



Corporate Social Responsibility Report
2019

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3 questions to Michel Giannuzzi

Verallia Chairman and CEO

HOW DOES VERALLIA'S ACTIVITY FIT INTO A CIRCULAR ECONOMY RATIONALE?

Care for customers is our first corporate value. Today, our customers are looking for solutions to minimize the environmental footprint of their products and meet consumers' aspirations for sustainable development. For everyone, the choice of glass is that of a material which is inherently circular because it is 100% recyclable, infinitely. However, this virtuous circle only works with the commitment of all.

Verallia's contribution? Use as much collected and recycled glass (cullet) as possible in its furnaces. Our dual industrial expertise, both in the production of glass packaging and in the reprocessing of household glass, is a strength. We invest in these two stages of the value chain.

The more cullet we use, the less raw materials and energy we use and the less CO₂ we emit. We are therefore committed to promoting glass recycling because cullet availability is key in our circular economy approach. As a reminder, while the recycling rate in Europe is stagnating at around 74%*, some countries have actually reached 96%*. So it is not a foregone conclusion!

The circular economy is also a lean and efficient way of managing resources: in addition to the use of cullet, we are investing to improve the energy efficiency of our installations and limit our water consumption. We are also working on our product range by increasing the amount of eco-designed packaging.

Our factories are very often located in the heart of the wine-growing regions, as close as possible to our customers - this is another "circular" strength of our model. As a socially responsible company, we are committed to working alongside the communities near our sites.

EMPLOYEES ARE AT THE HEART OF THE COMPANY'S DEVELOPMENT. WHAT COMMITMENTS HAVE YOU MADE TO THEM?

Verallia's plants operate non-stop, all year round. The glass industry requires permanent commitment and advanced technical expertise. Our teams are our strength and the key to our success. Their safety is our priority. This is a commitment that we must constantly renew by maintaining and reinventing our awareness actions, because a safety culture is built up over time and has to be maintained. Verallia is also committed to supporting its teams in their professional development: this is reflected in our training efforts at all levels of the organization.

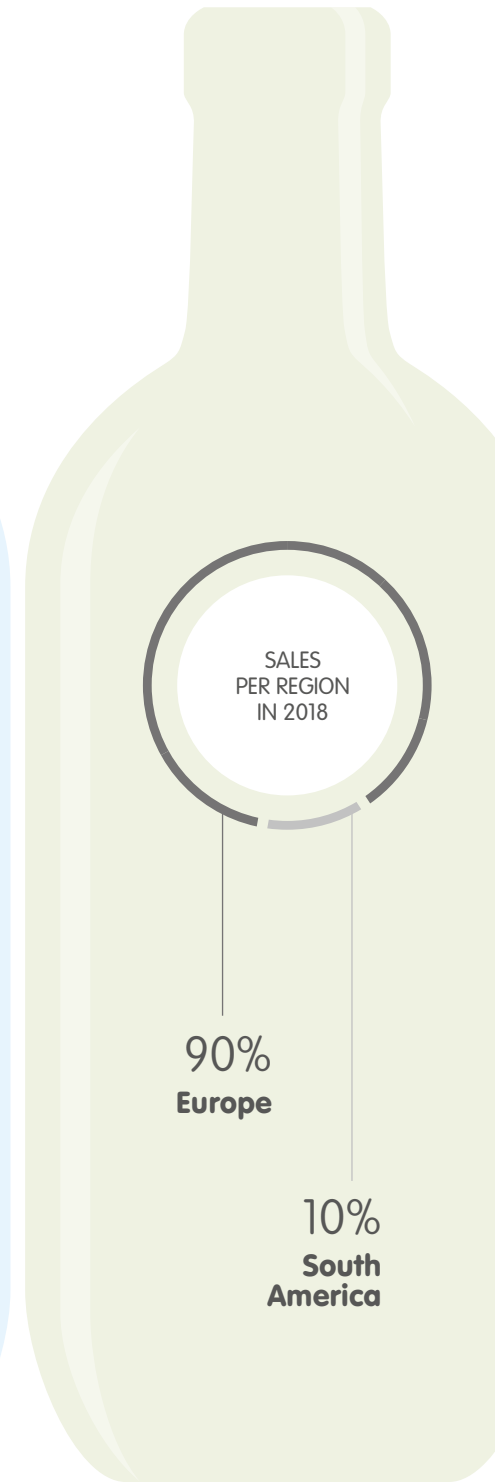
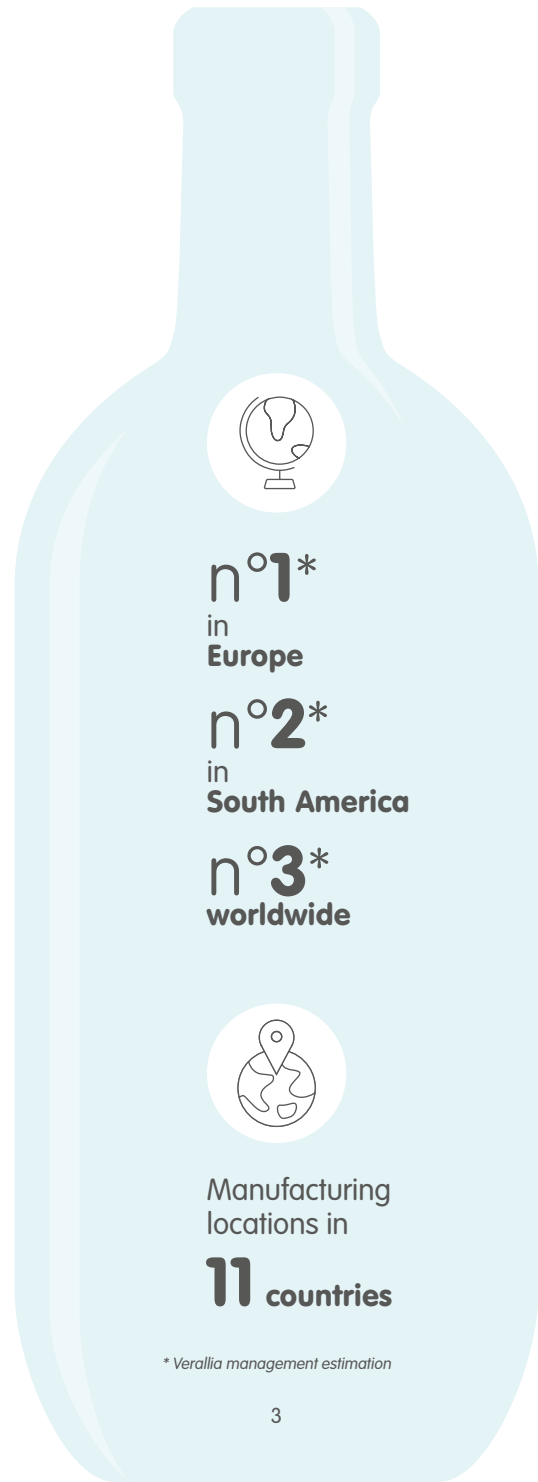
WHAT ABOUT YOUR NEW 2019 CSR INITIATIVE ?

Our priority remains, of course, the reduction of CO₂ emissions from our installations, for which we are constantly striving. In addition to our actions in this direction, we have decided to invest in a carbon offsetting project through agroforestry and reforestation in Latin America. We have partnered with PUR Projet, whose mission is to regenerate ecosystems in order to improve the living conditions of small producers and create local economic value.



