

Statement of Extra-Financial Performance
2019

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CONTRIBUTING TO THE DEVELOPMENT OF COMMUNITIES



Verallia had a pivotal year in 2019. The initial public offering process confirmed the interest of our stakeholders, and in particular that of investors, in the virtuous model of our glass packaging. Being 100% and infinitely recyclable, glass lies at the heart of the circular economy.

In all our market segments and geographical areas, our customers have told us of their growing concerns about the environmental impact of their products. More and more of them are making strong commitments to reduce their carbon footprint. These concerns and roadmaps reflect the urgency of the climate crisis that compels us all.

Our teams are passionate about this responsibility throughout our value chain. For 2019, we even exceeded our carbon footprint reduction target with a decrease in our CO2 emissions beyond the 1% target.¹

Our dual industrial expertise – both in the production of glass packaging and the processing of collected household glass – is a strength because the more cullet we use, the less raw materials and energy we consume. In 2019, we also built our 8th cullet² processing center near Madrid in collaboration with a partner.

We have also developed a climate programme that reinforces our goal of reducing CO2. In partnership with PUR Projet, this is built around two distinct lines of action: a climate programme in Latin America and an environmental integration programme for Verallia sites. These two components promote the socio-economic development of communities while preserving local ecosystems. In 2019, the climate programme successfully offset 1% of the Group's emissions and planted more than 100,000 trees. As for our sites, we have redesigned the green spaces of our Seville facility to increase plant biodiversity and better integrate the site into the local landscape.

1. Objective: -1% in CO2 emissions (scope 1 and 2) per tonne of packed glass per year over the 2019–2030 period.
2. Cullet is broken glass added to the raw materials (sand, soda ash, etc.) used to make glass

OUR SUSTAINABLE BUSINESS MODEL: AT THE HEART OF THE CIRCULAR ECONOMY

Our goal: to assert ourselves as the preferred glass packaging supplier of the food and beverage production sectors, by relying on cutting-edge industrial performance and solid financial performance while ensuring the development of the diversity and talent of its teams and by actively contributing to the preservation of the environment and development of the community.

OUR RESOURCES

Employees who make Verallia successful

- Nearly 10,000 employees
- 4 shared values:
 - ⇒ customer care,
 - ⇒ respect for individuals, law and the environment,
 - ⇒ empowerment and accountability,
 - ⇒ teamwork

- 177 professions¹
- 819 employees recruited, including 213 women
- 29% female executives

An international industrial presence in 11 countries

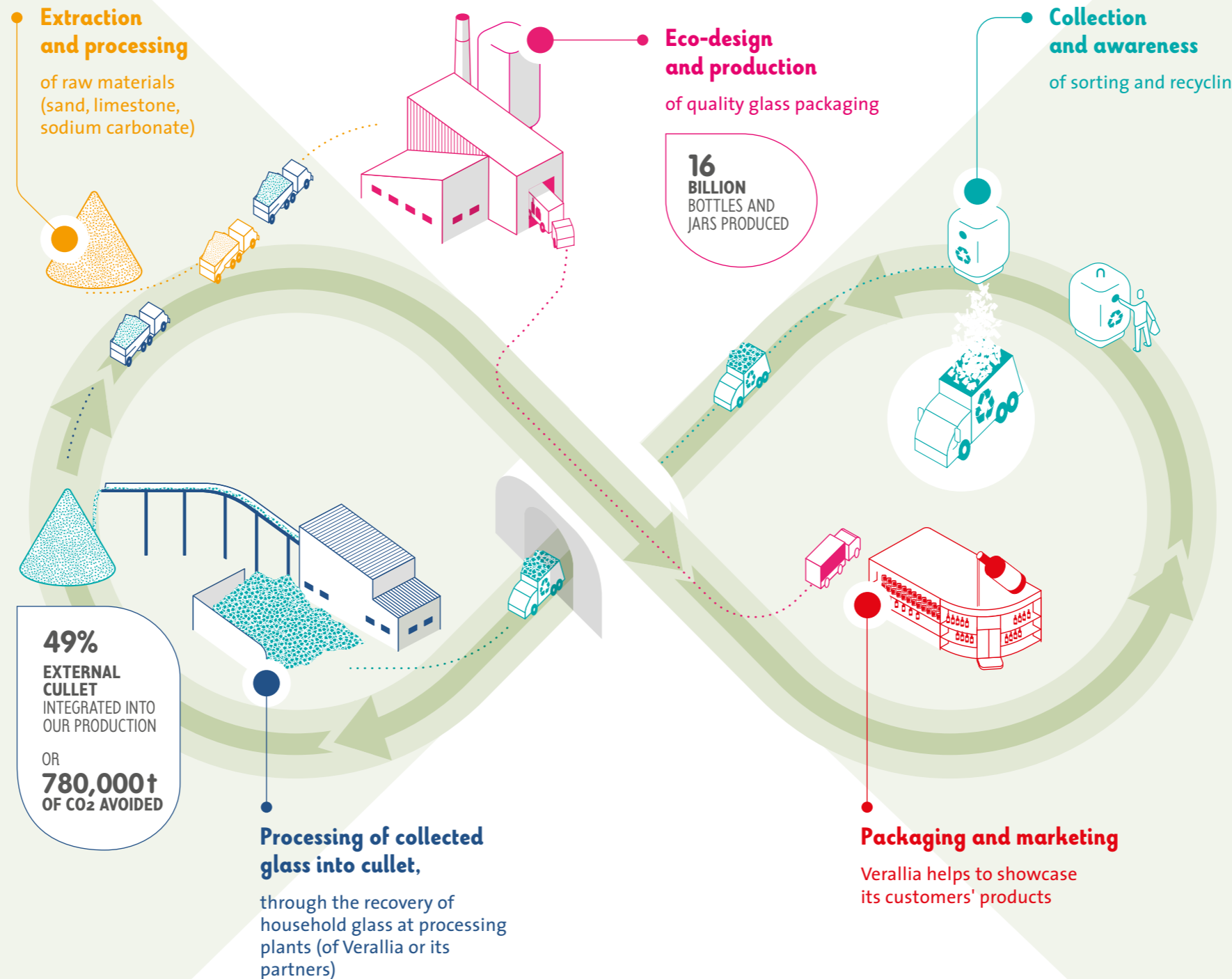
- 32 glass production facilities
- 57 furnaces
- 8 cullet processing centers
- 3 decoration plants
- 5 technical centers
- 13 product development centers

