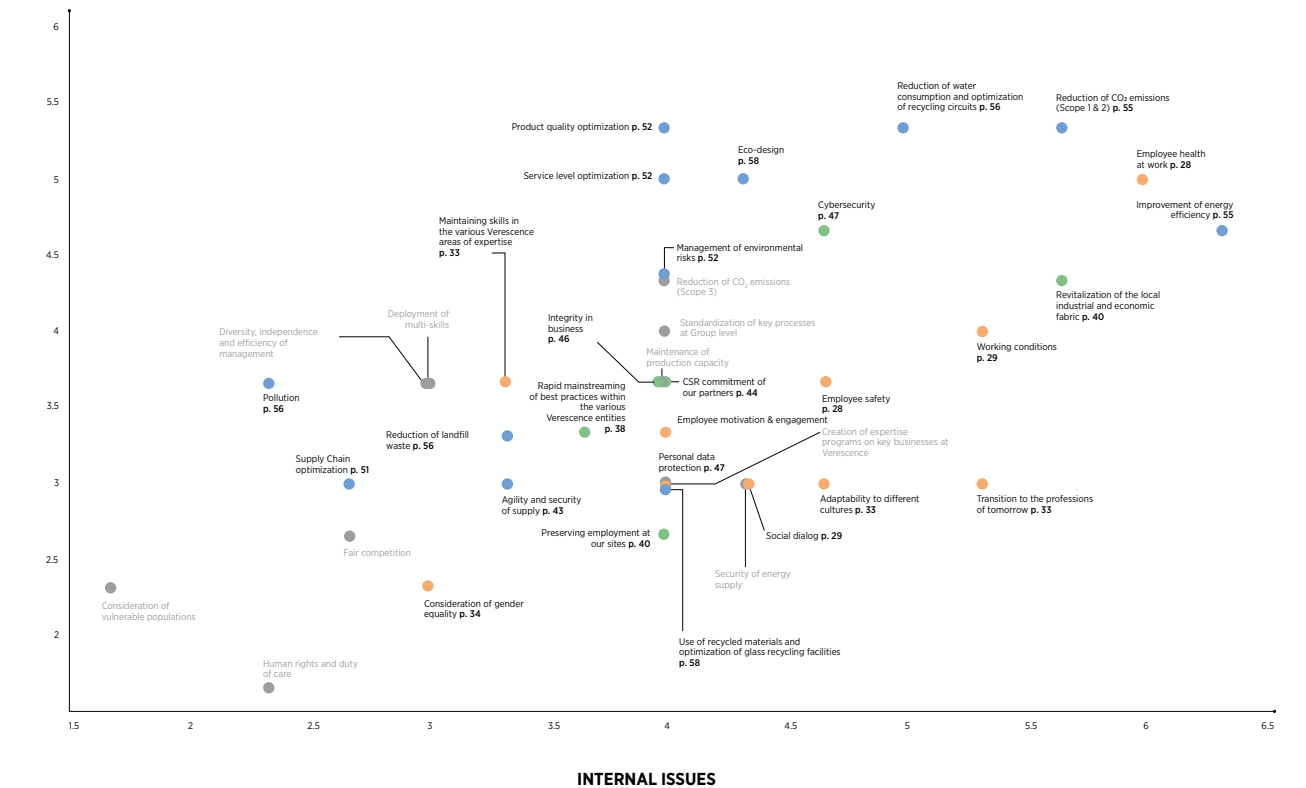
**RISK MATRIX**

**Methodology**

Our internal and external CSR issues are assessed by Verescence based on three criteria: severity, occurrence, and level of control. Each criterion is scored from 1 to 10.

- People First
- Act for Society
- Eco Solutions
- CSR issues not developed in this report as not considered significant at this stage

**EXTERNAL ISSUES**



2019 ACHIEVEMENTS AND 2022 OBJECTIVES



**Gold medal**

awarded by EcoVadis for the second year in a row, with a score up 6 points (77/100)

**+130%**

bottles produced from Verre Infini® NEO  
**2022 objective:** +50% per year



**CDP**

Score B in CDP Climate Change and CDP Water Security



**Furnace of the Future**

Participation in the project for the first large capacity hybrid electric furnace

**+37.4%**

female recruits  
**2022 objective:** 50%



**SBTi**

Committed to setting a target for reducing greenhouse gas (GHG) emissions by 2022 aligned with recommendations from the scientific community

**-21%**

water withdrawal in m<sup>3</sup>/tg  
**2022 objective:** 2.53 m<sup>3</sup>/tg



**-3,652 tons** of CO<sub>2</sub> emissions (Scope 1 and Scope 2)  
**2022 objective:** 0.9 t/tg

**2.85**

TF1 index for the Group  
**2022 objective:** <2



**96%** local purchases  
**2022 objective:** 95%

**82.1%**

waste recycled  
**2022 objective:** 97%



**4%** share of investments dedicated to improve working conditions and HSE initiatives  
**2022 objective:** 2%







**01**  
Health and safety

**02**  
Well-being at work  
and recognition

**03**  
Skills and careers

**04**  
Diversity

PEO

PLE

FIRST

Agile, innovative and focused on continuous improvement, Verescence evolves and transforms, something only made possible thanks to the commitment of the men and women within the Group as a whole.

A company is first and foremost enriched by its teams, talents and personalities. Which explains our priorities: the health, safety, skills development, recognition and well-being of our employees at work.

This is essential for establishing sustainable performance.

**SAFETY**

2.85

TF1 index  
for the Group

**INVESTMENTS**

4%

investments for working  
conditions  
and HSE initiatives

**DIVERSITY**

37.4%

of female recruits

## Health and safety

As an industrial company, the health and safety of the Verescence teams is our top priority. Our ambition is to strive for zero accidents and zero occupational illnesses.

This is reflected in our action plans with quantified objectives, set out at all of our plants. This explains why we took the important decision in 2019 to end the use of solvent-based coatings at all our sites to protect the women and men of Verescence from exposure to VOCs (Volatile Organic Compounds). A decision that involved guiding some of our customers towards eco-designed alternatives.

### Health

Already OHSAS 18001 certified (a benchmark in terms of occupational health and safety management), all our sites have been audited to advance and obtain the new ISO 45001 certification, notably strengthening the role of all managers in risk analysis and the effectiveness of organization surrounding these subjects. Thanks to benchmarking, a common practice between our sites, the momentum for improvement is accelerating throughout the Group. Since 2018, all our employees have had social welfare aligned with the best standards of their country of residence. We are also persevering in our preventive initiatives to combat MSDs (musculoskeletal disorders): frequent rotation on repetitive workstations, warm-up program before starting work, and the expertise of an ergonomist at each of our plants. In addition, we continue to make numerous investments in automation for repetitive manual tasks.

### Safety

As a sign of our commitment to safety, the lost-time accident frequency rate (TF1) stood at 2.85 in 2019, stabilizing compared to 2018. This score nevertheless remains much lower than the French frequency rate (13.9 for the hollow glass manufacturing industry) published by the French National Health Insurance Fund.

Three of our sites recorded zero accidents in 2019. At Verescence Orne, we are experimenting over the course of 2020 with a specific support program, called MYTECTION. The challenge: to shift from compliance with safety instructions to full buy-in, offering a guarantee of greater efficiency.

By the end of 2020, 100% of our production lines in Europe will be equipped with a new technology for lubricating our molds, which improves the safety of this essential step in our glassmaking profession.

A significant portion of the bonus for our managers is indexed to safety-based performance objectives to be achieved.

## Well-being at work and recognition

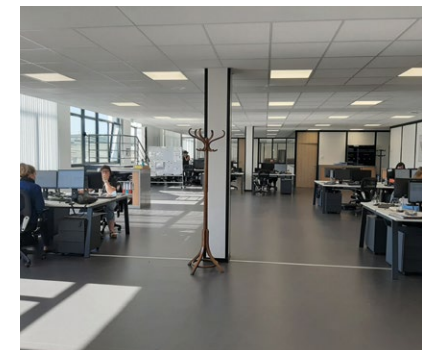
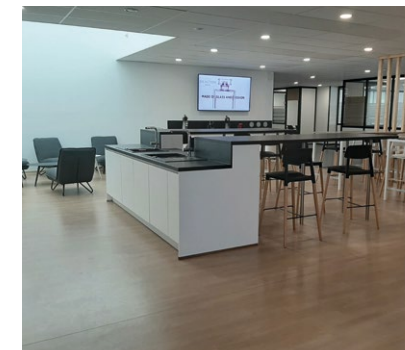
A key indicator to measure our progress in this area, our absenteeism rate in 2019 was 5.51%, considering that our target for 2022 is an absenteeism rate of less than 4%.

### Greater dialog for greater commitment

The participatory groups set up in our plants as of 2018 have been mainstreamed. They make it possible to identify and resolve working conditions issues as close as possible to the field and performance improvement potential.

In France, the agreements to set up the CSE (Economic and Social Committee) were signed unanimously. In Spain, a new social contract has been negotiated for the next 3 years.

To achieve our goal, we invested €1.2 million in 2019 to improve working conditions and HSE initiatives. We have also intensified our internal communication and regular feedback from our employees on our strategy and results. In 2019, the renovation of the Mers-les-Bains administrative center was also completed, involving 120 people and an investment of €4.5 million over 3 years.





**A shared and stimulating direction**

In addition to the completion of our Group Intranet, our collaborative tool, the monthly publication at each site of an internal newsletter entitled “Verescence in Action” emphasizes the highlights experienced by our teams in their respective environments. Our membership in the SBTi allows us to structure a long-term approach to reducing our emissions and energy consumption, making the work of our technical experts even more meaningful in the years ahead. We are working with them to contribute to the action plan being developed.

**A harmonized management that empowers**

In 2019-2020, a review of all Verescence’s key processes, including CSR criteria, was carried out: at the level of the Executive Committee, the Regional Management Committees and the Site Management Committees. This review integrates CSR criteria, with a SWOT analysis (Strengths, Weaknesses, Opportunities, and Threats) and an improvement plan, and feeds into a global and regional CSR Roadmap.

We continue to invest in improving working conditions, intensifying our internal communication, and providing regular feedback on our strategy and results.

**INVESTMENTS**

1.2

million euros to improve working conditions and HSE initiatives.

**ABSENTEEISM**

5.5%

absenteeism rate

**COMMUNICATION**

**Verescence in Action**

all of our sites publish an internal newsletter, “Verescence in Action”, once a month placing the emphasis on the site’s latest news.

**FOCUS**

Celebration of “Verescence 2022 - Forming the Future”  
**New strategic plan**

**On June 19, 2019, at all our sites - France, Spain, USA - all our employees witnessed the official launch of our new strategic plan, Verescence 2022 - Forming the Future.**

It was an inspiring event, rich in exchanges and conviviality, and a time to share the vision and goals of Verescence 2022.

This new strategic plan aims to become the global reference in the sustainable beauty industry, by pursuing common objectives structured into 5 pillars around sustainability, namely: People First, Customer Excellence, Competitiveness, One Verescence and New Territories. Trophies were awarded to the project teams that actively contributed to the success of the objectives of the Excellence 2018 plan, which was closed on this occasion, after highlighting the key achievements of each site.



FOCUS

# Team Building and Conviviality One Verescence

At Verescence, we believe that sport is an ideal way to bring teams closer to the Group and have healthy employees. In 2019, Verescence took part in numerous local races – La Transbaie in Saint-Valery-sur-Somme, Pink October in Abbeville, La Parisienne in Paris, Fuzz Run in Covington – and inter-company challenges.



## Skills and careers

At the heart of the priorities of our strategic plan Verescence 2022 is employee fulfillment and the development of their talents through training, internal and international mobility.

### Verescence Academy

Created in 2019 to bring together all of our educational initiatives, Verescence Academy oversees all of our training programs worldwide. Having a management with modern and harmonized methods is an essential element of our company's performance. Which is why a training session with key global managers was run in 2019 and 2020. In other words, more than 10% of the workforce by 2020.

Sharing values is good – provided behaviors follow suit. In order to work better together, to move from values to behaviors, training and simulation exercises have been undertaken for the different levels of management. For example, knowing how to reframe or provide good feedback, knowing how to enforce a standard: these are management basics that are nevertheless crucial.

Verescence Academy also structures our professional training and skills acquisition programs related to our business (glass and decoration). The development of e-learning modules allows us to reach a larger number of people and to validate skills more easily. Training courses for internal auditors, for people from different sites and different departments, have been carried out to support our desire to improve our standards and develop the process of continuous improvement.

Finally, a training plan that will affect 200 people has been drawn up to train White/Yellow/Green/Black Lean specialists and will be rolled out from 2020 to 2022 as part of the Verescence Sustainable Performance System.

### Internal and international mobility

Internal and international mobility remains a constant concern at Verescence to support our strategy. For example, our desire to expand in the United States was accompanied in 2019 by the appointment of a new General Manager who was previously in charge of the Spain region. Other promotions and internal mobilities during this period have enriched the US teams with Verescence experts from different backgrounds. The Verescence North America Board of Directors is now composed of 5 nationalities. Two young French engineers from the technical department spent several months at our Covington site as part of the furnace reconstruction. Several VIEs (International Volunteers in Business) also have the opportunity each year to discover one of Verescence's sites abroad.

TRAINING

18,044

hours of training at the Glass and Finishing School

MOBILITY

6

staff transfers between countries and 17 internal promotions

TRAINING

61%

of employees trained

## Diversity

A source of progress, diversity is one of the levers that increase the intelligence of our organizations. This is an imperative for meeting the economic, ecological and societal challenges related to our activities.