VERALLIA, AN INTERNATIONAL PLAYER IN THE GLASS INDUSTRY

A world leader, close to its customers. An independent Group. Verallia is one of the world's leading manufacturers of glass packaging for food and beverages.



VERALLIA, A COMMITTED COMPANY

Verallia's mission

Every day, Verallia enables people to enjoy beverages and food with attractive, healthy and sustainable glass packaging.

This mission is in line with Verallia's 4 Values. Consistent with these values, Verallia's CSR commitments are structured around three focal areas. As a member of United Nations Global Compact, the Group has identified 5 Sustainable Development Goals (SDG) to which it particularly contributes.



IN 2018, VERALLIA OBTAINS ECOVADIS "GOLD" CERTIFICATION.

In 2018, the Group's sustainable development achievements were assessed on the Ecovadis platform at the "Gold Medal" level and the score of 63/100. Ecovadis is a platform for rating the social and environmental performance of global supply chains.

OUR 4 VALUES



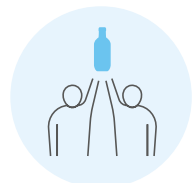
CARE FOR CUSTOMERS



RESPECT FOR PEOPLE, LAWS AND THE ENVIRONMENT



EMPOWERMENT AND ACCOUNTABILITY



TEAMWORK

OUR 3 CSR COMMITMENTS



HELP PROTECT THE ENVIRONMENT



ACT FOR THE SAFETY AND DEVELOPMENT OF OUR TEAMS



CONTRIBUTE TO THE DEVELOPMENT OF COMMUNITIES

OUR SUSTAINABLE DEVELOPMENT GOALS



SDG 12
Ensure sustainable consumption and production patterns



SDG 13
Take urgent action to combat climate change and its impacts



SDG 15
Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss



SDG 8
Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all



SDG 17
Strengthen the means of implementation and revitalize the global partnership for sustainable development

Certifications

Verallia's **32 glassmaking plants** are certified ISO 9001 (quality), ISO 14001 (environment) and OHSAS 18001 (worker health and safety). The Kamyshin plant in Russia is in the process of being certified OHSAS 18001 (certification expected in 2019). 22 glassmaking plants are certified ISO 22000 (food safety).



**QUALITY
ISO 9001**

**ENVIRONMENT
ISO 14001**

**WORKER HEALTH
AND SAFETY
OHSAS 18001**

**FOOD SAFETY
ISO 22000**

Governance

Together with its shareholders, Apollo Global Management, LLC and Bpifrance, Verallia is an independent industrial Group entirely dedicated to glass packaging. Under the leadership of its Chairman and Chief Executive Officer, the Group integrates the principles of corporate social responsibility at the heart of its governance.

The CEO is supported in this mission by his Executive Committee (Comex), composed of the General Counsel (governance and compliance), the Industrial Director (health, safety and environmental protection), the Chief Financial Officer (risk management and internal control), the Corporate Secretary (compliance with the Code of Conduct) and the General Managers of the divisions (implementation of the CSR strategy in all Group entities). Every month, the Comex reviews the health, safety and environment results. Once a year the CSR strategy is presented and discussed with the Board of Directors.



The Code of Conduct

The Code of Conduct formalizes the values shared in the company. All employees undertake in writing to respect and apply these values. Suppliers and partners are required to comply with equivalent standards.

 The Code of Conduct is available on www.verallia.com



Compliance

Compliance is one of the pillars of Verallia's CSR strategy. It helps to create value and reduce risk. Verallia's compliance culture is the subject of a program designed to reinforce the value of "Respect for Laws" and the obligations arising from it, in all Group entities.

THIS PROGRAM IS STRUCTURED AROUND FOUR THEMES:

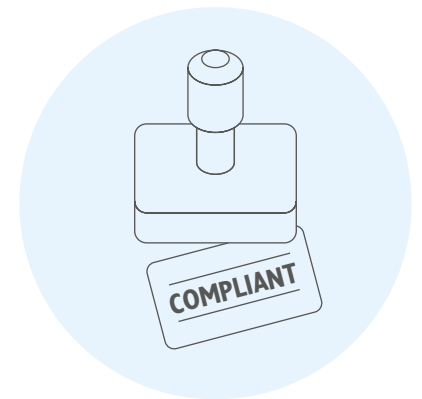
COMPLIANCE WITH COMPETITION LAW

PREVENTION OF CORRUPTION

COMPLIANCE WITH THE RULES ON ECONOMIC SANCTIONS AND EMBARGOES

PROTECTION OF PERSONAL DATA

Developed around guiding principles and common policies, this program is deployed through training, controls and a whistleblowing (professional alert) system.



A NEW IMPETUS TO OUR COMMITMENT



- Social and societal impact
- Organizations and operations
- Environmental impact
- Products and procurement chain

MATERIALITY ANALYSIS

Through a materiality analysis, the approach's areas of improvement were validated. The major risks and opportunities identified are aligned with the main CSR actions. The environmental impact is clearly evident in the analysis, with the themes of energy efficiency, carbon intensity and the integration of the principles of the circular economy.



WHAT PRIORITIES DID YOU IDENTIFY WITH THIS FIRST MATERIALITY ANALYSIS?

Our production process involves high energy consumption and CO₂ emissions. Our CSR priority is therefore to reduce our environmental impact. This reduction takes time because it is partly related to the renewal of the furnaces (life span of about 12 years). Alongside these long-term changes, our R&D and Industrial teams are working on short-term solutions for energy efficiency and overall reduction of our impact.

WERE THE PRIORITIES IDENTIFIED CONSISTENT WITH THE CSR APPROACH ALREADY IN PLACE?

The analysis reveals that the environmental quality of our bottles and jars is important for our customers and end users. They are particularly sensitive to our glass packaging: healthy and 100% recyclable indefinitely without alteration. Our challenge is to find solutions to reduce their environmental footprint. We are working on this internally (maximum integration of cullet according to country and product availability, batch optimization) and with our customers (lighter bottles and jars, maximizing the number of items per pallet, recycling awareness).

WHAT IS DIFFERENT IN YOUR 2019 ROADMAP?

Actions to reduce our environmental impact are intensifying, and we will associate a carbon offsetting project with PUR Projet* over the long term. We are enthusiastic about this project for its cross-cutting environmental and societal impacts. We are making progress every year, and our ambition is to participate in real environmental change!

* See PUR Projet interview pages 22-23

Sharing views

Laëtitia Fabre

Verallia Head of CSR

Denis Michel

Verallia Corporate Secretary

WHEN WAS VERALLIA'S CSR PROCESS INITIATED?