A local player

- More than 300 employees in the sales teams²

A healthy financial situation

- 125 million net result
- 420 million equity
- 219 million cash and cash equivalents
- 408 million operating cash flow



THE VALUE CREATED

Workplace safety

- Frequency rate of TF2 workplace accidents: 5.5³

Healthy, aesthetically pleasing and infinitely recyclable products

- 2.6 billion in revenue
- 16 billion bottles and jars produced
- 12.4% of our products are eco-designed⁴

Results for shared growth

EMPLOYEES

- 486 million in wages paid (incl. social security contributions)
- An average of 37 hours of training per employee
- Internal promotion: 4% of the total workforce and 7% of the manager population

SUPPLIERS

- 1.6 billion in purchases
- 252.5 million in capital expenditure

INVESTORS

- 100 million in dividends⁵ (0.85 per share)⁶

Special attention paid to the environment

- Water consumption: 0.63 m³/tpg⁷
- Energy consumption: 1.88 MWh/tpg
- Quantity of non-recycled waste: 4.3kg⁸/tpg
- CO₂ emissions: 0.510 tonnes/tpg scope 1 and 2⁹

1. Categories: technical production, trade, R&D, purchasing, supply chain, Environment/Hygiene/Safety, internal audit and internal control, finance.

2. Functions identified in the sales and marketing channels.

3. TF2 refers to the ratio of the number of accidents with and without time off work per million hours worked.

4. Proportion of sales of the Ecova and EGO ranges of total sales. Eco-designed = with an optimised glass weight with equivalent shape.

5. Dividends to be paid in 2020 for 2019 financial year.

6. Proposal to pay a dividend of 0.85 per share subject to approval of the annual general meeting of shareholders to be held on 10 June 2020, corresponding to a total amount of 100 million.

7. tpg = tonne of packed glass or 'tonne of good glass': One tonne of packed glass corresponds to one tonne of pulled glass measured straight out of the furnace and taking into account production losses linked in particular to shutdowns of the furnace or other equipment for maintenance or quality issues.

8. Including waste from furnace reconstructions.

9. Scope 1 "Direct emissions" = CO₂ emissions within the physical boundaries of the plant = carbonated raw materials, heavy and domestic fuel, natural gas (fusion and non-fusion). Scope 2 "Indirect emissions" = emissions related to electricity consumption required for the plant's operation.

THE MISSION OF VERALLIA

Every day, Verallia enables people to enjoy beverages and food with healthy, attractive and sustainable glass packaging. This mission is consistent with the four values of Verallia. In line with these values, the Group's commitment in terms of social responsibility is based on three pillars:

- Acting for the safety and development of our teams
- Helping to preserve the environment by being a benchmark in the circular economy
- Nurturing relationships with our stakeholders

As a member of the United Nations Global Compact, the Group has decided to focus particularly on the following five Sustainable Development Goals (SDGs).



CERTIFICATION



In 2019, the Group's achievements in terms of sustainable development were assessed on the EcoVadis' platform as being "Gold Medal" standard with a score of 62/100.