### Gender parity

In 2019, Verescence published its first professional equality index in the workplace, established by the French law "Avenir Professionnelle" (Professional Future), which requires employers to assess the pay gap between women and men. The result is a public social rating of the company and, in the event of a deviation deemed excessive, the obligation to implement corrective measures.

As a result of this exercise, two of our sites are above 85%. This measure has enabled us to identify areas for improvement that we are committed to pursuing.

We are especially proud to have three female machine operators, which is unique at the "hot end" in a glass plant!

#### INTERVIEW



**ELENA,**  
Quality Director in La Granja (Spain)

Elena started 11 years ago at Verescence in Spain and held various positions in the quality department. She also switched to the development department before taking over the Spanish quality department a few years ago. In the coming months, Elena will take over the Quality & Continuous Improvement department for the US region.

*"Working at Verescence is particularly motivating. You can clearly feel the will to develop women's leadership, and you feel like you're really 'spreading your wings'."*

#### INTERVIEW



**DIANA,**  
Procurement Manager in Covington, Georgia (United States)

Diana joined the Brazilian plant in Verescence in 2016 (a subsidiary that we sold in 2017), as Procurement Manager, before joining our US subsidiary in Covington to continue this same line of work. In 2019, Diana joined the US Region Executive Committee.

*"My career has exceeded all my expectations. In 2019, my responsibilities increased considerably and I am very proud to be the first woman in this position to be a member of the North American management."*

#### FOCUS

## Open Day at Verescence Somme International Women's Day

In partnership with Humando (Adecco Group), a recruitment agency specializing in reintegration through employment of disadvantaged people, and Passerelle vers l'Emploi 80 (a business support service for local recruitment), Verescence Somme opened its doors to 7 women on professional reintegration programs to celebrate International Women's Day 2020.

Formerly employed in the commercial, catering and domestic services sectors, these women had the opportunity to discover our business and our know-how.





**01.**  
Local presence,  
global strength

**02.**  
Preserving  
employment  
at our sites

**03.**  
Sustainable  
procurement

**04.**  
Business  
ethics

# ACT FOR SO— CIETY

Born in the Glass Valley, our Group preserves and promotes its know-how as an innovative glassmaker; an expertise cultivated for more than 120 years in France and for even longer in Spain, since our La Granja site has been favored by the Spanish nobility since the 18<sup>th</sup> century.

For Verescence, a global group, local presence is the basis for a relevant CSR policy. This ambition means cultivating a spirit of partnership and cooperation with all our external stakeholders. At the same time, pursuing the deployment of “One Verescence” between our sites accelerates the sharing of CSR best practices. Act for Society, in other words our societal commitments, is reflected in our locations, our businesses, our sustainable procurement and business ethics.

**PROCUREMENT**

**96%**

of local purchases

**SUPPLIERS**

**97%**

of suppliers have signed  
the CSR Charter

**ETHICS**

**100%**

of at-risk employees  
trained on the risks of  
corruption

## Local presence, global strength

In France, Spain and the United States, we want strong autonomy for our sites, allowing us to offer the best service to customers and to develop networks of local suppliers.

Group departments provide support, bringing in complementary expertise and encouraging the sharing of best practices, particularly in CSR.

### As close as possible to local realities, all aligned with the highest standards

For many years now, all of our sites have been certified to the highest international standards.

- Quality (ISO 9001)
- Environment (ISO 14001)
- Safety (ISO 45001)
- GMP Cosmetics (Good Manufacturing Practices for Cosmetics, ISO 22716)

Furthermore, our historic site in Mersles-Bains was certified ISO 50001 (energy management) in 2019, and serves as a benchmark for our site in La Granja, which aims to obtain this certification in 2020.

Reducing its impact on the climate, conserving resources and improving its results through effective energy management are in our sights. A reference benchmark to be adapted to the local context.

### A shared language: "One Verescence"

Fostering agility is one of our ongoing challenges. This requires:

- a dose of autonomy left to each site;
- the existence of a strong and common corporate culture;
- organization of support services enabling the rapid deployment of best practices;
- common standards for key processes.

In addition to the monthly improvement steering committee meetings at each site, cross-functional committee meetings by support functions are held periodically to promote the deployment of best practices (Quality, HSE, Technical, Procurement, HR, Finance, etc.) Regular inter-site exchanges take place, whether it involves assistance in delicate situations, such as the Spanish and French experts who went to our American site to reactivate a line following a fire start, or assistance with the start-up of new equipment, such as the deployment of hot stamping in Spain, helped by the expertise of our French sites, it's also an opportunity to send operators for training. To further foster these exchanges, the deployment of latest-generation connected eyewear, particularly suited to the industrial environment, was a practice we applied between our sites in 2019-2020.

### FOCUS

## Exemplary mobilization against fires in La Granja

Our La Granja site, located in a natural UNESCO-listed location, is a forest fire risk area. This is why our firefighting teams were able to join the region's teams in fighting a major fire in the region in August 2019. In 2020, cross-training is planned to continue this collaboration.



### FOCUS

## At national and European level, the strength of a committed sector

**Verescence is one of the signatories of the sector's national commitment charter "Verre 100 % solutions" (100% glass solutions) submitted to the French Secretary of State to the Minister of Ecological Transition, Brune Poirson, on October 25, 2019.**

The goal: to collectively mobilize in order to sort more glass, and support employment where relevant. The French goal is ambitious:

100% recycling of glass by 2029. It dovetails with the objectives of the European packaging glass industry as part of the "Close the Glass Loop" program announced immediately thereafter which targets 90% recycling by 2030. As a reminder, the rate of collected and recycled glass in the EU today is currently 76%.

Verescence is also taking action alongside the European Container Glass Federation (FEVE), through the "Close the Glass Loop" program. The goal: to reduce the disparities affecting collection and to improve the quality of recycled glass by better organizing ourselves within our territories, and by getting the various packaging operators (for food and drinks, perfume, cosmetics and pharmaceutical bottles), eco-organizations, local authorities, etc. to work together.

The challenge is to save on the natural resources and energy needed to manufacture glass.



## Preserving employment at our sites

Being inclusive, raising the level of training in our main employment areas and our glassmaking know-how all contribute to the sustainability of our company.

The attractiveness of our businesses and the territories where we operate are part of the equation. This is a key component of the Act for Society pillar.

### Enhancing the value of our businesses and our territories

The French birthplace of Verescence, Glass Valley, is a partner of "Territoires d'industrie" (Industrial Territories), an initiative driven by the new National Agency for Territorial Cohesion (ANCT). This initiative supported by the French public authorities seeks to encourage re-industrialization and innovation. Operating in one of the territories identified as an industrial territory, and therefore eligible for the scheme, Verescence became involved in this operation in 2019. Together with other industrial companies, institutions and regional authorities, the aim is to identify, train and house the staff required to co-construct Industry 4.0. (robotics, cobotics, state of the art software, etc.) in our glass bottle manufacturing sector.

Encouraging companies in their steps towards the industry of the future is indeed one of the Territoires d'industrie's main themes, and a challenge in line with our strategic plan. Concrete examples: managing the intelligent sensors and data that will enable us to monitor the energy efficiency of our plants, thereby reducing consumption and discharges; modernizing our industrial organization in order to increase productivity and competitiveness and respond better and faster to the needs of our markets.

### TRAINING

44

employees enrolled in diploma training cycles

### INDUSTRY

500

"champions des territoires" advocates in France, including Verescence

### EVENT

500

visitors at the Verescence Orne Open Day

### FOCUS

## Verescence at the Elysée among "500 champions des territoires".

**On January 21, 2020, the President of the French Republic, Emmanuel Macron, received the "champions des territoires" advocates at the Elysée Palace, in the presence of several Ministers. Among these 500 SMEs (small and medium-sized enterprises) distinguished for their strong territorial presence: Verescence.**

"What an honor for Verescence to be among the 500 companies identified as contributing positively to the dynamism of the French territory. With more than a hundred years of French expertise, Verescence is both a champion in its region and proud of its international deployment which makes it the leader in its market", said Thomas Riou, CEO of Verescence.



### FOCUS

## Welcome to Verescence Orne!

**Open Day, on September 21, 2019 at Verescence Orne to show outside visitors our know-how.**

This mobilizing event for our employees was a real success with more than 500 visitors, and helped to excite curiosity and potentially vocations among local talents.



**Partner of the "emplois francs" scheme**

Fighting unemployment and discrimination in the hiring of job seekers from disadvantaged neighborhoods is an essential part of our Human Resources policy.

In the Hauts-de-France region, Verescence has applied for the "emplois francs" scheme. The objective is to provide assistance in hiring job seekers residing in priority neighborhoods, regardless of their age or level of education.

**Recovering glass, an aesthetic and clean material**

The "Verre 100% Solutions" Commitment Charter sets a goal of 100% recycled glass by 2030, i.e. zero non-recovered waste. Verescence is one step ahead in its business sector thanks to its glass offerings including PCR and eco-designed decorations.

As such, in 2019 Verescence developed a tool to identify decorating solutions and their impact on the recyclability of glass. We are already seeing developments in this area from some of our customers.



VERRE  
**100%**  
*Solutions*

**Sustainable procurement**

Our buyers are trained in CSR principles because we know that this function not only commits us to our responsibility, but it also allows us to identify numerous opportunities for optimization throughout our value chain.

Our approach takes into account all dimensions: local procurement, short distribution channels, more eco-efficient supply chains, and selection criteria for choosing our partners so we can eco-innovate together.

**Local procurement, a key objective**

In 2019, we achieved 96% local purchases, ahead of our 2022 target (>95%). Among our recent successes, at Verescence Covington (USA), the local cluster dynamic enabled the integration this year of 80% of the bare glass sorting business, while Sparta (USA) saw an increase in the internalization of the decorated bottle sorting activities within its scope. In terms of molds, the implementation of a need anticipation tool has resulted in an increase in the proportion of molds that we have been able to purchase locally. In 2019-2020, we thus met our goal: to create the shortest possible distribution channels. A partnership to promote the establishment of one of our lacquer suppliers in the United States allowed us to source 98.3% of our decoration raw materials locally. The production of our decoration tools on 3D printers in the United States has made it possible to replace the majority of imports from Europe for this category.

Following a CSR training and awareness campaign for our key suppliers, we are very pleased to see that 97% of them are adhering to our charter.

**PROCUREMENT**

**96%**

of local purchases

**CSR CHARTER**

**97%**

of our suppliers adhere to the CSR Charter

**TRAINING**

**100%**

of our buyers trained in Sustainable Procurement

FOCUS

## First Supplier CSR Day 2019

**Verescence organized its first Supplier CSR Day at Mers-les-Bains (France) on October 30, with the participation of more than 40 partner companies.**

The goal: to involve all our suppliers in our sustainable development approach in order to contribute to the improvement of CSR performance throughout our value chain. Our first CSR Day dedicated to local Tier 1 suppliers took place in the presence of 4 members of our Executive Committee and EcoVadis representatives. An opportunity to share our expectations and to talk about:

- the CSR commitments driven by our strategic plan Verescence 2022, backed by examples of Verescence France CSR projects;
- the expectations of our customers and the deployment of our CSR at Verescence, with a word from our customer LVMH;
- innovation and eco-design at Verescence;
- presentation of EcoVadis support/service solutions.

This day resulted in the elaboration of a multi-year action plan with our CSR1 suppliers and various Verescence departments. The next edition will take place in La Granja (Spain) in 2020.

IN HIS WORDS



**BRUNO DOUVILLE**  
General Manager  
of PARICHE

*“Following this CSR day organized by Verescence, PARICHE, which was already very involved in a CSR approach, wished to go further by registering on the EcoVadis platform.”*



In 2019, we achieved 96% local purchasing, ahead of our 2022 target.

SUPPLIERS

121

partners referenced in the CSR1 panel (suppliers with a significant effect on Verescence's CSR impact)

EVENT

40

partners took part in the first Supplier CSR Day

RATING

25%

weighting of CSR criteria in the rating of our suppliers' audits

**An increasingly demanding selection process**

We have finalized a mapping incorporating CSR criteria, covering our entire supply ecosystem to better guide our choices.

Since 2017, CSR has accounted for more than a quarter of our suppliers' audit ratings. In 2019, we extended CSR requirements to all our invitations to tender and specifications.

In addition, the individual objectives of our buyers include CSR criteria.

Verescence was invited to participate in the Smurfit Kappa day, allowing it to share a cross-sector benchmark, another source of inspiration in our quest for progress in sustainable procurement.

**Focus on rare or controversial minerals**

The finishing plants use gold for some types of decoration. Our plants have restricted the number of suppliers to two trusted companies. Their sources are certified and traced 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

In 2019, Verescence spoke at a conference, organized by the French Ministry of Ecological Transition, on problematic materials and alternatives to be developed.



## Business Ethics

Anti-corruption and Business Ethics Code training has been provided to 100% of those employees exposed to these risks since 2018. All potentially exposed newcomers are trained and all managers must be aware of the whistleblower procedure.

**TRAINING**

100%

of employees exposed to risks trained

The recruitment procedure for sensitive positions is specific (Finance, NPDI, Procurement, HR, Payroll). The General Data Protection Regulation (GDPR), which came into force in May 2018 in Europe, is also deployed on a voluntary basis by Verescence at its sites across the Atlantic. The required data register is operational.

**Common provisions**

An "FCPA policy" (Foreign Corrupt Practices Act) covering various topics (conflicts of interest, fraud, anti-competitive practices, etc.) is in force at all our sites; all our employees share the same Code of Ethics and Conduct. In the event a violation needs to be reported, a whistleblower procedure is accessible on the Intranet, on the website [www.verescence.com](http://www.verescence.com), and is displayed at all our sites.