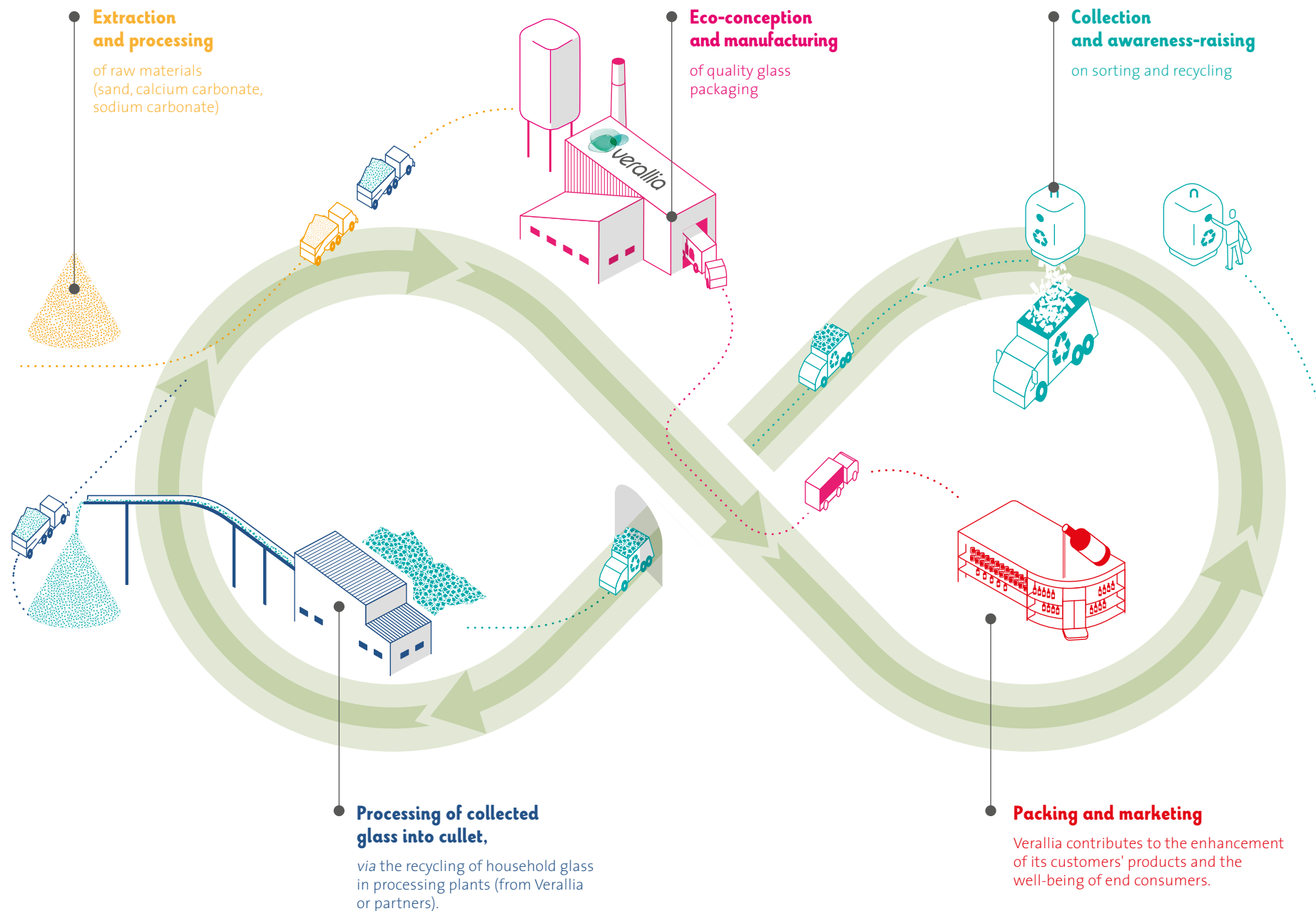
Back in 2007, Verallia created its first Research & Development and Marketing team to focus on topics related to the environment, products and sustainable development. In 2012, our ambition was mainly focused on developing, with our customers, solutions that are both aesthetic and innovative, and on reducing the environmental footprint of our activities. Our first Corporate Social Responsibility report was published in 2017. In 2019 our CSR strategy is intensifying. Our CSR Manager coordinates the actions of the Group's companies, meets customer expectations, and integrates all the main lines of the approach into a global strategy, adapted locally to the needs of each country.

WHAT IMPACT DOES YOUR CSR APPROACH HAVE ON YOUR BUSINESS?

The first impact is the consideration of all the components of our activity, combining economic profitability with social, societal and environmental concerns. Each of these subjects is covered by a risk and opportunity analysis and an action plan monitored with relevant indicators. This approach strengthens our customers' trust, sustainably reduces our environmental impacts, empowers us towards our stakeholders, unites our teams internally and improves the company's attractiveness.

Our values are the cornerstone of this approach. In order to control their application by all, we have set up a "whistleblowing" system that allows everyone to exercise vigilance and be the guarantor.

VERALLIA AT THE HEART OF THE CIRCULAR ECONOMY



GLASS, A PERMANENT MATERIAL

Glass material, infinitely recyclable, without alteration no matter how many times it is recycled, naturally fits into a circular economy scheme: the bottles and jars collected and recycled become new food containers once again. Today, cullet is Verallia's main raw material and the key link in its circular chain.



Adeline Farrelly

Secretary General of the European
Glass Containers Federation (FEVE)

“ REGARDING OUR GLASS INDUSTRY, WHY IS CIRCULAR ECONOMY NO LONGER AN OPTION TODAY?

Over the last three years, the Circular Economy has become a major pillar of the European Union's vision on sustainability. Political leadership has led to a massive mobilisation of sectors and recycling chains to ensure that products and materials are maintained in productive loops.

Of course, this model is nothing new for the glass industry. As a permanent material, glass is endlessly recyclable without loss of its intrinsic properties, and as a packaging it is reusable and effectively recycled in a bottle-to-bottle closed loop.

Already in the 1970s, the industry had set up collection and recycling infrastructure that has enabled cullet to become the industry's most important raw material.

However, we need to continue to show leadership on material stewardship. It makes sense from an industrial perspective, as using more cullet brings huge CO₂ savings. But it makes even more sense from a market perspective, as brands, retailers and consumers are increasingly concerned about the recyclability and effective recycling of their packaging materials.

WHAT ARE THE EMERGING 'TRENDS' IN THE CIRCULAR ECONOMY FIELD?

It is undeniable that plastic is the hot topic. The plastics crisis has largely diverted attention away from the broader challenges of the circular economy to solving the plastics recycling problem. At the same time, consumer awareness of marine litter has never been greater, driving brands and retailers to look for alternatives to plastics.

Beyond the goals on recycling, one of the main political challenges ahead is to guarantee that the circular economy for packaging can operate within a non-toxic environment. This is particularly true of food packaging. ”

1

HELP PROTECT THE ENVIRONMENT

OBJECTIVES:



Reduce CO2 emissions by 1% per year.



Offset CO2 emissions by 1% per year.

Promote the circular economy and improve our environmental footprint

Verallia is working to reduce its environmental impact, in particular by increasing the use of cullet - household glass waste collected - and by improving the performance of its production facilities to reduce CO2 emissions and water consumption. The Group also supports its customers in their responsible approach through its range of eco-designed containers.

REDUCE ENERGY CONSUMPTION AND CO2 EMISSIONS

WORLD TARGET:

REDUCE CO2 EMISSIONS BY 1% PER YEAR

FOR THE 24 GLASSMAKING PLANTS LOCATED IN THE EU:



FOR THE 8 GLASSMAKING PLANTS LOCATED OUTSIDE THE EU:



OPTIMIZE WATER USE AND REDUCE WASTE

IN THE 32 GLASSMAKING PLANTS:

WATER



WASTE



This result is due to the landfilling of significant quantities of waste from building demolitions on some Verallia's sites.