OUR 4 VALUES



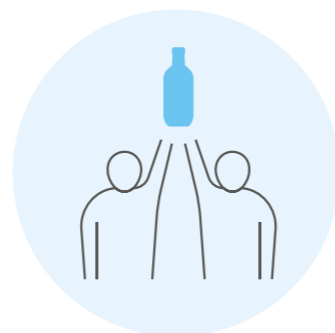
Care for customers



Respect for people, laws and the environment

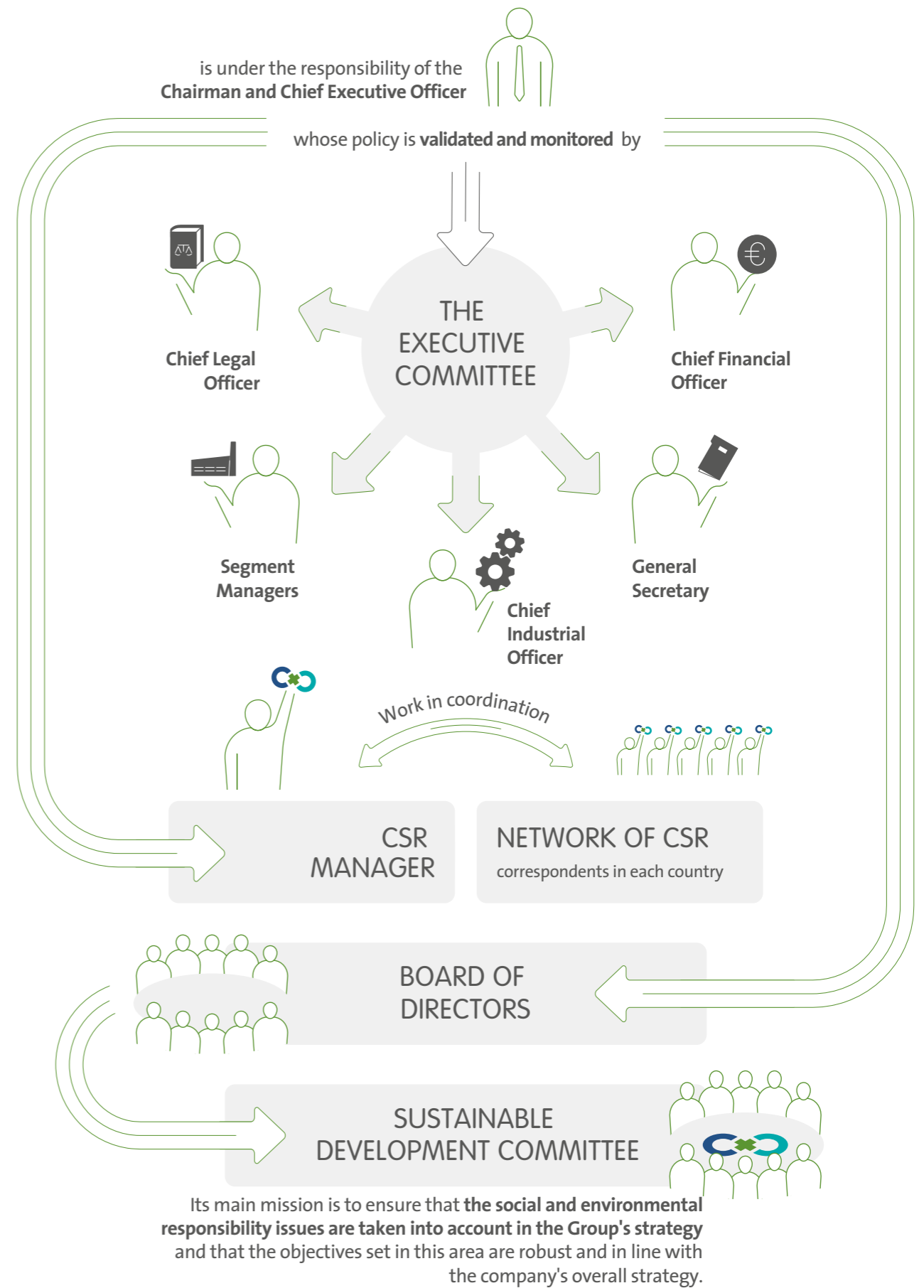


Empowerment and accountability



Teamwork

CSR GOVERNANCE



1. ECOVADIS is a platform for rating the social and environmental performance of global supply chains.

OBJECTIVES AND PERFORMANCE INDICATORS FOR KEY CSR RISKS AND OPPORTUNITIES

This table provides a summary of the objectives and key performance indicators relating to the key CSR risks and opportunities. The results are explained on the following pages.