**CYBERSECURITY**

DRP

Disaster Recovery Plan: test validated once a year

Verescence's Compliance Committee, supervised by our CEO, meets every two months and/or at any time if necessary, to deal with any issues related to business ethics, including anti-corruption, conflict of interest, security of information systems, etc. Thus, it tracks the number of reported and resolved cases: in the last 24 months, no cases have been identified.

A worldwide computerized workflow "eValid Gifts & Donations" is in place to audit gifts and donations, in accordance with the Group's LoA (Limit of Authority) policy.

All Verescence partners (suppliers, customers, service providers, agents, distributors, etc.) must agree to abide by the standard ethics and anti-corruption clause that we convey to them.

The verification of the legal background of a third party, possible via the "World-Check" tool, guarantees that we are free of any act of corruption attributable to a potential partner.

**COMPLIANCE**

100%

of our partners have signed the ethics and anti-corruption clause

**Cybersecurity**

Aware of the increasing risks related to cybersecurity, their impacts and consequences, Verescence has built an organization and governance with the establishment of a Group Cybersecurity Committee, chaired by our CEO under the responsibility of the Chief Information Officer (CIO) and the Head of Information Systems Security.

Well beyond the technological and IT dimension, a support program for users and managers has been put in place to understand this new dimension and to make everyone a contributor in the protection of our customer and company data, and Verescence's IT assets (machines and software). In order to support and secure Verescence's digital transformation and in particular the industrial digital transformation, Verescence works daily on the implementation of new means of protection, surveillance and response in case of attack. In order to consolidate this commitment, Verescence has initiated an ISO 27001 certification process.

**Data protection**

Since 2019, a new insurance policy in case of fraud and/or cybercrime covers all our Group's entities.

The increasing digitalization of business processes (for example, the deployment of GTE electricity and gas management projects from March 2020), in line with the "zero paper" strategy and the strengthening of compliance monitoring within the Group (i.e., eValid) are generating more and more data to be secured. Consequently we have reinforced our backup strategies and internal/external intrusion tests to assess and monitor the robustness of the infrastructure against internal and external attacks. The Disaster Recovery Plan (DRP) allows us to simulate the loss of one of our Data Centers to help us prepare for such an eventuality.

**INTERVIEW**



**JEAN-MICHEL GORAND**  
Chief Information Officer

*"Improving and optimizing our IT systems is essential to support our Verescence 2022 transformation plan. As such, the robustness and security of information and Verescence IT systems are a priority."*



**01.**  
Quality of service  
and competitiveness

**02.**  
Optimizing the  
environmental impact of  
our processes

**03.**  
Innovation and  
eco-design

ECO

SOLU-  
TIONS

Glass is a superior material: aesthetic, infinitely recyclable, having no interaction with its content. Recognized qualities and potential that continue to inspire our strategic choices and R&D. Verescence relies on innovation as the third pillar of its CSR strategy. This involves eco-designing original offerings, reducing the impact of our processes and supply chain, and improving our service.

**Our objectives**

- Create products with an ever-increasing level of quality and with a reduced environmental impact.
  - Innovate to bring more value to the end consumer.
- This year again, new performances have been recorded and challenges are in sight.

QUALITY

0.79%

Customer complaint rate

ECO-DESIGN

+130%

bottles made from Verre  
Infini® NEO

RECYCLING

82.1%

of waste recycled

## Quality of service and competitiveness

In our luxury business, the expected level of quality, the sophistication of the creations and therefore the multiple stages of manufacturing can lead to high scrap levels and energy consumption and therefore significant CO<sub>2</sub> emissions.

Reducing our environmental impact consists in greater control of our industrial processes and simplifying our flows. A new development in the world of glass bottle manufacturing (perfume, skincare, make-up), the qualities of glass are arousing renewed interest on the market. In 2019, 25% of Veresence's new projects came from the transfer from plastic to glass.

### Improving our service quality

The customer complaint rate, which has been falling steadily over the last 9 years, was 0.79% in 2019, in line with our target for 2022: to drop below 0.5%. In 2019, yields were improved at all our sites. Another leading indicator in our industry is OTIF, which provides a metric for our "On Time In Full" deliveries. This increased by 8 points in 2019 to 94%.

### Agility and untwining flows

"Agilience" expresses our ambition: agility to face the constraints of volatility in our markets, alongside our customers. Being faster, with ecological gains, means persevering in improving our flows: reducing the complexity of the Supply Chain, locating our production as close as possible to the customer, communicating better with our suppliers, and eliminating unnecessary steps. This is what lies behind our policy of insourcing bottle sorting activities on our sites, for more than 5 years now. This contributes to the optimization of our processes through greater reactivity, to reducing transport, to shortening our delivery times, and to achieving better service quality.

To make further progress in this area, in 2019 we improved our synchronization with our customers by communicating better and analyzing certain flows throughout the chain in a very precise manner, by defining product classes to better adapt our production volumes and frequency, and by monitoring our stock rotation. In addition, SMED initiatives at our production sites allow us to reduce our changeover times on our various processes, and thereby improve our agility.

#### SERVICE

94%

On Time In Full delivery rate (OTIF = On Time In Full)

#### QUALITY

0.79%

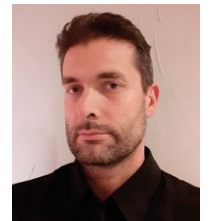
Customer complaint rate

#### SORTING

100%

internalized sorting at our decoration sites

#### QUESTION



**ARNAUD DREZET**  
Manager of Sales and Operations Planning (S&OP)

#### What is the Agilience project?

*"To respond to new consumer demands linked to digital distribution and the rise of social networks, our customers are asking us to demonstrate industrial agility to help them shorten the time to market for their products. Since 2019, we have been providing them with a premium service enabling them to deliver their strategic ranges in 4 weeks, max."*

## Optimizing the environmental impact of our processes

As a key element of our competitiveness, environmental impact is one of our priorities. In our glassmaking business, this impact depends primarily on the energy consumption of our furnaces.

In our glassmaking business, this impact depends primarily on the energy consumption of our furnaces: a challenge in the context of the rising demand for glass ("glassification"). By choosing to work to increase the quantity and quality of recycled glass in luxury glass bottle manufacturing, Verescence has made a clear commitment to a more ecological glass production. This is a good first step, as new prospects are opening up in our sector. Not to mention the finishing processes that are an integral part of the equation.

### Digitization at the service of sustainable development

The intelligent and fast processing of production data is a powerful performance driver.

To this end, a battery of high-tech sensors is being rolled out in Mers-les-Bains. For now, this pilot site must first realize this ambition before envisaging a roll-out at all of our sites. The aim is to equip our plants with numerous smart sensors in order to be able to measure precisely, line by line, station by station, our energy consumption and our emissions. Another objective of this very precise monitoring is to translate our initiatives within the framework of our future SBTi (Science Based Target initiative) commitments into technological solutions and avenues for continuous progress.

The digitization of the key parameters of our processes - glass and decoration - via the "eprod" project, is a means to optimize our performances and capitalize on the big data analyses from our production facilities. The deployment of digital solutions, collaborative tools, high-resolution connected glasses, virtual reality solutions, etc. are all initiatives implemented in 2019, which will have a significant impact on the reduction of certain types of travel and therefore of our Scope 3 emissions.

#### NOx

1.33 kg/tg

our NOx emissions are 35% below regulatory thresholds

#### SOx

1.02 kg/tg

our SOx emissions are 24% below regulatory thresholds

#### FINE PARTICLES

0.051 kg/tg

our fine particle emissions are 65% below regulatory thresholds

#### FOCUS

## Verescence North America modernizes its furnace

Verescence inaugurated the new furnace at its Covington plant in the United States on June 3, 2019; a project implemented as part of Verescence 2022 - Forming the Future.

Reconstruction of the furnace reduced the environmental impact of the site and reduced energy consumption (reduction in gas consumption by 10%), as well as greenhouse gas emissions. This work also provided the opportunity to modernize the entire production area (hot and cold end) by making numerous improvements both in terms of technology (latest-generation IS machines, new automatic control machines, etc.) and in working conditions.



LIGHTING CEREMONY MAY 26TH

FOCUS

## Verescence, partner of the “Furnace of the Future” project

In February 2020, the European Container Glass Federation (FEVE) launched “Furnace of the Future”: a milestone for the industry on the path to carbon neutrality.

Verescence is proud to co-develop a high-capacity hybrid electric furnace, alongside investors including the European Union, Ardagh and other glassmakers. A forward-looking world premiere! This furnace will operate thanks to an innovative oxy-combustion process, with fewer carbon dioxide and nitrogen oxide emissions.

And above all, with 80% electricity from renewable sources replacing natural gas. When de-carbonized, it promises a reduction in furnace emissions of 60% – in other words,

approximately 50% of the total CO<sub>2</sub> emissions of a conventional packaging glass plant. The challenge is also to be able to put more recycled materials into the furnace, which is not possible in today’s electric furnaces. This experimental furnace will be built at a German glassmaking site (Ardagh), with the first results expected in 2023. This technology represents a step towards climate-neutral glass packaging.



In addition, we are studying the de-carbonization of our electricity, with priority given to Spain and the United States. This strategy must take into account the culture of Verescence, which means it will involve carbon-free electricity in the country in question, as part of well-identified projects.

We examine local conditions a case-by-case basis for the production and transmission of so-called green electricity, in order to either buy it or consider acquiring new capacity, thereby improving the available mix.

### CO<sub>2</sub> emissions (scopes 1 and 2)

Between 2018 and 2019, these emissions decreased by a further 2.44%; that is more than 3,652 tons of CO<sub>2</sub> that were not released into the atmosphere while our production increased over the same period.

Not only furnace technology, but also the type of glass produced has an impact on greenhouse gas emissions. That’s why Verescence seeks to promote glass made from recycled materials: each additional 10% of recycled glass in a furnace generates an additional reduction

of 5% of its CO<sub>2</sub> emissions, and +3% of its energy consumption, according to the FEVE (European Container Glass Federation). In addition, after having won over the world of luxury with our Verre Infini® NEO which incorporates 25% PCR (Post-Consumer Recycled) glass, in 2021, we will fully dedicate our “flagship” furnace in Mers-les-Bains to the production of glass with a lower proportion of recycled material (10%) but likely to appeal to a larger number of customers.

Our 2022 objective is to reduce our CO<sub>2</sub> emissions to 0.9 metric tons per ton of glass drawn – a 25% decrease compared to 2016 with a target of -50% emissions by 2030. This will be achieved through continuous improvement of our performance, and through the technological breakthroughs in which we are currently investing.

### Energy

Verescence has massively renewed its furnaces in recent years, with the aim of reducing its consumption and CO<sub>2</sub> emissions. The latest example of this intensive program was the commissioning of our furnace in Covington (USA) with a cleaner and more efficient oxy-combustion glass melting technology. This investment has saved 10% in gas and significantly reduced our NOx and fine particle emissions.

We want to prepare for the future, which is why, together with European glass partners, we are actively contributing to the financing and development of an even more efficient pilot furnace by 2023.

CO<sub>2</sub>

**-3,652 tons**

of CO<sub>2</sub> emissions (Scope 1 and Scope 2)

ENERGY

**10%**

gas savings following the reconstruction of the Covington furnace

ENERGY

**-24,159 MWh**

energy consumption

**Waste**

The objective remains to recycle 97% of our waste by 2022. 82.1% of our industrial waste was recycled in 2019. Our monitoring and improvement tool to get us there: mapping our waste by category and type of treatment at all our sites worldwide. Local initiatives across our various sites have helped improve the Group's recycling rate. Among the concrete examples: the reuse in the production process of the wastewater recovered from the pressing lacquer sludge at Verescence Orne and Verescence Somme; and, in 2019, the reduction by 60% of common industrial waste (CIW) at the La Granja site, by completely reworking collection and sorting.

**Water**

Our strategy is clear in this area: each site draws up a very precise diagnosis and implements an action plan to reduce consumption, reuse wastewater in a closed circuit and, when this is not possible, reprocess it. The average performance is 2.53m<sup>3</sup> of water per ton of glass drawn in the Group. Another possibility is that of a "dry plant": initiated in 2019 in Mers-les-Bains, this operation, which is currently under examination, will reduce consumption thanks to the recovery of rainwater, on the one hand, and waste water on the other. We also want to take things further in optimizing our consumption in tight water zones.

**Solvents (Volatile Organic Compounds)**

Precursor of the so-called "hydrosoluble" lacquers 10 years ago, Verescence proved its commitment to remove solvent-based solutions from all of its finishing sites in 2019. In addition, we equipped our lacquering lines in France and Spain with new tech-

nologies enabling us to reduce lacquer consumption by nearly 30%. Beyond VOC emissions, we consider it our duty to work with our customers to offer more sustainable decorations, for example, by replacing enamels with alternatives based on organic inks. We are also working on replacing gold and platinum with hot stamping, and have invested heavily in this technology in recent years to quadruple our global capacity. Finally, we are expanding our Life Cycle Assessment (LCA) tool to specifically take into account the impact of decorations and finishes in this context, making it a useful decision-making tool for our customers.

**RECYCLING**

**82.1%**

of waste recycled

**WATER**

**-79,864**

water withdrawal in m<sup>3</sup>

**FINISHING**

**98%**

water-based lacquers

**FOCUS**

**A next-generation coating line for our insulators**

**At our Spanish site, we produce insulators - insulating parts for the transmission of high-voltage electricity.**

Currently, glass is gaining market share over plastic composites and ceramics.

To support this fast-growing segment, Verescence is adapting and modernizing its production facilities in La Granja. A specific case in point is the start-up of a new silicone line to reduce the use of chemicals and limit the risk of operator exposure to solvents.