BE A DRIVING FORCE IN CULLET USE

Verallia's objective is to use all available cullet and to contribute to increasing collection while respecting national specificities.

In 2018, all tons collected and available for the Group were recycled in Verallia's furnaces. In 2016, the recycling rate for household glass was 74%* in the EU-28.

In order to improve the cullet treatment process and increase recycling, the Group is investing long-term in its 7 treatment centres. The 32 glass factories are also developing various initiatives to integrate all the fractions from cullet processing.

Verallia has the industrial capacity to integrate larger volumes of cullet. Today, the limit lies in its availability.

* FEVE figures - Press release dated 4/02/19 - www.feve.org

SDG 12
Ensure sustainable consumption and production patterns

12
RESPONSIBLE CONSUMPTION AND PRODUCTION
∞

SDG 13
Take urgent action to combat climate change and its impacts

13
CLIMATE ACTION
🌍

SDG 15
Protect, restore and promote sustainable use of terrestrial ecosystems

15
LIFE ON LAND
🌳

IMPROVE ENERGY EFFICIENCY

Improving energy efficiency and reducing CO₂ are priorities for Verallia. As energy is mainly consumed during glass melting, each new furnace construction is an opportunity to improve the Group's performance in these areas. Throughout their life (approximately 12 years), the furnaces are also subject to improvements to reduce their consumption: sealing and thermal insulation, optimization of glass temperature, combustion adjustments, adjustment of combustion air volumes.



FURNACE ENERGY

In order to significantly reduce CO₂ emissions from powering its furnaces, Verallia decided in 2018 to opt for natural gas instead of oil. Other initiatives inspired by the principles of the circular economy enable, for example, to recover heat from the furnace walls or smoke for heating buildings (in Verallia or neighbouring towns).

CONVERSION OF THE VAUXROT FURNACE FOR BETTER ENERGY EFFICIENCY (FRANCE)

In 2018, the furnace at the Vauxrot plant was completely rebuilt and equipped with the latest generation "end-fired" furnace technology. This investment has reduced the site's energy consumption and CO₂ emissions by more than 15%.



ENERGY CONSUMPTION OPTIMIZATION IN ALL VERALLIA FURNACES (FRANCE)

The composition of natural gas - and therefore its calorific value - varies according to its origin (the gas can also be produced from a mixture). With the installation on the furnace of a real-time calorific value regulation system, combustion is continuously optimized. The furnaces are therefore less energy consuming and more environmentally friendly. This solution has been deployed in all 7 French plants. It is under study at other sites.

ARTIFICIAL INTELLIGENCE DEPLOYMENT (WORLDWIDE)

Verallia has invested in Industry 4.0 by introducing artificial intelligence in its factories. Sensors installed throughout the production line (furnace-feeder-IS machine) contribute to the regulation of production in real time. This approach makes it possible to stabilize production, quality and energy consumption. After the pilot test in 2018, Verallia is continuing the deployment.

HYBRID FURNACE IN COLLABORATION WITH OTHER GLASS MANUFACTURERS (EUROPE)

Verallia teamed up with the other FEVE member glassmakers to develop a new furnace that meets the European Commission's target for reducing CO₂ emissions: - 80% between 1990 and 2050. This new furnace would operate on electric energy (between 20 and 80%).

CULLET, THE KEY LINK IN THE CIRCULAR CHAIN

Cullet is now the key link in the circular chain of the glass industry. It is made of glass from the selective collection process. When added to other raw materials (sand, sodium carbonate, calcium carbonate), it reduces CO₂ emissions at two levels: by reducing the energy required for melting and by reducing the use of raw materials whose melting emits CO₂. Cullet also reduces the consumption of natural materials such as sand, or synthetic materials such as sodium carbonate (action on preserving resources)

INVESTMENTS IN CULLET PROCESSING CENTRES

Verallia is known for its expertise in the recycling of cullet. The Group owns 7 household glass processing centres (2 in France, 3 in Italy, 1 in Germany, 1 in Spain), in which the collected glass is processed into cullet, a raw material used in glass furnaces.



In Spain, in 2018, Verallia acquired a new cullet processing centre in the Canaries. A €1,8 million investment located around 15km from the Vidrieras Canarias glassmaking plant, supplying the factory directly.



In France, in 2018, Verallia invested €3.8 million at the Everglass site in Châteaubernard (France) to implement innovative technologies for washing, drying and grinding very small raw glass (fraction 0-4 mm), also known as "glass sand". Thanks to this process, up to 15% of the cullet intended for glass furnaces can be introduced in the form of glass sand. The installation of this technology, developed in Italy, is a first in France at Verallia. The site directly supplies the Cognac glass factory, located 3 km away.

In Italy, investments of around €1.5 million, improved the processing of household glass in the two Ecoglass centres in Lonigo and Deگو. At the Lonigo site, the sorting machine has been modernised to optimize the pre-treatment of raw cullet. A third production line has also been added. The quantity of cullet available for the Italian plants has been improved: about 25% more cullet. The cullet is also of better quality. At the Deگو site, the renovation of the shredder has enabled to optimize the production of glass sand and improve the site's environmental and industrial performance (in terms of productivity and cullet quality).

Lonigo



ECO-CONCEPTION FOR RESPONSIBLE PRODUCTS

In the food and beverage sector, glass packaging is essential: it ensures packaging, quality, safety and conveys product identity. To reduce their carbon footprint, Verallia is working to reduce the weight of its bottles and jars, while maintaining a value-added appearance.

DEVELOPMENT OF ECOVA: "ECO" FOR ECO-CONCEPTION AND "VA" FOR VALUE ADDED PRODUCT

Lightened and developed to maximize the number of items per pallet, ECOVA brand products have an optimized environmental footprint. On average, they reduce CO₂ emissions from production and transport by 15%. In 2018, the ECOVA range continued to expand internationally. Since its launch in 2009, nearly 19 billion products have been sold (13% of Verallia's sales in 2018)

In Italy, eco-designed products are experiencing very strong growth: + 209% between the launch in 2009 and 2018.



ECOVA meets all markets, here still and sparkling wines - Italy

In Chile, under the name EGO (Enhanced Geometric Objects), the models meet a demand for premium eco-designed packaging. The optical effect of the push-up (very deep: 61mm) maintains the impression of high-end bottle weight and preciousness, while the EGO bottles are on average 20% lighter.



EGO range - Chile

In Spain, Verallia was recognized by its customer Torres for its commitment to sustainable development and its investments in improving the energy efficiency of its glassmaking plants. Verallia supported this vineyard in its CSR approach by offering eco-designed bottles that are 16% lighter on average. On the transport side, production was carried out in the factories closest to the vineyards, which resulted in a gain of 136,000km, or the equivalent of 133 tons of CO₂. The customer now reports a figure of -15.6% CO₂ per bottle.



RAISING AWARENESS OF RECYCLING

The glass collected is infinitely recycled into new food packaging, bottles and jars. Raising awareness of recycling among its customers and end users is therefore a priority for Verallia, with a twofold objective: increase the quantity of glass collected and improve its quality to optimize its integration into production.