Key risks and opportunities	Pillar of the strategy	SDG	Commitments	Quantified targets	Performance indicators	Values		Development	
						2019	2018		
Occupational health and safety	ACTING FOR THE SAFETY AND DEVELOPMENT OF TEAMS	8 DECENT WORK AND ECONOMIC GROWTH	Ensure the health and safety of all	<ul style="list-style-type: none"> Move towards "zero accidents" Reduce our TF2 by 33% between 2015 and 2020 	<ul style="list-style-type: none"> TF2 	5.5	4.8		
Attracting and developing employees			Attract and develop our talent	<ul style="list-style-type: none"> More than 50% of employees reporting as committed 	<ul style="list-style-type: none"> Engagement index survey every 2 years 	43%	-	Not comparable with 2017 (survey only of the manager population).	
Incorporating the circular economy into our value chain	HELPING TO PRESERVE THE ENVIRONMENT BY BEING A BENCHMARK PLAYER IN THE CIRCULAR ECONOMY	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Promote the circular economy by leading the collection and use of cullet	<ul style="list-style-type: none"> Increase the rate of use of external cullet in our worldwide production by 1% per year 	<ul style="list-style-type: none"> Rate of use of external cullet in production (glassmaking sites) 	49%	47%		
Eco-design of our products			13 CLIMATE ACTION	Improve energy efficiency and reduce our CO2 emissions	<ul style="list-style-type: none"> Reduce CO2 emissions per tonne of packed glass (scope 1 and 2) from glassmaking sites worldwide by 2% per year 	<ul style="list-style-type: none"> Tonne of CO2 emitted per tonne of packed glass (scope 1 and 2) 	0.510	0.523	
Energy efficiency and carbon footprint of our operations				15 LIFE ON LAND	Optimise water use and reducing waste	<ul style="list-style-type: none"> Reduce water consumption per tpg in glass plants worldwide by 5% between 2015 and 2020 Increase the share of recycled waste in glass plants worldwide by 5% between 2015 and 2020 	<ul style="list-style-type: none"> Water consumption (m³/t of packed glass) Share of recycled waste (%) 	0.630	0.583
Optimisation of water use and reduction of waste			62%		51%				
Quality of our products			NURTURING RELATIONSHIPS WITH OUR STAKEHOLDERS	17 PARTNERSHIPS FOR THE GOALS	Strive for excellence in the quality of our products	<ul style="list-style-type: none"> 100% of ISO 22000-certified sites 	<ul style="list-style-type: none"> % of ISO 22000-certified sites 	78%	68%
Business ethics	Comply with our code of conduct	<ul style="list-style-type: none"> Reduction in complaints by 50% between 2017 and 2020 			<ul style="list-style-type: none"> % improvement in complaints 	-45% vs 17	-25% vs 17		
	Have responsible procurement practices	<ul style="list-style-type: none"> Training of 100% of new managers "Comply – compliance with competition law and ABC: anti-corruption and compliance with rules on economic sanctions" 			<ul style="list-style-type: none"> % of new managers trained – Comply % of new managers trained – ABC 	62%	79%		
Contribute to the development of communities	57%	77%							

1. Number of justified complaints per 100,000,000 containers delivered

THE 7 KEY RISKS & OPPORTUNITIES IDENTIFIED ARE:

In 2018, a materiality analysis was performed in three stages:

- Identification of priority issues based on the analysis of the available documentation and interviews of the main stakeholders in the Group (analysis of Group activities and environment), supplemented by an industry benchmark conducted by a consulting firm – sector risk bases (MSCI and SASB) and working with the Risk department at Verallia Group level.
- Sharing of these issues with the main stakeholders.
- Prioritisation of these issues through the confrontation between the expectations of stakeholders and the vision of Group management









A rating scale was defined by criteria, in conjunction with the Risk department. Different components were taken into account to determine the priority risks and opportunities. The impact on people, operations, the environment, the image/reputation of the Group was discussed and factored in. A consensus was reached by using the results of an electronic vote carried out during a joint workshop led by a consultancy firm, where the participants included the members of the Group's Executive Committee as well as the main support and operational functions of the French and Spanish entities.

In order to make them easier to read, the issues identified were grouped and summarised in 2018, then updated in 2019 based on the three pillars of long-term commitment associated with CSR:

- Acting for the safety and development of teams
- Helping to preserve the environment
- Nurturing relationships with our stakeholders

The materiality matrix reflects the strong identity of the Group as well as the specific issues relating to its activities and local presence. It also made it possible to highlight seven key CSR risks and opportunities for the Group within these priority issues – see table opposite.

Indicators for monitoring these key risks have been defined in order to measure their development and the achievement of the improvement objectives set by Group management.