## Innovation and eco-design

Developing eco solutions represents an opportunity to re-invent our business, to breathe new energy into it and to chart a sustainable path for all our know-how.

In line with “Glassification,” which is now a tangible trend, Verescence is taking its R&D one step further: its 3R philosophy is expanding to become 4R&D. Always with the firm intention of remaining a pioneer in eco-designed offerings, and in all high-end beauty segments (perfume, skincare and make-up). Verescence also has a range of bathroom products, with the recent launch of a new reinforced glass.

**Re-duce/-use/-cycle/-place... Disrupt: from the 3Rs to the 4R&D**  
Not believing in a single eco-design solution, we provide multiple eco-responsible offerings that can be combined.

For example, refillable (re-use) and lighter (re-duce) jars with eco-designed decoration, or bottles with a screw neck that are particularly conducive to reuse. And we can, of course, combine lightweight and recycled glass with Verre Infini® NEO, as in the case of the jar for Guerlain’s new Abeille Royale skincare product, the production of which now involves reduced water consumption (-42%) and CO<sub>2</sub> emissions (-44%).

To go further in reuse, in 2017 we patented a refillable container solution with glass refills.

Another of our patents lies within the “disruptive” segment of our innovation: Verescence has developed a series of treatments to strengthen glass.

Today, with our 4R&D concept, we are adding a fourth R to the 3Rs. The R for Replace, which responds to Glassification (the advantage of glass over plastic, for example, for Estée Lauder’s Advanced Night Repair range and Dior’s Capture Totale) and the D for Disrupt to signify our research into innovative forms and applications. For example, the “sculpted” effect in 2019 embodied with the “Illuminare” bottle by Vince Camuto (Parlux Group), inspired by Murano, manufactured at our Covington site in the United States.

### Promotion and diffusion of eco-design in the world of luxury goods

In 2019, Verescence was more than ever called upon to act as an opinion leader on eco-design, alongside its customers, at conferences and at individual presentations:

- *Conference at the PCD Paris exhibition 2019 with Bvlgari*: “Verescence’s eco-design solutions for luxury bottles – case study: Bvlgari Man Wood Essence in Verre Infini® NEO”.
- *Round table at the Fragrance Innovation Summit 2019 on the theme of: Recycling, upcycling, zero waste, circular economy and packaging meeting the environmental challenge.*
- *Conference at PCD 2020 on safety glass to replace plastic solutions in the hygiene segments.*

### A tool for measuring ecological impact: LCA

There is no progress without measurement, which is why we have developed a Life Cycle Assessment (LCA) software for our products in partnership with Eveja Conseil, starting in 2017.

In 2019, we went even further by classifying the impact of our decorations on the recyclability of glass. In this way, we are helping to change our industry’s practices. Our finishing sites are integrated, which allows us to focus our eco-innovation efforts on this stage as well, since a suitable decoration facilitates the recycling of glass bottles.

INNOVATION

4R&D

Verescence’s eco-design policy

GLASSIFICATION

25%

of new Verescence projects come from the transfer from plastic to glass

PCR

25%

the rate of use of PCR glass in the manufacture of Verre Infini® NEO sold exceeds 25% (✓)

PCR

+130%

bottles produced made of Verre Infini® NEO

PCR

1,400

tons of recycled glass sold worldwide

LCA

56

commercial offers accompanied by a life cycle analysis

FOCUS

## Luxe Pack Monaco 2019, a new eco-design breakthrough wins acclaim

An exemplary cross-sectoral creation, “10 by Verescence” was successfully launched at the Luxe Pack Monaco 2019 exhibition. This new eco-design concept for cosmetic skincare products combines lightweight glass, recycled glass and ecological decoration. Integrating no more than 10 ingredients, the Skincare Perfume and the Moisturizing Water Cream are presented in glass containers, equipped with a high-tech traceability system.

FOCUS

## NUXE chooses Verre Infini® NEO for the new Nuxe Bio range

In May 2020, NUXE launched its new range Nuxe Bio, certified ORGANIC and vegan skincare products, concentrating all the benefits of nature thanks to active ingredients at the cutting edge of green-tech. NUXE’s commitment to the environment is reflected at every stage of the design of its care products, from eco-designed formulas to packaging that incorporates recycled materials wherever possible. The French brand has thus given maximum priority to glass, an aesthetic, clean and infinitely recyclable material. To take the eco-design approach one step further, NUXE has chosen to make the 50ml jar out of Verre Infini® NEO, a glass composition incorporating 25% PCR (Post-Consumer Recycled) glass. A life cycle analysis study has shown that the use of cullet from recycling reduces the carbon footprint of the 50ml jar by 30% compared to the production of a conventional glass jar (around 243 tons less CO<sub>2</sub> emissions), which is equivalent to 71 round-the-world trips by car or 243 return Paris/New York flights for one passenger.

FOCUS

## Verescence in the spotlight at PCD Paris 2020 with What Matters

Another partnership innovation, this time with What Matters, presented at the PCD 2020 packaging and cosmetics exhibition in Paris paves the way for high-end hygiene products made of safety glass. Premium, 100% recyclable and clean, the proposed solution is a move towards rechargability, something that did not truly exist for this basic bathroom product range before! The solution contributes to the reduction of plastic. For Verescence, it was a major challenge: to make glass resistant to the shocks that are inherent in this use, while preserving the high recyclability of glass, in line with its “Verre 100 % Solutions” commitment.



[←] Luxe Pack Monaco 2019  
[✓] What Matters  
[↓] NUXE







SPECIAL

# COVID-19

## COVID-19: proof of a com- mitted company

This extraordinary crisis has, obviously, created an exceptionally difficult situation to manage. And it is during these moments that a company's culture, its values and its cohesion truly come to light.

### People First

Safety, our top priority, has been reinforced in the face of COVID-19: Verescence anticipated a certain number of preventive measures as early as February, such as the implementation of a travel ban, ordering masks and hydroalcoholic gel, taking the temperature for our employees, etc. A specific crisis unit made up of HSE and medical teams was set up with daily issues for drawing up our "COVID-19" plan, which includes all the measures in force. This plan has been continuously updated to take into account:

- changing government guidelines;
- the specifics of our services;
- good practices in the field initiated by our teams;
- feedback from our customers or other industries.

Feedback on the deployment of this plan and its evolution was given at a daily Executive Committee meeting, introduced during this exceptional period. In the USA, no assistance is provided to our employees. We have therefore sought to maintain a level of remuneration equivalent to that proposed by the short-time working scheme in France.

In addition, we have accelerated the implementation of next-generation digital tools to enable our employees to carry out their teleworking activities (generalization of Teams, collaborative tools, etc.), to enable sites to continue to communicate with one another and with our customers via high-definition connected glasses, while complying with general travel guidelines.

### Act for Society

Verescence's position has been to maintain the activity of our plants all over the world for the following reasons:

- Being a good corporate citizen also means maintaining value creation wherever possible.
  - Guarantee continuity of service for all our customers.
  - Enable us to give business to our suppliers, and for certain strategic suppliers to support them with advice and the supply of equipment to deploy their own COVID plan.
- What's more, we have set up reinforced follow-up with our most vulnerable suppliers to give them access to payment facilities, if need be.
- Our strong local footprint has enabled us to be in contact with our stakeholders, and to provide every possible assistance to healthcare personnel (mask donations, supply of bottles and packaging of hydroalcoholic gel, loan of vehicles, etc.).

We have provided masks to our employees and gel to their families. Integrating all of the glass and decoration added value for the supply of our products, and maintaining our activity has enabled us to rapidly increase our production and deliveries to keep pace with the recovery of our customers.

### Eco Solutions

Quality and service: the organization of our plants and the different departments, thanks to volunteer work, mobilization and adaptation by everyone has made it possible to maintain quality and OTIF levels during this period in line with our objectives and those of our customers.

All planned launches and all innovations have been maintained during this period.

Innovative resources currently being deployed have been stepped up to improve communication between sites and with our customers (connected glasses, virtual reality tool, etc.).

In addition, our General Management has agreed that all CSR investments will be maintained in the coming months and years.



FOCUS

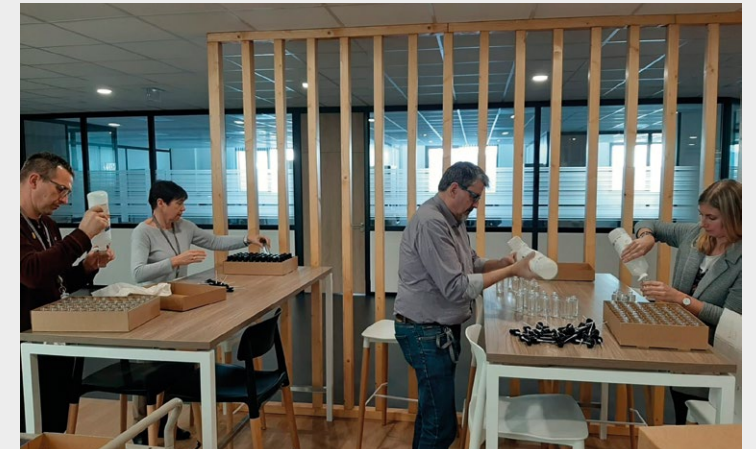
## Teams supporting our professions on the front line

As part of our sustainable procurement policy, in April we ordered 5,000 surgical masks from a supplier involved in the "Opération Persona" collective, whose objective is to distribute a batch of 10,000 masks to nursing homes, healthcare professionals and law enforcement agencies.

Thus, Mers-les-Bains donated bottles of hydroalcoholic gel to the local crisis unit, the fire department, the Eu University Hospital, and masks and gowns to the ambulance drivers of Vimeu, the nursing home and the freelance nurses in the surrounding area. Our French finishing sites, Verescence Orne and Verescence Somme, have donated several thousand masks, hairnets, gowns, gloves and overshoes to the university hospitals of Amiens, Abbeville and Flers; local freelance nurses and the local public agency (DIRECCTE) were also among the beneficiaries.

Our Spanish plant, in addition to donating glass bottles for hydroalcoholic gel packaging, as well as disposable protective equipment (masks, gowns, anti-spatter glasses) for hospitals and the Junta de Castilla y León overning and administrative body, has made its 3D printer available to produce the components needed to produce the protective masks donated to the local authorities.

In the United States, more than 1,000 masks were distributed to the families of Verescence North America employees. Our US subsidiary has stepped up local initiatives to help caregivers and communities. In collaboration with the Newton County Chamber of Commerce, we donated meals to Piedmont Newton Hospital employees for National Hospital Week and donated to Action Ministries to provide meals to children in Newton County who would normally receive a lunch at school.



**FOCUS**

## The strength of an ecosystem, leveraged in the face of crisis

We have supplied our three French sites with textile masks manufactured by the Malterre company, located in Moreuil in the Somme department where Verescence is established. This specialist in industrial knitting has moved into the production of fabric masks to alleviate the shortage situation.

Our customers have also put all their know-how and capacity for innovation at the service of the public good. L'Oréal and LVMH, for example, have reorganized their industrial facilities to produce hydroalcoholic gels primarily for healthcare teams, as well as for their suppliers.



**FOCUS**

## In France, a proactive medical team

As of the end of February, our Occupational Physician deemed it prudent to prescribe the quarantine of five of our employees returning from an assignment in Italy. Daily contact was subsequently established by our medical team to monitor the state of health of our employees. Furthermore, throughout the national lockdown order decreed on March 17, our social workers remained mobilized and available to all our employees. Verescence's medical teams preferred to replace the usual annual medical check-ups with information sessions on physical distancing and protection against COVID-19.

## Thanks

We would like to thank all Verescence employees for their courage, commitment, adaptability and the quality of our dialog during this period. We will be able to learn from this situation so we can continue the numerous initiatives put in place that will benefit Verescence's sustainable development.



**01.**  
Dashboard

**02.**  
Methodology note

**03.**  
CSR Initiatives  
2019-2020

**04.**  
Equivalence tables

**05.**  
Independent third  
party report (KPMG)

# APPENDICES

# CSR DASHBOARD & OBJECTIVES 2022

Verescence monitors its sustainable development performance and has set ambitious objectives for 2022. The dashboard 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.