CONTRIBUTION TO INCREASING THE AMOUNT OF GLASS COLLECTED WORLDWIDE

Verallia works in partnership with glass associations (FEVE, European Federation of European Glassmakers, ABIVIDRO in South America, especially in Brazil), local authorities and glass collecting organisations (CITEO in France, ECOVIDRIO in Spain...). In the absence of a collection system, such as in Chile or Argentina, Verallia acts in its own name.

In Europe, it is mainly through the actions of FEVE that the Group carries out its awareness-raising actions with the general public. In 2018, the international communication campaign "Friends of Glass", focused on protecting the oceans, had more than 5.8 million views on social networks.

In Italy, several events relayed this campaign throughout the summer: sea and beach clean-up operations, distribution of 2,000 logotype glass bottles to protect the seas and oceans. The aim was to encourage consumers to change their behaviour and raise their awareness of environmental protection, in particular by opting for glass packaging with zero impact on the marine ecosystem.

In Spain, after being adapted, the video totalled more than 6 million views on social networks, and operations also increased on the beaches to raise consumer awareness of a healthier and more environmentally-friendly lifestyle.

RAISING AWARENESS ON THE WASTE SORTING (FRANCE)

In France, Verallia makes the most of all events (trade fairs, inauguration, customer events, design students, etc.) to promote the sorting process and recruit new recycling ambassadors.



RAISING AWARENESS ON THE ROAD (SPAIN)

In Spain, Verallia bottle and jar transport trucks display messages promoting glass and recycling.



OPTIMIZING WATER USE AND REDUCING WASTE



WATER

To cool the cullet or equipment and thus save water resource, Verallia's water circuits operate in a semi-closed loop.

The first item of water consumption is the cooling of production waste. If part of the production does not have the expected level of quality, the glass considered as waste is cooled to be transported and then recycled in the furnace. The cooling water is cleaned of oil and particle residues and reused to cool new production waste.

Cooling water from equipment (compressors, for example) is the second most important item of water consumption. These circuits operate in closed loops thanks to air cooling towers.

Other occasional water uses are intended for the reconstruction of furnaces.

Verallia's water standard provides golden rules applicable in the sites to preserve resources:

- Preventive and/or corrective actions to comply with locally defined limits in terms of water volumes and pollutants discharged
- Storage and transport of safe chemicals to reduce the risk of pollution: labelled containers, empty holding tanks, anti-pollution kits in high-risk areas...



WASTE

Verallia glassmaking plants produce little waste. Verallia ensures either to limit this as much as possible, or to treat waste or reintegrate it into the internal circuit.

Waste from production sites results (in descending order):

- Purification of flue gases (mainly recycled in furnaces),
- Treatment of water recycled in furnaces or sent to landfill,
- Reconstruction of refractory furnaces (one-off waste managed by specialized companies, then partially recycled),
- Soiled packaging and cloths, recycled packaging waste or other mixed industrial waste.

In 2018, a new indicator was created to encourage reduction and recycling actions: kg of non-recycled waste per ton of good glass (tgg).

IMPROVEMENT OF THE INDUSTRIAL ENVIRONMENT BY REHABILITATING A LAGOON (ARGENTINA)

In front of the Argentine factory, in agreement with the municipality of **Mendoza**, Verallia rehabilitated a lagoon located near the raw materials unloading area. This tree barrier reduces the noise impact of operations on raw materials. By creating a green lung, it also improves air quality



VERALLIA RECOVERS WASTE RELATED TO ITS ACTIVITY (FRANCE)

Verallia delivers its bottles on pallets, often packed with PP (cellular polypropylene) sheets. In 2018, pallets delivered abroad were recovered, representing nearly 500,000 PP sheets. The sheets could thus be recycled without any additional logistical impact.

WASTE REDUCTION AT SOURCE (GERMANY, ITALY)

The cooling of production scrap (internal cullet) produces dirty water. "Cullet treatment sludge" is extracted from the treatment of this water. **In Germany**, the **Neuburg** plant has set up a filtration system for this sludge, which makes it possible to extract the liquid part of it. This process has two advantages: the possibility of recycling an additional volume of water (i.e. a water saving of 6,800 m³ per year) and the reduction of the sludge to be eliminated. Following Neuburg, the **Essen** site automated this process. **In Italy**, Verallia goes further by using residual materials from the water treatment process in the furnaces themselves. A large part of this production sludge is composed of glass and combustible organic elements, so this process is industrially relevant. However, it requires an appropriate control of the furnaces. Residue can thus be at the origin of new bottle production. In 2018, the volume of waste was reduced by 10%. For three plants (Gazzo Veronese, Villa Poma, Lonigo), this recycling is equivalent to reintroducing 450 tons of glass.

BIODIESEL TRAIN (GERMANY)

In February 2018, after more than a year of interruption, the supply of raw materials by train to the **Bad Wurzach** and **Neuburg** plants resumed at the rate of one train per week, i.e. a decrease of 34 trucks/week compared to the previous year. The train runs 100% on biodiesel, which results in a 70% reduction in the carbon footprint compared to a traditional diesel train.



REDUCTION OF WATER CONSUMPTION FOR THE MONDEGO PLANT (PORTUGAL)

Between 2017 and 2018, the **Mondego** plant reduced its water consumption by 20%. From an industrial point of view, this result is mainly due to the optimization of the water flow in the pipes transporting production waste to the recycling circuit (the basement) and to the improved operation and maintenance of the air cooling towers.

Carbon offsetting

In 2019, Verallia has embarked on a voluntary carbon offsetting initiative. The reduction of CO2 (greenhouse gas) emissions, a Group priority, will be accompanied by a long-term compensation program. This project contributes to Verallia's ambition to do more and more to fight climate change.

The tree is man's best ally

Tristan Lecomte

President of PUR Projet



“ HOW DID PUR PROJET COME INTO BEING AND WHAT IS ITS ACTION? ”

Creating the Alter Eco fair trade brand in supermarkets gave me a good knowledge of the production sectors in tropical areas. This experience made me want to work directly with producers to help them effectively fight climate change affecting them. That's how, in Peru, I began to propose to them to plant trees to increase the fertility of their land. This is how PUR Projet came into being, a social enterprise whose aim is to reconcile man and nature through the involvement of companies in reforestation projects.

WHY REFORESTATION?

Combating deforestation means combating agricultural practices that degrade natural ecosystems. The tree, a true "vacuum cleaner" of man-made damage, is therefore its best ally: it fertilizes the soil, contributes to crop diversification and animal welfare, stores carbon, promotes biodiversity and protects against bad weather. More than 10 million trees have been planted today thanks to PUR Projet.

HOW CAN COMPANIES CONTRIBUTE TO PRESERVING THE PLANET'S ECOSYSTEM?

Thanks to insetting. Based on the networks of producers with whom we work, mainly in Asia and South America, insetting consists in offering companies the opportunity to engage in socio-economic and environmental projects integrated into these sectors and to build shared investment opportunities with them. These projects all contribute to the same objective: to rebalance agriculture and nature. Through insetting, companies secure their supply chains, reduce their environmental footprint, conserve their resources, strengthen internal adherence to their values, add value to their products and involve their stakeholders. PUR Projet helps them to meet all these challenges of responsibility towards the ecosystem on which they depend. ”

Vincent Rabaron

Director France, PUR Projet



“ HOW WAS THE PARTNERSHIP BETWEEN PUR PROJET AND VERALLIA SET UP? ”

Verallia contacted us in December 2018, and together we identified 3 issues that illustrate our insetting approach, creating value for all stakeholders: initiating a climate impact management program, preserving and strengthening CSR positioning with employees and customers and sharing the value created by Verallia beyond its own economic sphere. Glass poses a real challenge: it is a healthy material, infinitely recyclable without loss of value, aesthetic, but whose manufacture today involves a high carbon footprint. A stimulating and exciting context for us.