Pillar of the strategy	Key risks	Definition
ACTING FOR THE SAFETY AND DEVELOPMENT OF TEAMS	Occupational health and safety 	The industrial processes used at our sites can expose employees to accidental events that could have consequences for their health and/or safety (such as cuts, burns, noise pollution or high temperatures).
	Attracting and developing employees 	The risk relating to human capital within the Verallia Group is characterised by the issue of attracting employees, the issue of developing, maintaining and transforming skills and an environment of social dialogue specific to certain countries.
HELPING TO PRESERVE THE ENVIRONMENT BY BEING A BENCHMARK PLAYER IN THE CIRCULAR ECONOMY	Incorporating the circular economy into our value chain 	The Group is striving to reduce its environmental impact, in particular through the increasing use of cullet, a key link in the circular chain of the glass industry. It is made up of glass from selective collection (collection from individuals and CHRs: (Cafés, Hotels & Restaurants) known as "external cullet") or manufacturing waste known as "internal cullet".
	Eco-design of our products 	The need for more sustainable packaging requires Verallia to improve the environmental performance of its products under constant pressure from stakeholders. The Group supports its customers in their responsible approach through its range of eco-designed containers, consisting in particular of a reduction in the weight of the containers.
	Energy efficiency and carbon footprint of our operations 	In a climate change context where energy consumption needs to be limited, reducing energy consumption and greenhouse gas emissions is a strategic priority for Verallia.
	Optimisation of water use and reduction of waste 	Water and waste are not currently identified among the major risks according to the criteria of the materiality analysis. However, the Group has set objectives and associated performance indicators because reducing water consumption, as well as reducing waste and increasing its recycling contribute to the overall objective of reducing the Group's environmental footprint. Preserving resources and, in particular, water resources in the context of climate change and increasing water stress zones is at the heart of Verallia's actions.
NURTURING RELATIONSHIPS WITH OUR STAKEHOLDERS	Quality of our products 	Despite these procedures, a critical production defect can occur without detection, a situation all the more serious because our completed products are intended to be marketed and consumed on the end market. This would lead to substantial and lasting damage to Verallia's reputation in the eyes of the customer and even the public at home and abroad.
	Business ethics 	Verallia is one of the major international players in the glass industry. As a partner to its customers, the Group seeks to anticipate their needs and fulfil the promise made to them: quality, logistical service and design that meet their expectations. Its long-term viability depends on everyone embracing the shared values and principles common to the whole of the Group.

ENSURING THE HEALTH AND SAFETY OF ALL

The industrial processes used at our sites can expose employees to accidental events that could have consequences for their health and/or safety (such as cuts, burns, exposure to noise pollution or to high temperatures).

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

Governance

The Group Environment, Industrial Hygiene-Health, Safety (EHS) manager reports to the Chief Industrial Officer, who is himself a member of the Executive Committee and reports to the Chairman and Chief Executive Officer. The Group EHS manager relies on a network of five regional EHS managers and EHS managers from each of the Group's glassmaking and non-glassmaking sites.

The importance of safety is also reflected in its integration into the compensation of all employees including the Executive Committee eligible for variable compensation, and through the profit-sharing policy on the basis of the TF2 performance results.

OUR KEY OBJECTIVES

- > **Our goal**
move towards "zero accidents"
- > **2015-2020 targets**
for TF2¹: -33%.

An EHS policy that aims for "zero accidents"

Updated in 2018, the EHS (Environment, Industrial Hygiene-Health, Safety) policy targets zero accidents, based on compliance with rules, commitment and dialogue. As part of the Group's industrial excellence programme, this policy concerns all people working on the sites (Verallia employees, temporary workers and subcontractors).

The Health and Safety policy is based on around 20 EHS standards, including 17 safety standards and one health standard defined by the Group. For example, work permits, pedestrian and vehicle traffic (forklifts) and the reporting of unsafe situations are governed by these standards. They were updated in 2018 from a more operational perspective and translated into all languages spoken within the Group. They form the basis of the EHS framework for all our sites.

The Health and Safety approach is based on three pillars:

- Risk analysis concerns all routine tasks at all our sites. Our plant staff are also trained and encouraged to use the "minute of reflection," as a risk analysis tool for non-routine tasks.
- Respect and application of the four golden rules:
 - > Do not disable or render ineffective the safety devices
 - > Always wear suitable personal protection equipment
 - > Apply the LoTo (Lock out Tag out) procedure for all interventions
 - > Do not misuse equipment or tools
- Internal audits and the site evaluation system: internal audits are planned by the Group EHS manager and conducted by him/herself and the regional EHS managers. The purpose of the audit is to assess the application of EHS Group rules at the sites using the Group EHS audit framework.

Our action plans

Quarterly coaching

Following the update of our health and safety standards in 2018, a phase of coaching of site EHS managers was deployed throughout 2019.