People First



Act for Society



Eco Solutions

SDGs	PILLAR	THEME	KPI	UNIT	RESULTS		OBJECTIVES				
					2018	2019 (v) <sup>1</sup>	2019	2020	2022		
  	People First	<b>Health and safety</b>	Lost time accident frequency rate (TFI)	Rate	2.60	2.85	<2.5	<2.5	<2		
		<b>Well-being at work and recognition</b>	Investments allocated to improving working conditions and HSE initiatives vs. Total Investments	%	3%	4.06%	2%	2%	2%		
			Absenteeism rate	%	5%	5.51%	4.5%	4.5%	<4%		
		<b>Skills and careers</b>	Number of trained employees vs. Number of employees	%	60%	61%	66%	68%	>70%		
			Rate of deployment of career mapping	%	50%	71%	83%	90%	100%		
		<b>Diversity</b>	Percentage of female managers	%	29%	29.4%	32%	>35%	>35%		
			Percentage of female recruits	%	41%	37.4%	47%	50%	50%		
		    	Act for Society	<b>Local presence, global strength</b>	Local purchases vs. Purchasing volume	%	90%	96%	90%	95%	95%
				<b>Preserving employment at our sites</b>	Number of employees enrolled in training courses eligible to obtain a professional qualification certificate or to validate the foundations of professional know-how and skills	Number	26	44	29	50	55
				<b>Sustainable procurement</b>	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)	%	60%	97%	100%	100%	100%
<b>Business Ethics</b>	High-risk employees trained and qualified on corruption risks, anti-competitive practices, and information security vs. Total workforce			%	100%	100%	100%	100%	100%		
<b>Quality of service and competitiveness</b>	On Time In Full delivery rate (OTIF)			%	86%	94%	>94%	>95%	>97%		
      	Eco Solutions	<b>Innovation and eco-design</b>	Number of commercial offers issued and accompanied by an LCA	Number	43	56	+50%/year	+50%/year	+50%/year		
			Annual change in the number of bottles made from Verre Infini® NEO	%	+40%	+130%	+50%/year	+50%/year	+50%/year		
		<b>Optimizing the environmental impact of our processes</b>	CO <sub>2</sub> emissions (Scope 1: Direct GHG; Scope 2: Energy Indirect GHG)	t/tg	1.14	1.09	1	0.95	0.9		
			NOx emissions for glass manufacturing sites	kg/tg	—	1.33	2.04	1.99	1.89		
			SOx emissions for glass manufacturing sites	kg/tg	—	1.02	1.35	1.32	1.25		
			Fine particle emissions for glass manufacturing sites	kg/tg	—	0.051	0.145	0.141	0.134		
			Water withdrawal per metric ton of glass	m <sup>3</sup> /tg	3.19	2.53	3.1	3	2.5		
			Waste recycling rate	%	86.57%	82.14%	92%	93%	97%		

\* tg = metric ton of glass

1. Data verified with a reasonable level of assurance by KPMG for 2019.

# METHODOLOGY NOTE


## Elements of methodology on the published indicators


**Scope:** all entities consolidated by the Group

**Exclusion:** Verescence is not concerned with the following matters and does not therefore report any results or initiatives on these subjects:— the fight against food waste

- the fight against food insecurity
- respect for animal welfare
- responsible, fair and sustainable food

\* tg = metric ton of glass

	FREQUENCY	INDICATORS	UNIT	DEFINITIONS / CALCULATION
	Monthly	Lost time accident frequency rate (TF1)	Rate	Lost time accident frequency rate per 1 million hours worked [Sum of lost time accidents (ytd) / Number of hours worked (ytd)] * 1,000,000 <b>Note</b> The frequency rate takes into account VERESCENCE personnel and does not include temporary staff
	Annual	Investments allocated to improving working conditions and HSE initiatives vs. Total Investments	%	[Sum of Investments allocated to improving working conditions and HSE initiatives in K€ / Total CAPEX in K€ ]*100 <b>Note</b> The investments considered correspond to the budget validated for the year, whether or not the amounts are used in the year in question
	Monthly	Absenteeism rate	%	[Sum of hours of absence (TI) / Sum of theoretical hours worked] * 100 <b>Note</b> The Group's result is the weighted average of the absenteeism rates of the sites in terms of their respective workforce
	Annual	Number of trained employees vs. Number of employees	%	[Sum of training hours provided for in the training plan / Sum of hours worked]*100
	Annual	Rate of deployment of career mapping	%	[Sum of career maps carried out / Sum of career maps to be carried out]*100 <b>Note</b> A career map brings together all the production industries needed for the manufacture of bottles. Each map shows the career paths consisting in the definition of the pre-requisites in terms of qualification, the training methods and the stages to be validated in order to move from one job to another.
	Annual	Percentage of female managers	%	[Number of female managers on permanent contracts / Sum of male + female managerial staff ]*100 <b>Note</b> This indicator concerns the number of women with socio-professional status likely to be in charge of employees
	Annual	Percentage of female recruits	%	[Sum of female recruits on permanent contracts / Sum of total male + female recruits]*100 <b>Note</b> This indicator only includes recruits on permanent contracts

	Annual	Local purchases vs. Purchasing volume	%	[Sum of the purchasing turnover realized in the processing country (K€) / sum of the entity's total purchasing turnover (K€)]*100 <b>Note</b> A local purchase is defined by the location of the supplier and the performance of the service, or the source of the supplier's materials as follows:— France and Spain: processing countries + border countries — USA: USA only — Exceptional purchases are not included in this indicator — Exceptional purchases are excluded from this indicator
	Annual	Number of employees enrolled in training courses eligible to obtain a professional qualification certificate or to validate the foundations of professional know-how and skills	Number	Sum of employees enrolled in training courses eligible to obtain a professional qualification certificate or to validate the foundations of professional know-how and skills <b>Note</b> It is the number of enrolments in these training courses during the year which is considered and counted, whether or not a certificate is issued. Training courses equivalent to these French certificates are taken into account internationally
	Annual	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)	%	[Number of suppliers that have signed the CSR Charter / Number of suppliers listed on the Verescence CSR 1 panel]*100 <b>Note</b> The indicator for suppliers that have signed the Verescence CSR Charter includes those that have their own CSR Charter
	Annual	High-risk employees trained and qualified on corruption risks, anti-competitive practices, and information security vs. Total workforce.	%	[Sum of the high-risk employees trained and qualified on corruption risks, anti-competitive practices, and information security vs. total high-risk workforce]*100 <b>Note</b> The following people, known as "high-risk employees", are eligible for this type of training:1) All executive staff worldwide, including various departments (Excom, sales, purchasing, finance, etc.) 2) "Non-executive" populations are included, but are considered at risk given their function, namely the Accounting/Payroll, HR, R&D, Sales Assistants, Purchasing, and anyone in contact with third parties as part of their function 3) Any newcomer falling under 1) or 2)
	Monthly	Customer complaint rate	%	[Sum of customer complaints accepted / Sum of lots delivered]*100
	Monthly	On Time In Full delivery rate (OTIF)	%	Number of deliveries in time and quantity / Number of deliveries <b>Note</b> A delivery is considered as being "on time" if it is delivered on the date requested in the customer's order. Delivery in full means that there is no difference between the quantities requested and the quantities delivered
	Annual	Annual change in the number of bottles made from Verre Infini® NEO	%	[Sum of bottles made from Verre Infini® NEO in year n - (n-1) / Sum of glass bottles in year n - (n-1)]*100 <b>Note</b> Verre Infini® NEO contains 25% PCR glass (Post-Consumer Recycled glass)
	Annual	Annual use rate of PCR glass in the manufacture of Verre Infini® NEO sold	%	[(Quantity of PCR glass delivered in year (n) (t) + Change in stock of PCR glass in year (n) vs. Year (n-1) (t) ) / (Quantity of Verre Infini® NEO considered good and sent to customers (t) )]*100 <b>Note</b> In France only - The quantity of PCR glass is calculated on the basis of quantities used. It does not therefore take into account the exact quantity of PCR glass contained in the products sold
	Annual	Number of commercial offers issued and accompanied by an LCA	Number	Sum of commercial offers issued with an LCA (life cycle assessment)
	Monthly	CO <sub>2</sub> emissions (Scope 1: Direct GHG; Scope 2: Energy Indirect GHG)	t/tg	Estimated quantity of CO <sub>2</sub> emissions to produce one metric ton of glass Total quantity of estimated CO <sub>2</sub> (t CO <sub>2</sub> ) / Quantity of glass drawn (t) <b>Note</b> Source of emission factors: GHG Protocol (IEA emission factors of 2011 published in 2014, provided by WRI)
	Monthly	Water withdrawal per metric ton of glass	m <sup>3</sup> /tg or kcols	Total water extraction at the site for one ton of glass drawn Total quantity of water (m <sup>3</sup> ) / Quantity of glass drawn (ton)
	Monthly	Waste recycling rate	%	Percentage of recycled, reused or recovered waste [Quantity of recycled, reused or recovered waste (t) / Total quantity of waste (t)]*100
	Annual	Atmospheric emissions (Nox/ Sox/ fine particles) for glass manufacturing sites	kg/tg	Mass of atmospheric emissions (Nox, Sox or fine particles) in kg for glass manufacturing sites / t glass drawn

# CSR INITIATIVES 2019 2020

Our continuous improvement approach is based on implementing the Verescence CSR policy at each site and sharing best practices. The initiatives listed are not exhaustive and are constantly changing. Period from 01/01/2019 to 30/04/2020.

## PEOPLE FIRST

2019-2020 initiatives standardized at group level and applied at all sites

### Objectives



#### HEALTH AND SAFETY

##### Management

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

#### WELL-BEING AT WORK

##### Management

→ Sharing of the conclusions of the engagement survey among the management of each site and deployment of action plans (participation rate: 87% of 418 people surveyed).  
→ Organization of generalized expression groups at all sites.  
→ Sharing of all our CSR initiatives carried out by each site on a collaborative platform structured around our CSR strategy.

##### Performance recognition

→ Process for evaluating executive performance via "People Success": 3 reviews throughout the year (objective setting, mid-year review and year-end review).

##### Internal communication

→ CSR e-learning: world-wide diffusion of e-learning among connected teams so as to share Verescence's strategic sustainability approach.  
→ Talent pages: highlighting 10 career paths representing our career dynamics and diversity on our internal and external communication tools.  
→ Launch of our strategic plan on 19 June 2019 "Verescence 2022 - Forming The Future" at all sites to share the strategy and the priorities for the next 3 years.

→ Organization of a worldwide CSR day at all sites on 20 March 2019 with stands to present and share CSR issues and impacts within Verescence with employees.

→ HR Intranet site in each region and for all sites: communication of policies, company agreements (collective agreements) and public policies, staff movements (recruitment and departures), job offers and practical information (medical expenses, health insurance).

→ Publication at all sites of our corporate newspaper "Verescence in Action", which has systematically included a CSR section since 2018.

#### SKILLS AND CAREERS

##### Human Resources and Career Management

→ An HR policy is defined within the Verescence Group and implemented at all sites responsible for hiring their employees and managing their personnel.

→ Internal and international mobility is encouraged when meeting new hiring needs. In 2019, 6 staff movements were recorded between countries and 17 internal promotions in France.

##### Employee training

→ Management training for strategic managers in responsibility at Group level and management committees in each region.  
→ Training for all operational managers in the regions by 2022 in respect for the values of the Group (50% of managers trained in France in 2019).  
→ All new arrivals (temporary and permanent employees, interns) receive Health, Safety and Environment training, which must be validated before they start work.

#### DIVERSITY

##### Management

→ HR policy is consistent with the Ethics Charter, which is included Group-wide in the common provisions (notably internal rules in France).

→ Second edition of the "Verescence au Féminin" event on 12 February 2019, which brought together women from Verescence as well as female customers on the topic of negotiation with the testimony of a RAID (French police unit) expert negotiator.

→ In France, specific coaching for women.



# People first Initiatives 2019-2020 by site

## Verescence Mers-Les-Bains (France)

### HEALTH AND SAFETY

#### Management

→ A performance bonus (including safety criteria) is awarded each year to involve all operators in results improvement.

#### Improvement in infrastructure/PPE

→ Improvement of the tools and materials used for glass forming machines (IS machines), securing of our employees during at-risk operations:

- Standardization of the lengths of greasing tools, standardization of practices for safe machine control
- Improvement for guiding glass bottles on the conveyors exiting the IS machine
- New, more ergonomic greasing technique

→ Implementation of hot end communication headsets used for setting the IS machines at the start of manufacturing.

→ Improvement of working conditions: refreshing bandanas, nonflammable sweatshirts, polar wool (cold end), installation of fans at all workstations (cold end and hot end), provision of saline water (hot and cold plan).

→ Installation of 29 water fountains and distribution of reusable receptacles for all our employees.

→ Elimination of all drafts as part of the cold plan by installing 5 sectional doors and soundproofed partitions.

→ Compulsory wearing of safety hats in the hot end.

#### Employee training

→ Training of all on-site firefighters on real fire simulator, operational technique and “breathing apparatus”.

→ Training of steering committee and CU/works council in IOP exercises.

→ 4 firefighter exercises per team for our 65 internal firefighter.

#### Monitoring

→ Dust level measurements (crystalline silica) on the entire site.

→ Impact study following analysis on soil and subsurface water pollution.

→ Microbial activity measurements on all 29 water fountains.

### WELL-BEING AT WORK

→ Setting up of expression groups to define and implement actions to improve working conditions and organization of the activity within the unit.

→ The mold shop, mold change and maintenance services are integrated in the middle of production.

### SKILLS AND CAREERS

#### Career management

→ Multi-skills table for production personnel to promote career progression.

→ Development of partnerships with

grandes écoles (Chemistry School of Lille, Limoges Ceramics School, INSA, etc.) internships.

### DIVERSITY

→ Raising managers' awareness of the risks of discrimination and harassment.

→ Encouragement of the feminization of technical and managerial fields in the recruitment and promotion phases.

→ Participation in Industry Week to promote the glass industry.

→ Workstation adjustments and discussions with company doctor for temporarily or permanently disabled employees: provision of an electric cart for an employee experiencing mobility difficulties.

## Verescence Orne (France)

### HEALTH AND SAFETY

#### Management

→ A performance bonus (including safety criteria) is awarded each year to involve all operators in results improvement.

→ Managerial support (steering committee and local site management) by ETSCAF on “From obedience to adherence” on the subject of safety-oriented behavior.

#### Improvement in infrastructure/PPE.

→ Measures to assess workshop noise: personnel exposed to noise equipped with ear muffs (22% of staff equipped with molded protections in 2019; 2% more than 2018).

→ Ergonomic study of the Glue workshop to declutter and improve safety conditions around workstations (study carried out by ATHANALYS).

#### Communication

→ Regular CSR awareness-raising: twice-monthly safety and environment message.

### WELL-BEING AT WORK

→ Running of expression groups to define and implement actions to improve working conditions and organization of the activity within the unit.

→ Presence of a social worker twice a month and an osteopath two days a month to provide relief for employees exposed to repetitive movements.

→ Renewal of the “Quality of life at work” envelope to finance various fixtures promoting well-being.

→ Modernization of the work space for the new hot stamping line (lighting).