WHAT PROGRAM DID YOU PROPOSE TO VERALLIA?

We have built the program with Verallia around two distinct lines of action: a climate program and a program for the environmental integration of production sites. The climate program includes the operation of community agroforestry projects (Peru, Honduras, Colombia, Brazil), restoring and preserving valuable ecosystems while creating local economic value, as well as partnership projects between Verallia and its customers. Deployed over a first 5-year period, this program will offset 1% of Verallia's CO2 emissions each year and plant more than 100,000 trees per year. The second program aims to integrate the sites into their environment and territory (reforestation, market gardening, support for producers, support for local initiatives, etc.); an approach with strong local impacts supported by the local teams at each site.

HOW DID YOU COME UP WITH THIS MULTISOLUTION APPROACH?

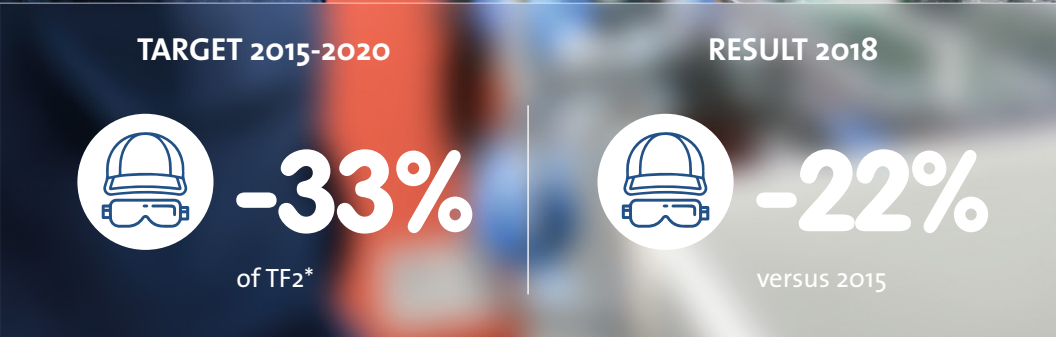
It is first of all a story about people; the "co-construction" approach very quickly became a reality between Laëtitia Fabre, Denis Michel and Michel Giannuzzi on the side of Verallia and Aurélie Moy and myself at PUR Projet. The idea was to provide each other with mutual support and build these two programs together. Aurélie and I greatly appreciated their willingness to move forward in a coherent and fast way: in January, the program was completed! With, from the outset, a significant budget, ambitious objectives and a long-term vision. We are very excited to embark with Verallia on this adventure. ”

We have built the program with Verallia around two distinct lines of action: a climate program and a program for the environment integration of production sites.



2

ACT FOR THE SAFETY AND DEVELOPMENT OF OUR TEAMS



* TF2 = Accidents without lost-time.

Ensure employee safety, our priority

For the Verallia group, protecting the safety and health of its employees and subcontractors working on the sites is a priority and an essential part of its success. Another objective is to increase the skills of employees: each year, the training courses offered are renewed, completed and adapted to the needs of each individual.

Clémentine Lannes,
Verallia EHS Manager



Our safety culture is part of our civic culture

“In conjunction with regional EHS managers, and under the leadership Industrial Director, in 2018 we made our EHS standards more operational. We have also supported the development of a safety culture by sharing experience and making a film on the need to take action to protect our colleagues.

In 2019, we will support the application of the new standards in the field. Like the environment, the safety and health of our employees are fundamental values. A responsible company protects its employees. More than a legal requirement, it is a moral obligation.”

STRENGTHENING OUR SAFETY POLICY


In 2018, the guide for reporting work accidents was revised in order to standardize accounting and reporting in all countries and to take into account accidents that had not previously been recorded. The Group's aim is to further strengthen its safety policy

TF2 2018 (PREVIOUS RECORDING) = **2.7 ACCIDENTS***

TF2 2018 (NEW RECORDING) = **4.8 ACCIDENTS***



SDG 8
Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.



HEALTH & SAFETY

Respect for people, laws and the environment is one of the Group's 4 values. Making safety a constant concern for all its employees, so that they protect themselves and their colleagues, is one of Verallia's priority objectives. The Group supports each man and woman working on its sites by providing them with all the information and tools necessary for their protection.

AN EHS POLICY AIMED AT ZERO ACCIDENT

Updated in 2018, the EHS policy (Environment, Industrial Hygiene-Health, Safety) targets zero accident, based on compliance with rules, commitment and dialogue. As part of the Group's industrial excellence program, this policy concerns all people working on the sites (Verallia employees, temporary workers, subcontractors). The health and safety approach is based on **two elements**:

1. UPSTREAM

The analysis of health and safety risks on all our sites,

2. DOWNSTREAM

The analysis of root causes and communication with the sites, after each accident, with and without lost-time.

4 Each Verallia's employee is committed to respect CARDINAL RULES TO SAVE LIVES:



RULE N°1

Do not disable or render ineffective the safety devices



RULE N°2

Always wear suitable PPE (personal protective equipment)



RULE N°3

Apply the LoTo (Log out Tag out) procedure for all interventions, which ensures that equipment is shut down, isolated from any energy source, purged and locked before an employee can intervene



RULE N°4

Do not misuse equipment or tools

THE 20 STANDARDS

The protection of all **those present on the sites** also requires the application of the 20 health and safety standards, specific Group requirements which were updated in 2018 with a view to making them more operational. For example, work permits, pedestrian and vehicle traffic (forklifts) and the increase in unsafe situations are governed by these standards.

These new standards also improve the protection of **subcontractors** by requiring risk assessment, preventive measures for each of their activities, mandatory controls and increased awareness of these workers.

EMPLOYEE INVOLVEMENT

Through awareness campaigns and challenges, sites encourage their employees to ensure their own safety and that of their colleagues by reporting each unsafe situation and intervening in the event of a situation or behavior deemed to be hazardous. The number of reported risky situations per employee per month increased from 19% to 28% between 2017 and 2018. Finally, the safety issue is also reflected in the employee profit-sharing and variable compensation policy (part of which is directly linked to the Group's safety results).



AN EHS DAY (WORLDWIDE)

In October 2018, all Verallia sites organized an EHS day: exchanges, first aid training, quizzes, communication campaigns, cooking classes on waste... The film "Intervening is vital for safety" was shown (duty to act for the protection of colleagues and subcontractors).

Brasil

SECURING A LOADING RAMP (GERMANY)

Following the fall of a forklift truck on an access ramp for finished goods – due to black ice – in the Essen plant, robust barriers with dedicated openings were installed to secure the areas where the forklifts operate and traffic flows were redesigned. The risk has been divided by 6. (Calculated according to the risk assessment system.)



OCCUPATIONAL HEALTH PROGRAMS (ARGENTINA, BRAZIL, FRANCE, GERMANY, INDIA, PORTUGAL)

Gymnastic sessions, stretching, yoga, healthy cooking combine moments of exchange and physical improvement (reduction of pain, fatigue and stress).