These coaching sessions were held on a quarterly basis: one day of coaching per quarter per site. The coaching focused on all standards but with a priority on four safety topics and seven standards corresponding to the typology of the most frequent and serious accidents. Approximately 90 coaching sessions were carried out. In 2020, non-glassmaking sites will be included in this approach.

Awareness campaigns

Through awareness campaigns, the sites encourage their employees to ensure their own safety and that of their colleagues by reporting each EHS danger (to the department manager or the person concerned) and intervening immediately in the event of a situation or behaviour deemed to be hazardous. The proportion of employees reporting risky situations increased from 19% in 2017, to 28% in 2018 and to 81% in 2019.

THE 5-METRE RULE

Film of forklift and pedestrian

The "five-metre" rule is one of the most important to protect pedestrians from the risk of collision with a forklift.

It is strictly forbidden to go within five metres of a forklift without having been able to communicate with the driver to ensure that he/she has seen the pedestrian and that the pedestrian can pass safely with the forklift at a sufficient distance. This film shows how to apply this rule in different situations. It was shown to all employees on World EHS Day on 10 October 2019.

Subcontractor accident follow-up and training

Contractor accidents are integrated into internal follow-ups and monthly follow-ups. They are analysed in the same way using the Root Cause Analysis (RCA) methodology. They are all covered in the Group's Health and Safety Rules.

Our new standards also improve the protection of subcontractors by requiring risk assessment, preventive measures for each of their activities, mandatory controls at least daily and increased awareness of these workers. All of our subcontractors are trained in the Group's Health and Safety Rules.

R&D actions for employee health

R&D management actions are carried out at our different sites in order to improve our manufacturing processes and their impact on the health and safety of our employees.

- Automatic mould lubrication: this action continues to be performed at our sites and aims to reduce the frequency of mould lubrication by operators and thus their exposure to noise and heat. It also reduces the risk of a large amount of grease accumulating on machines and thus the risk of fire.
- Mould cooling optimisation aims to reduce noise at the workstation.
- Use of the hot treatment tunnel to reduce exposure to chemicals.

1. Frequency rate TF2 = ratio of the number of accidents involving permanent and temporary workers with and without lost-time per million hours worked"

At the end of 2018, our accident reporting guide was revised to account for all accidents (previously, accidents with and without lost time consisting of a very mild injury could be declassified under certain circumstances). Therefore, our 2018 framework is more stringent than 2017.

ENSURING THE HEALTH AND SAFETY OF ALL

KEY FIGURES

100% of our glassmaking sites are **ISO 14001** (environment) and **OHSAS 18001** (health and safety) certified

+50% in "near-accidents" reported between 2018 and 2019

OUR PERFORMANCE

	2017	2018	2019
Frequency rate 1 (TF1) ¹	2.6	4.4 (new framework)	5.2
Frequency rate 1 (TF2)	2.8	4.8 (new framework)	5.5

Analysis of our results

The accident rate increased in 2019. In fact, many accidents are related to the non-application of the rules established for routine operations, including lubrication and machine shutdowns for interventions. The type of accidents shows that many of them could have been prevented by strict application of the standards and corresponding behaviour.

Please note: a new method of reporting workplace accidents has been incorporated since 2018. The new reporting framework has incorporated a broader definition of workplace accidents with and without lost time. Thanks to this new guide, all accidents with and without lost time must be carried over and analysed, which was not systematically done in some countries. From now on, all accidents must be reported at Group level. Reclassifications are therefore very rare and only correspond to cases where social security deems the work accident null or where there is doubt about the accident/work relationship (e.g. pre-existing injury). All other accidents are accounted for.

Training and manager involvement are the main levers for improving our results, by ensuring that the rules are applied. One of the focuses for 2020 will be to push the "minute of reflection", also among subcontractors, to broaden communications, and to be particularly vigilant during in-factory training.



ATTRACTING AND DEVELOPING OUR TALENT

The risk related to human capital within the Verallia Group is characterised by:

The issue of attracting employees: the Group has recently become independent and does not yet have a high profile on the job market. It is involved in a relatively unknown and inconspicuous B2B environment in schools and universities. The Group's sites are sometimes located in remote areas. As a result, the employer brand needs to strengthen and develop in order to attract and acquire new talent.

A challenge of developing, maintaining, and transforming skills through:

- > the transfer of skills from older technical employees with strong technical expertise to new generations
- > the acquisition upon hiring of specific skills with a strong impact on performance and quality
- > the development of skills and the use of artificial intelligence in connection with a 4.0 industry that will require greater complementarity between human skills and the technical input of the machine

An environment of social dialogue specific to certain countries of the Group: there is a strong will in all companies and at the highest level of the Group to establish a respectful social dialogue and transparent communication.



Governance

The Human Resources (HR) department reports to the Group General Secretary, who is a member of the Executive Committee.