→ Improvement of the ergonomics of the hot stamping workstations: bringing the operator closer to limit shoulder/back extensions.

→ Installation of an air cooling system for the workstations in the Frosting workshop.

### SKILLS AND CAREERS

#### Career management

→ Establishment of a career plan and personal goals for all employees.

→ Management of Workers' skills through the career paths and associated multi-skills table.

→ Development of partnerships with grandes écoles (Chemistry School of Lille, Limoges Ceramics School, INSA, etc.): internships.

#### Employee training

→ Training of operators following the introduction of new automatic screen printing machines.

### DIVERSITY

→ Raising managers' awareness of the risks of discrimination and harassment.

→ Encouragement of the feminization of technical and managerial fields in the recruitment and promotion phases:

- production management is run by a woman
- the management of an autonomous production unit is run by a woman.

## Verescence Somme (France)

### HEALTH AND SAFETY

#### Management

→ A performance bonus (including safety criteria) is awarded each year to involve all operators in results improvement.

→ Reorganization of the HSE function: attachment of a nurse to the HSE manager with a prevention mission for personal health and safety risks

#### Improvement in infrastructure/PPE

→ Annual performance of ergonomics analyses on the various stations

(ergonomist on a work-study contract): Packaging station.

→ Noise assessment measures: personnel exposed to noise equipped with ear muffs and exposed staff equipped with molded protections in 2019.

→ Installation of lifting platforms on a number of lines.

#### Employee training

→ 13 exposed persons trained in good “Movement and Posture”.

#### Communication

→ Regular CSR awareness-raising: 1 safety message and 1 environment message every two weeks.

### WELL-BEING AT WORK

→ Regular running of expression groups to define and implement actions to improve working conditions and organization of the activity within the unit.

→ Presence of a physiotherapist available to personnel twice a month: 50% extra slots offered to employees.

→ Presence of a social worker twice a month.

→ On CSR Day, awarding of trophies to the most deserving personnel in terms of HSE initiatives.

### SKILLS AND CAREERS

#### Career management

→ Management of Workers' skills through the career paths and associated multi-skills table.

→ Development of partnerships with grandes écoles (Chemistry School of Lille, Limoges Ceramics School, INSA, etc.) internships.

#### Employee training

→ Introduction of a business training course for all site staff.

**DIVERSITY**

- The person responsible for hiring has taken “Hiring without discrimination” training.
  - Raising managers’ awareness of the risks of discrimination and harassment.
  - Encouragement of the feminization of technical and managerial fields in the recruitment and promotion phases: recruitment of two women as Autonomous Production Unit Manager and Continuous Improvement Manager.
  - Partnership with a vocational rehabilitation center for general maintenance work.
  - Collaboration with Humando to promote professional integration.
  - Adaptation of the car park for better accessibility to people with disabilities
- Recruitment of disadvantaged persons, net jobs.

## Verescence La Granja (Spain)

**HEALTH AND SAFETY****Management**

- Upgrading of OHSAS 18001 certification to ISO 45001 certification.
- Benchmarking program with other plants of the Group and other companies.
- Participation in the “Emergency Sharing Program”: an event organized by the city of La Granja to share the best practices of our plant with other local industrialists.
- Improvement of electronic tools for safety management: accident notification and root cause analysis.

**Improvement in infrastructure/PPE**

- Continuous improvement actions relating to workstation ergonomics.
- Safety improvements on the new furnace:
  - Roof asbestos removal,
  - Water insulation improvement on roofs,
  - Safety platforms for refractory review,
  - Low dust generation batch charger to reduce dust exposure,
  - Special water jackets in all feeders for emergencies,
  - New safety devices in the natural gas network,
  - Roof cleaning for fire prevention.
- New method of greasing the IS machines with less risk associated with ergonomics extended to all machinery.
- New siliconizing line for the Isolators with reduced risk of fire, explosion and exposure to chemicals.
- Improvement of work uniforms.
- Renewal of all fork-lifts.

**WELL-BEING AT WORK**

- Improvements to the hot-end locker rooms, coffee break rooms and cafeteria.
- Health campaign: once a week the company distributes fruits to workers to encourage them to adapt healthy food habits.
- Health campaign: employees received personalized advice from a nutritionist on a balanced diet and healthy nutrition.
- Specific action plan following the 2018 engagement survey.

**SKILLS AND CAREERS****Career management**

- Management of Workers’ skills through the career paths and associated multi-skills table.

**Employee training**

- Official professional diploma for 18 employees.
- Specific training on the use of new automatic machines in the finishing plant.

**DIVERSITY**

- Introduction of a gender and ethnicity equality plan.
- New collective agreement signed by the company and the trade unions in 2019.
- Adaptation of premises to improve disabled access.
- Participation in the regional companies and vocational training conference.
- Employee exchanges between plants in different countries for the professional development of our employees.

## Verescence Covington (United States)

**HEALTH AND SAFETY****Management**

- Daily and monthly work station safety risk monitoring program.
- Safety observation cards for “near misses”, to indicate potential safety problems.
- Safety-related efforts were also rewarded through the “Pride Incentive”.
- Introduction of a new EHS audit program.

**Employee training**

- Monthly training on identified safety risks for all employees.
- Weekly EHS topics distributed to all employees.
- Quarterly safety footwear check.

**WELL-BEING AT WORK**

- Organization of a “Health” information day and meetings with a doctor.
- Organization of a “lunch and learn” with a doctor.
- Improvement of working conditions following the modernization of the plant’s furnace.
- Sponsorship of a community course to support the local police force.

**SKILLS AND CAREERS****Career management**

- Management of Workers’ skills through the career programs and associated multi-skills table.

**Employee training.**

- Offer of online training: e-learning courses on the technical use of software.
- Organization of local seminars/lectures according to requirements, particularly on the use of specific medical resources to help in emergencies.

**DIVERSITY**

- All managers and supervisors have received training on equal employment opportunities, discrimination and harassment.

## Verescence Sparta (United States)

**HEALTH AND SAFETY****Management**

- Daily and monthly work station safety risk monitoring program.
- Organization of a “Health” information day and non-mandatory meetings with a doctor.
- Safety observation cards for “near misses”, to indicate potential safety problems.
- Safety-related efforts were also rewarded through the “Pride Incentive”.
- Introduction of a new EHS audit program.

**Employee training**

- Introduction of monthly training on safety risks to satisfy OHSAS 18001 certification requirements.
- Weekly EHS topics distributed to all employees.

**WELL-BEING AT WORK**

- Interactive communication session with employees relating to working conditions
- Healthier food options in the cafeteria
- Installation of a water distributor with a reverse osmosis purification system in the coffee break rooms.

**SKILLS AND CAREERS****Career management**

- Management of Workers’ skills through the career paths and associated multi-skills table.

**Employee training**

- Offer of online training: e-learning courses on the technical use of software.
- Organization of local seminars/lectures according to requirements, particularly on the use of specific medical resources to help in emergencies.
- Launch of an assessment with the 30-60-90 days method of all temporary workers to go into full-time jobs.

**DIVERSITY**

- All managers and supervisors have received training on equal employment opportunities, discrimination and harassment.

# ACT FOR SOCIETY

2019-2020 initiatives standardized at group level and applied at all sites

## Objectives



### LOCAL PRESENCE, GLOBAL STRENGTH

#### 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.
- Creation of a CSR Roadmap for each theme included in the 3 pillars of our CSR strategy. For each theme, a leader is appointed and is in charge of evaluating CSR progress.
- Participation of Verescence in ETIs.

#### Equipment

- Extension of the use of 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.

### SUSTAINABLE PROCUREMENT

#### Management

- Following the training of all buyers on the Verescence CSR principles and CSR strategy, deployment of various CSR actions in partnership with our suppliers.

#### Supplier selection

- Deployment of mapping of our ecosystems including CSR aspects.
- Integration of a CSR dimension in the supplier risk analysis
- Extension of heavily-weighted CSR criteria in invitations to tender, specifications and purchasers' individual goals.
- Deployment of the Purchasing Policy, CSR Policy and Supplier CSR Charter set out by the Group.
- Environmental and social audits on suppliers' sites.

#### Sustainable 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.
- Introduction of a tool allowing mold needs to be anticipated, which enabled us to buy a greater proportion of our molds locally.

→ In France, first CSR day for our CSR1 suppliers in the presence of 4 members of our Executive Committee and EcoVadis representatives. Exchanges and presentations on the following themes:

- CSR engagements through our "Verescence 2022 - Forming The Future" strategic plan, Verescence France CSR projects
- Our customers' expectations and CSR deployment at Verescence with the intervention of one of our customers
- Innovation and eco-design at Verescence
- Presentation of EcoVadis support/service solutions

- Introduction of a multiyear action plan with our CSR1 suppliers and various Verescence departments.
- Review of EcoVadis CSR1 suppliers or other recognized organizations.

### BUSINESS ETHICS

#### 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 and on [www.verescence.com](http://www.verescence.com).
- The Compliance Committee, supervised by the CEO, meets every 2 months and/or when needed to discuss topics related to business ethics, including anti-corruption, conflict of interest (through the deployment of tools such as the whistleblower procedure, the third-party verification procedure, the training of employees, etc.), limitation of authority (limit for the value of business gifts and donations, etc.), GDPR, or securing

computer access, on a group scale.

- Deployment of an anti-corruption training program 100% created by employees considered "at risk" for 2 consecutive years, as well as for any newly hired employees.
- Standard ethical and anti-corruption clause imposed on all Verescence partners (suppliers, customers, service providers, agents, distributors, etc.)
- Procedure for checking third parties via the "World-Check" database to guarantee the absence of any act of corruption of a potential partner.
- GDPR (General Data Protection Regulation) data processing registry at group level.
- Safety of information systems & cyber security:
  - (i) Internal / external intrusion tests (08/2019): assessment of the robustness of the infrastructure to internal and external attacks
  - (ii) DRP (Disaster Recovery Plan)/ BRP (Business Recovery Plan): shutdown and recovery tests in the event of the loss of Data Center 2 in order to complete the exercises and simulations carried out in 2018 corresponding to the loss of Data Center 1 (11/2019)
  - (iii) Strengthening of network policies and introduction of network segregation (France/Spain)
  - (iv) Strengthening of backup strategies: cross-site backups
  - (v) Introduction of a group Cyber insurance policy (December 2019)
- Digitization of business processes in line with the "zero paper" strategy and strengthening of compliance control within the Group (eValid, etc.).
- Introduction of a "sensitive positions" recruitment procedure (Finance, Payroll, Purchasing, HR, NPDI departments).
- Review of banking powers and delegations of powers and signature.

- Implementation of a global "eValid Gifts & Donations" workflow to control gifts and donations in accordance with the Group's LoA policy.

## Act for society Initiatives 2019-2020 by site

### Verescence Mers-Les-Bains (France)

#### LOCAL PRESENCE, GLOBAL STRENGTH

##### Local operation through the creation of clusters

- Extension of "door to door" blank bottle sorting subcontractors .

##### Local presence and social commitment

- Participation of employees and their families in the "Course des Héros 2019" race in Paris.
- Participation of female employees in the "La Parisienne 2019" race with Friends of Glass.
- Employee participation in the "La Transbaie 2019" race in the Somme estuary
- Partnership with the "Docks du Phare Ouest" for the creation of the book "Mers Attacks!" produced with the elementary school in Mers-les-Bains.

##### Local sectoral collaboration

- 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.

#### Collaboration with local authorities

→ Regular collaborative work with the local authorities under environmental protection measures (limiting emissions into the air and water).

#### PRESERVING EMPLOYMENT AT OUR SITES

##### Preserving the sector's trades

→ Participation in the creation of a CQP “Maintenance Agent”.  
→ Implementation of the CléA diploma system.  
→ Continuation of the CQPI for “Hot End” mechanic drivers.  
→ Site visit with students during “Industry Week”.

## Verescence Orne (France)

#### LOCAL PRESENCE, GLOBAL STRENGTH

##### Local operation through the creation of clusters

→ Insourcing of all decorated bottle sorting activities on site

##### Local presence and social commitment

→ Development of business activities in a rural regeneration area (ZRR - Ecouché) where the population is disadvantaged in relation to access to employment.  
→ Organization of a plant visit during heritage day.  
→ Employee participation in the “La Transbaie” race in the Somme estuary.  
→ Participation in the canoe challenge between the companies/businesses of Argentan intercom.

##### Local sectoral collaboration

→ 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.

#### PRESERVING EMPLOYMENT AT OUR SITES

##### Preserving the sector's trades

→ Training leading to qualifications (CQP: Professional Qualification Certificate) for lacquering line operation.  
→ Site visit with students during “Industry Week”.

## Verescence Somme (France)

#### LOCAL PRESENCE, GLOBAL STRENGTH

##### Local operation through the creation of clusters

→ Insourcing of all decorated bottle sorting activities on site

##### Local presence and social commitment

→ Entry into the 500 French companies with the strongest growth.  
→ Employee participation in “Octobre Rose” (walk and run against breast cancer).  
→ Participation in the Employment and Training Forum (Amiens and Abbeville).  
→ Blood donation campaign.  
→ Employee participation in the “La Transbaie” race in the Somme estuary.

##### Local sectoral collaboration

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.

##### Collaboration with local authorities.

→ Regular collaborative work with the local authorities under environmental protection measures (limiting emissions into the air).

#### PRESERVING EMPLOYMENT AT OUR SITES

##### Preserving the sector's trades

→ Verescence Somme is a “Datadock” certified training body that can deliver customized training to suit the requirements of our personnel.  
→ Continuation of the CQP “industrial equipment operator” system for lacquering line operators.  
→ Continuation of the CléA diploma system.  
→ Site visit with students during “Industry Week”.  
→ Implementation of a simulation recruitment method (MRS) with Pôle Emploi.