Verallia's purchasing office, India



SAFETY RISK AWARENESS CAMPAIGN (SPAIN)

In Spain, the teams at the Azuqueca plant have devised a "Bad Lottery" system inspired by the popular lottery in Spain: any risky behaviour gives rise to the award of a lottery ticket illustrating the consequences of the accident it causes.

A SAFETY MORNING FOR BILLECART-SALMON (FRANCE)

At the request of the teams at Champagne Billecart-Salmon, the EHS department at the Oiry plant organized a morning of awareness raising on the EHS approach and the good practices of the glass plant, which were considered inspiring.



DEVELOPMENT OF OUR TEAMS

Along with safety, skills development is another prerequisite for success. Verallia's training offer places employees at the heart of their learning and development path. These training programs can be personalized, individual and collective. An online training platform completes this system. Particular attention is paid to talents to whom a career path is specifically dedicated. In 2018, Verallia's employees received 300,000 hours of training.

DIGITAL JOURNEYS

Univera, Verallia's e-learning platform, provides employees with online training on technical and cross-cutting topics such as Group values, compliance, leadership, cash management and purchasing. In 2018, the 1,500 registered employees received nearly 2,000 hours of training.



FOCUS ON INDUSTRIAL EXCELLENCE

Verallia supports the deployment of its Verallia Industrial Management (VIM) continuous improvement program, combining training actions (problem solving, project management, etc.) with individualized coaching.



GROWING TALENTS

The international talent selection and support program is divided into two parts: **Meet Verallia** designed for new managers and **Business Leaders** for more experienced employees. 56 people were trained in 2018.

"This training was a great opportunity to expand my Verallia network, to better understand the Group's strategy and my contribution to it while developing my management skills and leadership" commented one of the participants on the Business Leaders course in 2018.



OUR VALUES AS A REFERENCE POINT

In 2018, Verallia rolled out a program to explain and promote the Group's 4 values (see p.6). Built around a digital path and a one-day workshop, this program promotes the appropriation of values by teams and anchors them in the company's culture.

Juan Iriarte
HRD Spain and Portugal



"In Iberia, we are actively working to engage our employees, relying in particular on training to help us meet the demands and challenges of the future. Following the Corporate guidelines, we are moving from a traditional training system to a form of collaborative learning (focus on leadership) where everyone is responsible for his/her own development. Some good local examples include the different customized Coaching programs introduced on our Iberian sites to meet the teams' needs and context."

3

CONTRIBUTE TO THE DEVELOPMENT OF COMMUNITIES

OBJECTIVES



Continue the commitment to communities



Ensure the best integration of sites into the local environment

Act positively on the ecosystem of our sites

One of Verallia's four values is "respect for people, laws and the environment". Most of the production sites are located in the heart of the wine-growing regions. Beyond their economic contribution to the local economy, they are involved in various actions that contribute to the development of communities. These actions take various forms: public awareness of the properties of glass and its recycling, donations, solidarity campaigns, factory visits, campaigns to pass on the passion for glass to younger generations.

Patricia Rocha,
SOUTH AMERICA CSR MANAGER



Verallia contributes to the daily life and development of communities around its sites

“ In Latin America, the Group is well integrated and appreciated by communities for its responsible commitment and its economic and social impacts in the region.

To support communities, all sites in Argentina, Brazil and in Chile are in constant dialogue with public agencies and NGOs.

On the environmental side, the sites rely on social networks to initiate actions and partnerships to improve their environmental impact and promote the recycling of glass packaging.

Glass is a healthy and sustainable material. By promoting glass, our local team members are true ambassadors for a healthier and more responsible lifestyle.

On the societal level, Verallia's employees are very committed, both professionally and personally. They make in-kind donations and devote their time to this commitment. They do not hesitate to use their skills to help children and families in need. Latin American employees are committed to the Group's values: "Respect for people, laws and the environment". We are all proud of this spirit of mutual support, as well as the many initiatives taken by the Group and its employees. All of them participate in the life and development of the communities that evolve around Verallia. ”

SGD 17
Strengthen the means of implementation and revitalize the global partnership for sustainable development



RAISING AWARENESS OF POPULATIONS AND SOLIDARITY

In South America

Since 2009, various subsidiaries of the Verallia group have organized an annual design competition: the **Verallia Design Awards (VDA)**. In 2018, this competition took place in **6 countries: France, Germany, Italy, Portugal, Spain, Ukraine**.

Based on a theme, students and young graduates of art and design schools created innovative glass packaging.

Verallia's teams accompanied the candidates in their discovery of the material and its industrial requirements.

"**Green goes glass**" was the theme of the 9th edition of the French VDA, which invited students to imagine a glass packaging that illustrates the ecological virtues of the material, while enhancing its content. The competition brought together 136 schools and more than 370 projects.



ORGANIZING GLASS COLLECTION AROUND ROSARIO SITE

In Chile, in the absence of a household glass recovery system, in 2015, Verallia launched its first collection campaign in partnership with cities near the **Rosario** plant. The volume of cullet collected increased from 477 tons in the first year to 5,589 tons in 2018, through the creation of 70 collection points. In collaboration with local authorities, Verallia is working to increase these collection points. For the past four years, Verallia, an active member of the National Association of the Recycling Industry (*Asociación Nacional de la Industria del Reciclaje*), has been supporting various promotional actions: raising awareness of recycling, consulting the authorities at different levels, visits to the Verallia plant.

SOLIDARITY RECYCLING

In Argentina, Verallia teams at **Mendoza**, launched the "Zero Waste in Our Factory" initiative. The paper used in the factory is collected and sold for recycling. The funds collected are entirely donated to a scholarship-funding organization (FONBEC)



RAISING AWARENESS AMONG THE YOUNGER GENERATIONS

In Argentina, every year, the **Mendoza** plant welcomes schoolchildren and high school pupils to raise their awareness of the properties of glass and the importance of recycling. They learn about both the quantity and quality of the glass collected. Since 2016, 2,500 young "glass ambassadors" have been trained.



FOOD COLLECTION AT COMPO BOM

In Brazil, in 2018, the Campo Bom plant, in collaboration with the prefecture, conducted a food collection campaign that collected more than 85kg of food.

VOLUNTEERING

In Argentina, in 2018, 22 volunteers from Verallia helped the Food Bank of Mendoza to sort and distribute food. Books and educational kits for children were also distributed.



PROGRAM OF GLASS COLLECTING

In Argentina, Verallia has set up a household glass recovery program called "Vidrio, una acción transparente"*. Via 35 containers spread throughout the **Mendoza** metropolitan area, Verallia collects glass packaging from private individuals and recycles it in its furnaces. The amount of glass collected is then donated to the Humberto Notti Pediatric Hospital Foundation. In 2018, this program collected 78,000 kg of cullet, representing a donation of 125,000 Argentine pesos.

RAISING AWARENESS OF POPULATIONS AND SOLIDARITY

In Europe



COLLABORATION WITH UNICEF

In Germany, in 2018, Verallia provided €60,000 for social and charitable programs, education and science projects and support for local associations. €25,000 was donated to UNICEF to finance projects to provide drinking water to the poorest populations.