The HR functions managed and directed at the Group level are: employee compensation and benefits, international mobility, the HR information system, and international training. Other HR functions such as recruitment, personnel administration, payroll, training, and social relations are managed locally.

In terms of the workforce of the Group HR function, there is one HR director in charge of each region. When the region includes more than one country, there is also a local HR Director reporting to the Managing Director of the country.

An HR policy at the heart of the company's strategy

The human resources management policy is a key part of the Group's strategy. It seeks to anticipate skills requirements, ensuring that critical posts are filled, fostering the conditions for employee buy-in and meeting employee expectations, notably by taking their career plans and working conditions into account. The Group frames the compensation policy in line with the markets in which it operates, while respecting internal fairness.

This policy is managed by the regional HR directors, in compliance with the Group's overall framework regarding respect for values, key skills, and commitment.

Employee engagement is assessed every two years through a satisfaction survey (the last one carried out in March 2019) that results in corrective action plans and a common compensation policy aimed at internal and external equity.

Verallia's training policy places employees at the heart of their learning and development path. To do so, it is based on a training offer that can be personalised, individual or collective.

E-learning modules are developed by the Group and

¹ Frequency rate TF1 = number of lost-time work accidents among permanent and temporary workers per million hours worked. At the end of 2018, our accident reporting guide was revised to account for all accidents (previously, accidents with and without lost time consisting of a very mild injury could be declassified under certain circumstances). Therefore, our 2018 framework is more stringent than 2017.

ATTRACTING AND DEVELOPING OUR TALENT

then rolled out locally by the training teams (e.g. Risk Management module deployed in 2019).

A "people review" process (succession and talent management plans) is conducted twice a year to review people and succession plans.

Technical training (industry 4.0, EHS, glass-making process) is available to employees according to their needs.

The Chalon-sur-Saône training center

Established in 1969, the Chalon-sur-Saône training center (France) guides the skill-building of our workers and supervisors at our seven French factories. Internal trainers and expert instructors from across the value chain pass on their knowledge to promote the capitalisation and dissemination of glass-making expertise. Every year at the Chalon-sur-Saône site, some 400 trainees participate in 10,000 hours of internship training with particularly innovative teaching methods: virtual reality, use of school machines, role-play, etc. Programmes to accelerate career paths are developed at the center. This was the case with the "Verallia Glass School" created in 2013, which trained future technical managers and supervisors at our factories. In the near future, the center plans to integrate all managerial training into the core of its technical training programmes in order to broaden its scope and better guide our staff in the management of their teams.

Our action plans

⇒ Employee attraction

COMPENSATION POLICY

The Group's compensation policy, including the remuneration of its executive director, aims to ensure competitive levels of compensation, in accordance with the Company's social interest and in line with market and industry practices. It also ensures that a strong link to the company's performance is preserved and that balance is maintained between short-term and medium/long-term performance, and contributes to supporting the Group's business strategy and future.

The Group has therefore implemented a compensation policy consisting, where appropriate, of:

- a base salary that pays for job holding and is attractive for recruiting and retaining talent;
- a variable annual share that pays for individual and collective performance based on the achievement of ambitious goals while being capped at a maximum level, therefore preventing excessive risk-taking. A source of motivation for teams, this variable annual share is based on annual criteria including safety, the reduction of CO2 emissions (from 2020), financial and operational performance, and personal goals.

In addition to this variable compensation, the Group intends to fully associate its employees with its development by making them shareholders. The employee shareholding policy is therefore a strategic approach to support the Group's profitable and sustainable growth, which it intends to pursue actively (as of 31 December 2019, Verallia's corporate mutual fund, which includes employee shareholding in the Company, holds 2.6% of the Company's capital). In particular, the Company intends to offer Group employees, during the first half of 2020, the possibility of subscribing to a reserved capital increase via Verallia's corporate mutual fund, under the discount and employer matching contribution conditions approved by the Board of Directors.

EMPLOYER BRAND

The Group looks after its employer brand through a LinkedIn page, a Facebook page and the presentation of the Verallia Group. Each division has the responsibility to create its own communications and to manage its school relationships and recruitment.

⇒ Skills management

Several programmes are offered:

- **Soft skills training:** feedback culture, management, leadership ability, embodying Verallia's four values.
- **Development programmes** related to specific populations (young people, potential employees, etc.).
- **Talent management tool** since 2019, allowing for the performance and potential of each employee to be assessed and for specific training programmes to be implemented.