## Verescence La Granja (Spain)

#### LOCAL PRESENCE, GLOBAL STRENGTH

##### Local operation through the creation of clusters

→ Insourcing of all blank or decorated bottle sorting activities on site.

##### Local presence and social commitment

→ Sponsorship of several sports (local soccer teams) and cultural activities (Noches Mágicas, Mercado Barroco, Christmas season, etc.).  
→ Collaboration with the public school to share our story and our environmental initiatives with young students.  
→ Collaboration with the Valladolid

University Foundation.

→ Collaboration with the public authorities for employment of local people.  
→ Opening of the company restaurant to local populations.  
→ Sponsorship of a drawing competition for students on the theme of ecology.  
→ Collaboration with local authorities during the forest fire in La Granja in August 2019.  
→ Sponsorship of a scientific experiment in a public school in Segovia: launch of a weather balloon.  
→ TV broadcast on the national channel Antena 3 on our plant's CSR commitments.

##### Collaboration with local authorities

→ Visit of the Minister for the Ecological Transition of Spain Teresa Ribera and government representatives.  
→ Organization of a Local Emergency Association with all the city's public authorities and other industrialists.  
→ Collaboration with local authorities to train them in emergency situations.  
→ Organization of the Spanish electricity network congress.

#### PRESERVING EMPLOYMENT AT OUR SITES

##### Preserving the sector's trades

→ Government-certified training center authorized to deliver training leading to qualifications of glass trades (Certificado Profesionalidad).  
→ 24 additional employees recruited in 2019 with respect to 2018.

## Verescence Covington (United States)

#### LOCAL PRESENCE, GLOBAL STRENGTH

##### Local operation through the creation of clusters

→ Insourcing of 80% of blank bottle sorting activities.

##### Local presence and social commitment

→ 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.  
→ Member of the Local Emergency Planning Committee (LEPC).  
→ Supporter of various community events (Fun Run, Family Fun Day, YMCA race, etc.).  
→ Increasing our responsible purchasing by prioritizing local purchases and suppliers.

## Verescence Sparta (United States)

#### LOCAL PRESENCE, GLOBAL STRENGTH LOCAL

##### operation through the creation of clusters

→ Partnership with a lacquer supplier to locally develop a new manufacturing activity.  
→ Reduction in outsourcing of decorated bottle sorting activities

##### Local presence and social commitment

→ Cancer prevention event extended to include other types of cancer.  
→ “Nutrition” advisory campaign.  
→ Participation in an event in honor of veterans.

#### PRESERVING EMPLOYMENT AT OUR SITES

→ Recruitment of 10% of additional temporary workers to permanent contracts.

# ECO SOLUTIONS

2019-2020 initiatives standardized at group level and applied at all sites

## Objectives



## QUALITY OF SERVICE AND COMPETITIVENESS

### 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 best practices.

→ All sites are subject to CSR objectives covering the three pillars. Included in their respective budgets, these objectives are the subject of a report and are reviewed during monthly “Business Reviews”. All sites thus actively work 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 by 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 at 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 14001, ISO 22716 (Cosmetics GMP).

→ “AgileScience” project: work on improving our flows allowing our customers to benefit from a premium service enabling them to deliver their strategic ranges in a maximum of 4 weeks.

→ Assessment of the Quality population for the entire Group.

## INNOVATION AND ECO-DESIGN

### Product innovations

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

– Development of Verre Infini® NEO: 25% PCR (“Post Consumer Recycled” = used glass collected to be recycled), 65% recycled internal cullet and only 10% raw materials.

– Development of two new recycled glass compositions with 10% PCR and

60% PCR.

– Use of hydro lacquers instead of 99% solvent-based lacquers.

– Use of organic inks instead of enamels or precious metals

– Development of lightweight glass.

– Launch of safety glass.

### Measure of environmental impact

→ Evolution of the Verescence Life Cycle Analysis (LCA) software, taking into account the impact of our customers’ choices regarding secondary packaging and modes of transport.

→ All sites contribute through their performance to enhancing 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.

→ Recyclability study for colored and decorated glass bottles in order to define a recyclability index and sharing with our main customers for their upstream thoughts on developments.

### External communication

→ Raising the awareness of our customers on the environmental impact of their products during Trends & Innovations presentations.

→ Participation in several conferences as an opinion leader on eco-design in partnership with our clients:

– Conference at PCD Paris 2019 with Bvlgari: “Verescence’s eco-design solutions for luxury bottles – case study: Bvlgari Man Wood Essence in Verre Infini® NEO”,

– Round Table at the Fragrance Innovation Summit 2019 on the theme of: Recycling, upcycling, zero waste, circular economy and packaging, meeting the environmental challenge

– Conference at PCD 2020 on safety glass to replace plastic solutions in the hygiene segments.

→ Sectoral collaborations to highlight eco-design solutions:

– Eco-designed product concept “10 - Reduce, Reuse, Recycle” in partnership with Symrise and various packaging players offered to all our customers to raise awareness of the opportunities provided by eco-design: recycled material, glass weight reduction, refillability, “Clean” decoration, etc.

– Presentation of Verescence’s “Upcycled” product concept, a 100% eco-designed fragrance in partnership with Givaudan, during FachPack 2019 in Munich on the “Environmentally friendly premium packaging” stand.

### Optimizing the environmental impact of our processes

→ Each year, Verescence and all of its sites evaluate their performance in terms of climate impacts and water management according to the “CDP Climate Change” and “CDP Water Security” programs. In 2019, Verescence significantly improved its score for the second year running by receiving the “B” rating.

→ Verescence’s involvement in the SBTi “Well-Below 2°C” initiative.

→ All plants consuming industrial water are equipped with a recycling system.

# Eco solutions Initiatives 2019-2020 by site

## Verescence Mers-Les-Bains (France)

### OPTIMIZING THE ENVIRONMENTAL IMPACT OF OUR PROCESSES

#### Energy consumption and reduction of CO<sub>2</sub> emissions

- Certification of CO<sub>2</sub> emissions.
- Maintaining ISO 50001 certification.
- Search for unnecessary air leaks on our compressed air network: establishment of a permanent monitoring system
- Study on the installation of variable speed compressors to limit energy consumption.

#### Pollution reduction (air, water, emissions)

- Monthly measurements sent to the Regional Environment, Development and Housing Department (DREAL) to check our atmospheric emissions: dust, particles, SO<sub>x</sub>, NO<sub>x</sub>, etc.
- Monthly measurements of pollutants in wastewater and search for legionella (monthly reporting to DREAL).
- Change of legionella treatment

to limit the consumption of biocidal product and limit the impact on our water discharge.

- Deployment of a GTE project (technical management of energy and water consumption) in order to precisely monitor and analyze the consumption of all equipment (water, gas and electricity).

#### Waste and end of life

- Plastic recycling: collection of our plastics for production of plastic covers and sheaths (secondary raw material) .
- Recovery of IT waste (Green IT).
- Full analysis of our waste in costs and volumes.
- Identification and rationalization of all waste streams.
- Integration of all recoverable waste from our subcontractors.

#### Impact on water

- Conclusion of the feasibility study on the recovery of rainwater to reduce our consumption of city water: project selected and launched in 2020 with a grant from the AESN.
- Monitoring of cooling tower consumption and treatment improvement via an automatic biocide feed system.

#### Communication

- Awareness-raising of our staff on energy consumption and waste sorting during CSR day.

## Verescence Orne (France)

### OPTIMIZING THE ENVIRONMENTAL IMPACT OF OUR PROCESSES

#### Energy consumption and reduction of CO<sub>2</sub> emissions

- Commissioning of a variable speed compressor in the lacquering workshop.
- Gradual installation of low energy consumption LEDs across the entire site; the whole lacquering workshop has LED lighting.

#### Pollution reduction (air, water, emissions)

- End of use of solvent lacquers in 2019 and reduction of associated VOC emissions.

#### Waste and end of life

- Selective waste recovery: recycling of polyethylene film, thermoformed PE/PS and wood from broken pallets.
- Reduction of the production of lacquer sludge by pressing to reduce the water content.

#### Reduction of impact on water

- Reuse and recycling of effluent wherever possible.

#### Communication

- Awareness-raising of our staff on energy consumption and waste sorting during CSR day.

## Verescence Somme (France)

### OPTIMIZING THE ENVIRONMENTAL IMPACT OF OUR PROCESSES

#### Management

- Reorganization of the HSE department with the recruitment on a permanent contract of an HSE coordinator responsible for the environment and property safety.

#### Energy consumption and reduction of CO<sub>2</sub> emissions

- Use of variable speed compressors.
- Installation of low energy consumption LEDs in the maintenance workshops.

#### Pollution reduction (air, emissions)

- Improvement of fine particle filtration at the lacquer booth outlet channels.
- Renewal of the prefectural decree approved in March 2019 relating to the rate of VOC emissions into the atmosphere.

#### Waste and end of life

- Creation of a working group to dry up our lacquer sludge.

#### Reduction of impact on water

- Reuse and recycling of effluent on highly water-consuming process (lacquering lines, etc.).

#### Communication

- Employee awareness-raising on eco-gestures (waste sorting, energy, etc.)

## Verescence La Granja (Spain)

### OPTIMIZING THE ENVIRONMENTAL IMPACT OF OUR PROCESSES

#### Energy consumption and reduction of CO<sub>2</sub> emissions

- Certification of CO<sub>2</sub> emissions.
- Reduction in CO<sub>2</sub> emissions (Scope 3): reduction of the impact of employee travel (new cafeteria, bicycle parking, etc.).

#### Pollution reduction (air, emissions)

- New siliconizing line for insulators: reduction of the consumption of chemicals and related VOC emissions.

#### Waste and end of life

- Better non-recyclable waste sorting and recyclability performance increase for specific waste categories: colored glass, cement, dirty cullet.
- Non-recyclable waste has decreased by 60%.
- In 2019, the recycling rate went up to 85%.

#### Reduction of impact on water

- Closed cooling water system.
- Lacquering: collection of overspray by dry filter no water consumption.
- Water consumption reduction project: additional flow meters installed to better manage water consumption by process. Improvements have been performed to minimize leakage and unnecessary consumption. Lowest water consumption achieved in 2019, with 1.44 m<sup>3</sup>/ton of glass drawn, - 16% compared to 2018.

## Verescence Covington (United States)

### LOCAL PRESENCE, GLOBAL STRENGTH

#### Energy consumption and reduction of CO<sub>2</sub> emissions

- Reconstruction of furnace in summer 2019: 10% drop in gas consumption.
- Re-certification of CO<sub>2</sub> certification over first quarter 2020.

#### Pollution reduction (air, emissions)

- Second quarter 2019 measurement campaign.
- Improvement of the dust extraction system in the batch house and furnace fume treatment room.

#### Waste and end of life

- Reduction in the use of waste compactors through better recycling of cardboard and plastic.
- Recycling of all cardboard and metals.
- Recycling of precious metals.
- Recycling of printer cartridges and IT waste (Green IT).
- Reduction of packaging waste with a major customer by using returnable packaging.
- Recycling of all scrap glass.
- The "Universal Waste Management Program" started with batteries and light bulbs. It effectively eliminates unnecessary waste.

#### Reduction of impact on water

- Water piping enabling the use of recycled water for cullet cooling.

#### Communication

- Annual employee training on the environmental issues involved in our activities.

## Verescence Sparta (United States)

### LOCAL PRESENCE, GLOBAL STRENGTH

#### Energy consumption and reduction of CO<sub>2</sub> emissions

- Variable speed compressors have reduced energy consumption during periods of low production by reducing air requirements.
- Energy audit focused on the use of gas which reduced consumption in Sparta.

#### Waste and end of life

- Use of waste compactors.
- Cardboard and metal recycling program.
- Reduction of packaging waste with a major customer by using returnable packaging.
- Recycling of all undecorated scrap glass.
- The “Universal Waste Management Program” started with batteries and light bulbs. It effectively eliminates unnecessary waste.

#### Reduction of impact on water

- Lacquering: closed water system for the water curtain and collection of overspray (excess sprayed lacquer) eliminates the need for continuous use of water.

#### Communication

- New annual employee training on the environmental issues associated with our activities.



# GRI 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. Below, you will find the equivalence table to assess the compliance of our CSR report with the Core criteria defined by the GRI (cf. Gri-G4).