ORGANIZATION OF "GLASS SCHOOLS"

In Germany, Verallia organizes "glass schools" every year for students from three universities (Hochschule der Medien Stuttgart, Beuth University of Applied Sciences Berlin, Geisenheim University). Theoretical and practical courses on glass techniques and design are accompanied by factory visits. In 2018, this program brought together 80 students.



INTERVENTIONS IN SAVONE'S PRIMARY SCHOOLS

In Italy, since 2010, Verallia has raised awareness among more than 3,000 schoolchildren, teachers and parents about the virtues of glass and the importance of recycling it. The 9th edition of this campaign was organised in spring 2018 by the Deigo and Carcare plants. The customer Molecola joined in this day and presented its 100% Italian soda bottle, designed by Verallia.



RECYCLING OPERATION AT EACH RETURN TO SCHOOL

In Portugal, at the beginning of each school year, Verallia organizes an operation to teach children how bottles and jars are made and to make them aware of recycling. Following these interventions, young people are invited to promote these essential actions to their families. 500 educational kits were distributed at the beginning of the 2018 school year.



SOLIDARITY HARVEST IN CATALONIA

In Spain, Verallia is a sponsor of the solidarity harvest of the Montblanc and Rioja vineyards, which traditionally contribute to the fight against poverty and exclusion in Catalonia. Verallia supports them financially and donates more than 3,000 bottles every year.



OLIVE TREES ON MONTBLANC SITE

When the Group acquired the Montblanc plant in Catalonia, it kept the 200 olive trees on site. Trees create a pleasant working environment. The olives harvested are transformed into oil and distributed to the factory's employees. This successful interaction between industrial buildings and nature is appreciated by employees, customers and residents.



RENOVATION OF INFRASTRUCTURES AND PLANTING OF TREES

In Spain, volunteers from the Zaragoza plant have joined forces with the Adecco Foundation to participate in actions in favour of schools for disabled children: renovation of infrastructure and tree planting.

In 2018, the buildings of the Alborada Special Education College were also renovated by volunteers from Verallia, along with disabled high school students. Other Spanish teams shared a sports and fun day with the children.

AN AWARD FOR THE FACTORY OF ZARAGOZA

Audited in 2018, the Zaragoza plant received the 2019 RSA+ Award, the highest recognition of social responsibility in the Aragon region. The prize rewards the plant's actions in three areas: corporate volunteering (the participation of employees in various projects, such as school restoration or tree planting), respect and defense of the diversity of employees and environmental innovation (the partnership between the plant and future engineers from the University of Zaragoza on projects to improve energy efficiency, reduce environmental impact and promote recycling).



"IL BARACHIN" PROJECT AT THE TERRA MADRE FAIR

In Italy, "Il Barachin" project refers to the Barachin, the container workers from the Piedmont area used to carry their lunch to work in. At Terra Madre (salone del gusto), the Barachin has made the journey in reverse: from the event locations to the homes of those unable to participate. 5,000 Verallia glass jars filled with good healthy food were given to families in need. Because good, clean, fair and healthy food is a right for all, and glass is a great way of promoting it.

APPENDICES

Social indicators

	2018	2017	2016	2015	Unit
EMPLOYMENT					
Total number of employees	9,720	9,880	9,806	9,890	number
Percentage of managers in the total workforce	9	9	9	9	%
Percentage of women in management positions	29	28	27	27	%
Age pyramid - numbers by age group :					
- under 26 years of age (as a % of the total workforce)	6.3	4.6	4	NA	%
- 26 to 55 years old (as a % of the total workforce)	77.3	79.9	80	NA	%
- over 55 years of age (as a % of the total workforce)	16.5	15.5	16	NA	%
WORK ORGANIZATION					
Absenteeism rate	4	3.6	ND	ND	%
HEALTH AND SAFETY					
Reported accident frequency rate (TF2) - employees and temporary workers	2.7	2.8	3.9	3.4	number of accidents per million hours worked
Percentage of employees reporting at least one high-risk situation per month	28	19	18	17	%
TRAINING					
Percentage of payroll devoted to training	1	1	2.0	2.2	%
Total number of hours devoted to training	300,000	280,000	246,179	ND	number
EQUAL TREATMENT					
Percentage of woman among executive recruitments	35.5	31.4	30	27.2	%
PROMOTION AND COMPLIANCE WITH ILO PROVISIONS AND CONVENTIONS					
Number of incidents concerning union freedom	0	0	0	0	value
Number of incidents concerning discrimination	0	0	0	0	value
Number of incidents concerning forced labour	0	0	0	0	value
Number of incidents concerning child labour	0	0	0	0	value

Environmental indicators

	2018	2017	2016	2015	Unit
GENERAL ENVIRONMENT POLICY POLLUTION AND WASTE MANAGEMENT					
SO2 emissions	5,998	5,608	7,315	6,836	tons
NOx emissions	8,608	7,821	9,523	8,825	tons NO _{2eq}
Dust emissions	364	332	365	427	tons
Number of major environmental accidents	2	4	3	1	value
Total water discharges	2,253,081	2,150,502	2,096,955	1,888,983	m ³
Quantity of waste produced	53,078	66,864	65,525	59,739	tons
Recycled waste rate	51	69	64	66	%
SUSTAINABLE USE OF RESOURCES					
Total water extractions	3,316,500	3,241,798	3,394,201	3,397,812	m ³
Consumption of primary raw materials (other than water, energy, scrap metal, cullet and glass)	3,798,065	3,591,137	3,805,205	4,016,297	tons
Consumption of raw materials from recycling (other than water and energy)	2,754,737	2,759,441	2,710,583	2,650,924	tons
Total energy consumption	10,993,730	11,057,098	11,009,049	11,028,501	MWh
CLIMATE CHANGE					
Direct CO2 emissions	2,548,698	2,532,736	2,605,144	2,541,509	tons
Indirect GHG emissions (electricity, steam, hot water purchases)	442,322	557,376	553,923	548,211	tons eq CO2

GLOBAL COMPACT CONCORDANCE TABLE



THE 10 PRINCIPLES

of Global Compact United Nations

HUMAN RIGHTS

Principle 1

Businesses should support and respect the protection of internationally proclaimed human rights

VERALLIA. A COMMITTED COMPANY pages 6-7

Principle 2

Make sure that they are not complicit in human rights abuses

COMPLIANCE AND CODE OF CONDUCT . . . page 9

LABOUR

Principle 3

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining

Principle 4

The elimination of all forms of forced and compulsory labour

COMPLIANCE AND CODE OF CONDUCT . . . page 9

Principle 5

The effective abolition of child labour

CHAPTER 1 pages 24 to 29

Principle 6

Eliminate discrimination in respect of employment and occupation

ENVIRONMENT

Principle 7

Businesses should support a precautionary approach to environmental challenges

Principle 8

Undertake initiatives to promote greater environmental responsibility

VERALLIA. AN INTERNATIONAL PLAYER page 4

Principle 9

Encourage the development and diffusion of environmentally friendly technologies

CHAPTER 2 pages 14 to 23

ANTI-CORRUPTION

Principle 10

Businesses should work against corruption in all its forms, including extortion and bribery

VERALLIA. A COMMITTED COMPANY pages 6-7

COMPLIANCE AND CODE OF CONDUCT . . . page 9

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Excessive alcohol consumption can harm your health. Consume in moderation. Verallia supports its customers' campaigns to promote sensible drinking.

 Verallia

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