▼ 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 the organization has significant operations or operations 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	▼	Verescence past and present
102-7	Scale of the organization: number of employees, information about operations, sales, capitalization and sales of products	▼	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)	▼	Three-pillar CSR strategy and governance
102-11	Approach to the precautionary principle	▽	-
102-12	External initiatives (list of CSR charters, principles, or other initiatives that the organization endorses)	▼	Three-pillar CSR strategy and governance

NO.	GRI INDICATORS	EQUIV.	SECTION/COMMENTS
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
102-16	Values, principles, standards, and norms of behavior	▼	Editorial - Our sustainable commitments
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
			100% of employees covered by collective bargaining agreements in all countries where the legal framework allows (84% of total employees)
102-41	Collective bargaining agreements: percentage of employees covered by collective bargaining agreements	▽	
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	▼	Clarification on the definition of our main key indicators (cf. Methodology Note): consistency with the values reported in 2018
102-49	Changes in reporting: significant changes from the previous year in the list of material Aspects and report content	▼	No significant changes in 2019
102-50	Reporting period	▼	2019 calendar year
102-51	Date of the most recent previous report (if any)	▼	June 2018
102-52	Reporting cycle	▼	Annual
102-53	Contact point for questions regarding the report or its contents	▼	Contact us
102-54	Reporting statements in accordance with GRI standards: this report has been prepared in accordance with GRI standards: Core or Comprehensive	▼	GRI Equivalence Table (Global Reporting Initiative) Core criteria (cf. GRI-G4)
102-55	GRI Equivalence Table	▼	GRI Equivalence Table (Global Reporting Initiative). Core criteria (cf. GRI-G4)
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)	▼	Reasonable assurance opinion issued by KPMG



NO.	GRI INDICATORS	EQUIV.	SECTION/COMMENTS
	<b>Specific disclosures</b>		
<b>20</b>	<b>Economic</b>		
<b>201</b>	<b>Economic performance</b>		
201-1	Direct economic value generated and distributed	▼	Our value chain: financial resources and impacts
<b>204</b>	<b>Procurement practices</b>		
204-1	Proportion of spending on local suppliers	▼	Our 2019 achievements and 2022 objectives
<b>205</b>	<b>Anti-corruption</b>		
205-2	Communication and training on anti-corruption policies and procedures	▼	CSR dashboard and 2022 objectives: Act for Society – Business ethics
<b>30</b>	<b>Environment</b>		
<b>301</b>	<b>Materials</b>		
301-2	Recycled input materials	▼	Our 2019 achievements and 2022 objectives
<b>302</b>	<b>Energy</b>		
302-3	Energy intensity	▼	Eco Solutions: optimizing the environmental impact of our processes Our value chain: environmental assets
302-4	Reduction of energy consumption	▼	Eco Solutions: optimizing the environmental impact of our processes Our value chain: environmental assets
<b>303</b>	<b>Water</b>		
303-1	Total water withdrawal by source	▼	Our 2019 achievements and 2022 objectives - Our value chain: environmental assets CSR dashboard and 2022 objectives - Eco Solutions: optimizing the environmental impact of our processes
<b>305</b>	<b>Emissions</b>		
305-4	Greenhouse gas (GHG) emissions intensity	▼	Our 2019 achievements and 2022 objectives - Our value chain: environmental impact CSR dashboard and 2022 objectives Eco Solutions: optimizing the environmental impact of our processes
305-5	Reduction of greenhouse gas (GHG) emissions	▼	Our 2019 achievements and 2022 objectives - Our value chain: environmental impact CSR dashboard and 2022 objectives Eco Solutions: optimizing the environmental impact of our processes
<b>306</b>	<b>Effluents and waste</b>		
306-2	Waste by type and disposal method	▼	Our 2019 achievements and 2022 objectives - Our value chain: environmental impact CSR dashboard and 2022 objectives Eco Solutions: optimizing the environmental impact of our processes

NO.	GRI INDICATORS	EQUIV.	SECTION/COMMENTS
<b>40</b>	<b>Social</b>		
<b>401</b>	<b>Employment</b>		
401-1	New employee hires and employee turnover	▼	Our value chain: intellectual assets
<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 2019 achievements and 2022 objectives - People First: health and safety, Well-being at work and recognition - CSR dashboard and 2022 objectives
<b>404</b>	<b>Training and Education</b>		
404-1	Average hours of training per employee	▼	CSR dashboard and 2022 objectives - People First: skills and careers
404-2	Programs for skills management and programs that assist employees in managing career endings	▼	CSR dashboard and 2022 objectives - People First: skills and careers Act for Society: preserving employment at our sites
<b>405</b>	<b>Diversity and Equal Opportunity</b>		
405-1	Diversity of governance bodies and employees	▼	Our 2019 achievements and 2022 objectives - CSR dashboard and 2022 objectives: People First - Diversity
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	▼	CSR dashboard and 2022 objectives: Act for society - Responsible purchasing
<b>413</b>	<b>Local Communities</b>		
413-1	Local community engagement, impact assessments, and development programs	▼	Act for Society: preserving employment on our sites, valorization of our trade
<b>417</b>	<b>Product and Service Labeling</b>		
417-1	Product and service information and labeling requirements	▼	CSR dashboard and 2022 objectives: Eco Solutions - Innovation and eco-design

▼ Complete equivalence    ▼ Partial equivalence    ▼ No equivalence

# 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 website. This report constitutes Verescence's 2020 COP (2019-2020 data).

▼ Complete equivalence    ▼ Partial equivalence    ▼ No equivalence

NO.	TEN PRINCIPLES OF THE GLOBAL COMPACT	EQUIV.	PILLARS AND ASSOCIATED THEMES
	<b>Human Rights</b>		
1	Businesses should support and respect the protection of internationally proclaimed human rights.	▼	People First - Health and Safety
2	Businesses should make sure that they are not complicit in human rights abuses.	▼	Act For Society - Sustainable procurement
	<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 - Sustainable procurement
5	Businesses should contribute to the effective abolition of child labor.	▼	Act For Society - Sustainable procurement
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

# INDEPENDENT THIRD PARTY REPORT (KPMG)

## Report by one of the Statutory Auditors, appointed as independent third party, on the consolidated non-financial statement

This is a free English translation of the Statutory Auditor's report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

For the year ended December, 31st 2019

To the Board of Directors',

*In our capacity as Statutory Auditor of your company (hereinafter the "entity" appointed as independent third party, and accredited by the French Accreditation Committee (Comité Français d'Accréditation or COFRAC) under number 3-1049', we hereby report to you on the consolidated non-financial statement for the year ended December 31st 2019 (hereinafter the "Statement"), voluntarily released by the Group pursuant to the requirements of articles L.225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (Code de commerce).*

### RESPONSIBILITY OF THE ENTITY

The Statement was drawn up under the responsibility of the CSR Management in accordance with legal and regulatory provisions, it being specified that it was not adopted by the board of directors. It includes a presentation of the business model, a description of the principal non-financial risks, a presentation of the policies implemented considering those risks and the outcomes of said policies, including key performance indicators. The Statement has been prepared in accordance with the entity's procedures (hereinafter the "Guidelines"), the main elements of which are presented in the Statement and available upon request at the entity's head office.

### INDEPENDENCE AND QUALITY CONTROL

Our independence is defined by the requirements of article L.822-11-3 of the French Commercial Code and the French Code of Ethics (Code de déontologie) of our profession. In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with applicable legal and regulatory requirements, the ethical requirements and French professional guidance.

### RESPONSIBILITY OF THE STATUTORY AUDITOR APPOINTED AS INDEPENDENT THIRD PARTY

On the basis of our work, our responsibility is to provide a report

expressing a limited assurance conclusion on:

→ the compliance of the Statement with the requirements of article R. 225-105 of the French Commercial Code;

→ the fairness of the information provided in accordance with article R.225-105 I, 3° and II of the French Commercial Code, i.e., the outcomes, including key performance indicators, and the measures implemented considering the principal risks (hereinafter the "Information").

It is our responsibility to express, at the request of the Company and outside of the scope of accreditation, reasonable assurance that information selected by the Company and identified with the symbol √ in the Statement has been prepared, in all material respects, in accordance with the Guidelines.

However, it is not our responsibility to comment on the entity's compliance with other applicable legal and regulatory requirements, in particular the French duty of care law, the fight against corruption and tax evasion, nor on the compliance of products and services with the applicable regulations.

### NATURE AND SCOPE OF OUR WORK

The work described below was performed in accordance with the provisions of Article A.225-1 et seq. of the French Commercial Code, as well as with the professional guidance of the French Institute of Statutory Auditors (Compagnie nationale des commissaires aux comptes or CNCC) applicable to such engagements and with ISAE 3000<sup>2</sup>.

→ We obtained an understanding of all the consolidated entities' activities, and the description of the principal risks associated.

→ We assessed the suitability of the criteria of the Guidelines with respect to their relevance, completeness, reliability, neutrality and understandability, with due

consideration of industry best practices, where appropriate; .

→ We verified that the Statement includes each category of social and environmental information set out in article L.225-102-1 III.;

→ We verified that the Statement provides the information required under article R. 225-105 II of the French Commercial Code, where relevant with respect to the principal risks and includes, where applicable, an explanation for the absence of the information required under article L.225-102-1 III, paragraph 2 of the French Commercial Code.;

→ We verified that the Statement presents the business model and a description of principal risks associated with all the consolidated entities' activities, including where relevant and proportionate, the risks associated with their business relationships, their products or services, as well as their policies, measures and the outcomes thereof, including key performance indicators associated to the principal risks.;

→ We referred to documentary sources and conducted interviews to:

- assess the process used to identify and confirm the principal risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the principal risks and the policies presented;
- corroborate the qualitative information (measures and outcomes) that we considered to be the most important presented in Appendix. Concerning the risk "Business Ethics", our work was carried out on the consolidating entity, for the other risks, our work was carried out on the consolidating entity and on a selection of entities<sup>3</sup>.

→ We verified that the Statement covers the scope of consolidation, i.e. all the consolidated entities in

accordance with article L. 233-16 of the French Commercial Code within the limitations set out in the Statement.;

→ We obtained an understanding of internal control and risk management procedures the entity has put in place and assessed the data collection process to ensure the completeness and fairness of the Information.;

→ For the key performance indicators and other quantitative outcomes that we considered to be the most important presented in Appendix, we implemented:

- analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data;
- tests of details, using sampling techniques, in order to verify the proper application of the definitions and procedures and reconcile the data with the supporting documents. This work was carried out on a selection of contributing entities and covers between 50% and 100% of the consolidated data selected for these tests;

→ We assessed the overall consistency of the Statement based on our knowledge of all the consolidated entities<sup>3</sup>. We believe that the work carried out, based on our professional judgment, is sufficient to provide a basis for our limited assurance conclusion; a higher level of assurance would have required us to carry out more extensive procedures.

**MEANS AND RESOURCES**

Our work was carried out by a team of five people between April 2020 and July 2020 and took a total of about four weeks.

We were assisted in our work by our specialists in sustainable development and corporate social responsibility. We conducted about dozen interviews with the people responsible for preparing the Declaration.

**CONCLUSION**

Based on the procedures performed, nothing has come to our attention that causes us to believe that the non-financial statement is not presented in accordance with the applicable regulatory requirements and that the Information, taken as a whole, is not presented fairly in accordance with the Guidelines, in all material respects.

**Reasonable assurance on a selection of CSR information extra-financières**

**NATURE AND SCOPE OF OUR WORK**

With regard to the information selected by the Company and identified with the symbol √ in the Statement, we conducted the same procedures as those described in the paragraph "Nature and scope of our work" (for the most important CSR information). However, these procedures were more in-depth, particularly regarding the number of tests. Consequently, the selected sample represents between 50% and 100% of information identified with the symbol √. We believe that these procedures enable us to express reasonable assurance regarding the information selected by the Company and identified with the symbol √.

**CONCLUSION**

In our opinion, the information selected by the Company and identified with the symbol √ in the Statement has been prepared, in all material respects, in accordance with the Guidelines.

*Paris-La Défense, on July, 22nd 2020  
KPMG S.A.*

*Fanny Houlliot, Partner  
Sustainability Services*

*Alexandra Saastamoinen  
Statutory Auditor*

**Appendix**

**QUALITATIVE INFORMATION (ACTIONS AND RESULTS) CONSIDERED MOST IMPORTANT**

- Organizational arrangements for improving health, well-being and safety conditions at work
- Integration of CSR in the review of Verescence's key processes, including SWOT analyses, improvement plans and standardized reports
- Modernization plan for site production facilities
- Reduction in the use of lacquers with solvents at all sites
- CSR charter and other measures in terms of responsible purchasing and traceability of raw materials
- Quality, health and safety, environment and good manufacturing practices certifications on all of the Group's sites by a single certification body (AFNOR)

**KEY PERFORMANCE INDICATORS AND OTHER QUANTITATIVE RESULTS CONSIDERED MOST IMPORTANT**

	LEVEL OF ASSURANCE
<b>Social &amp; Safety indicators</b>	
Lost time accident frequency rate	Reasonable
Investments allocated to improving working conditions and HSE initiatives vs. Total Investments	Reasonable
Absenteeism rate	Reasonable
Number of trained employees vs. Number of employees	Reasonable
Rate of deployment of career mapping	Reasonable
Percentage of female managers	Reasonable
Percentage of female recruits	Reasonable
<b>Environmental indicators</b>	
Annual change in the number of bottles made from Verre Infini® NEO	Reasonable
Rate of use of PCR glass in the manufacture of Verre Infini® NEO sold	Reasonable
Number of commercial offers issued and accompanied by an LCA	Reasonable
Scope 1 and scope 2 CO <sub>2</sub> emissions per metric ton of glass drawn	Reasonable
Water withdrawal per metric ton of glass	Reasonable
Waste recycling rate	Reasonable
NOx emissions for glass manufacturing sites per metric ton of glass drawn	Reasonable
SOx emissions for glass manufacturing sites per metric ton of glass drawn	Reasonable
Fine particle emissions for glass manufacturing sites per metric ton of glass drawn	Reasonable
Customer claim rate	Reasonable
On Time In Full delivery rate	Reasonable
<b>Societal indicators</b>	
Local purchases vs. Purchasing volume	Reasonable
Number of employees enrolled in training courses eligible to obtain a professional qualification certificate or to validate the foundations of professional know-how and skills	Reasonable
Number of suppliers that have signed the CSR Charter vs. Number of suppliers listed on the Verescence "CSR 1" panel	Reasonable
High-risk employees trained and qualified on corruption risks, anti-competitive practices, and information security vs. Total workforce	Reasonable

1. Cofrac Inspection accreditation, no. 3-1049, scope available on www.cofrac.fr

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

3. Verescence Mers-les-Bains (France), Verescence La Granja (Spain).

**For all questions relating to the information contained in this report, please contact:**

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What Matters  
Studio Numériques

July 2020

Graphic design  
Atelier Marge Design

MADE OF GLASS AND PASSION.



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