The Group's key training programmes:

Programme	Description and target
Glass-making techniques	Newcomers
Glass school	Young graduates
Business Leaders	Experienced employees
Meet Verallia	Newcomers – Executives (1–4 years of seniority)
Leaders at Verallia	Experienced executives (5–10 years of seniority)

OUR PERFORMANCE

	2017	2018	2019
Recruitment rate	9.5%	10.6%	11.3%
Percentage of permanent contracts	5.3%	6.1%	6.8%
Average training hours per person (permanent and temporary employees) ¹	37h	45h	37h
Voluntary turnover of permanent staff (resignations)	2.7%	3.4%	3.5%
Engagement index (every two years)	60% ²	–	43%

1. The entities VOA, SAGA DECOR, SCD, EVERLASS, SALOMON and TBE are not included in the final indicator "Average training hours per person".

2. In 2017, only executives were consulted. In 2019, 9,208 questionnaires were sent out, 6,018 employees responded with a commitment rate of 43% "committed" or "very committed". These figures exclude the USA, India and Vicsa.

PROMOTING THE CIRCULAR ECONOMY BY BEING A DRIVING FORCE IN THE COLLECTION AND USE OF CULLET

Glass is the container of choice for spirits, wines, beer and food. 100% and infinitely recyclable in new food packaging, bottles and jars, it is at the heart of the circular economy. In 2019, Europe had 160 glass manufacturing plants and now has the highest glass recycling rate in the world. The collection rate at European level (collection from individuals and CHRs Cafés Hôtels Restaurants) reached 76% in 2017¹. The glass recycling rate at European level was 52% in 2017²: the challenge is therefore to raise the collection rate in order to raise the recycling rate.

The European directive on packaging and waste packaging is a major step forward, bringing the recycling targets for glass containers to 75% by 2030 for Member States. In order to reach this recycling objective at European level, the quality and quantity of glass collected must increase significantly. To this end, FEVE, the European Container Glass Federation, created the "Close the Glass Loop"³ platform, an ambitious effort to boost glass collection and recycling. This industrial platform brings together the various stakeholders in the glass value chain, which will enable the establishment of a material management programme and increase the recycling of closed-loop container glass. The objectives set for 2030 are:

- 90% of the EU's container glass collection rate (compared to the current 76%);
- Improved quality of recycled glass (which would allow the use of more cullet in a new production loop).

As a circular economy actor, Verallia strives to reduce its environmental impact, particularly through the growing use of external cullet, a key link in the glass industry's circular chain. Cullet consists of glass from selective collection (external cullet: individuals and CHRs) or manufacturing scrap "internal cullet". Cullet reduces the consumption of natural materials such as sand, or synthetic materials such as sodium carbonate. It helps to reduce the erosion of natural resources. By replacing the raw materials required to manufacture glass, cullet helps to reduce carbon dioxide emissions at two levels: by reducing the energy required for melting and by reducing the use of raw materials that emit carbon dioxide when melted. As a result, the increase in the level of cullet in raw materials saves energy, leading to a reduction of 2.5% in energy consumption at the plant and 5% in carbon dioxide emissions for each additional 10% of cullet.

OUR KEY OBJECTIVES

- > **Increase** the rate of use of external cullet in our world-wide productions by 1% per year between 2018 and 2023.
- > **Help improve** collection rate to achieve the objective set at European level by the FEVE: **90% of bottles collected for recycling by 2030.**
- > **Help improve** the quality of the glass collected through awareness-raising activities through the collection agencies, local authorities and the Group's employees (interventions in schools, at our sites).
- > **Continue investing** in cullet treatment centers by leveraging the best technologies available on the market.

Governance

The CEO defines the "cullet" strategy with the purchasing and industrial departments, which then deploy it locally. The industrial department is in charge of investments concerning cullet treatment sites.

The Raw Materials Procurement Director coordinates the cullet purchases from different countries. Part of the Director's bonus is linked to the achievement of the defined objectives. In order to reach the glass collection and recycling objectives, an international task force with the objective of improving recycling and production chain outputs has been set up within FEVE. Verallia's Raw Materials Procurement Director is a member of this task force.

The circular economy at the heart of EHS policy

Verallia's EHS policy incorporates a chapter dedicated to the circular economy policy with the objective of reducing the Group's environmental footprint, in particular by using cullet.

This policy is structured as follows:

- Produce 100% infinitely recyclable container glass
- Promote glass recycling on every internal and external occasion
- Preserve natural resources
- Improve our energy consumption and reduce emissions at all our production sites

KEY FIGURES

In 2017, the household glass collection rate was **76%** in the EU member states, **making it the most recycled food packaging** in Europe (FEVE)

2.9 million tonnes of cullet used by our sites in 2019, **4.4% more** than in 2017

780,000 tonnes of CO₂ avoided thanks to cullet



1. Press release from the European Container Glass Federation (FEVE) on 12 April 2018.
2. <https://publications.jrc.ec.europa.eu/repository/bitstream/JRC78091/1fna25786enn.pdf>

3. <https://feve.org/about-glass/introducing-close-the-glass-loop/>

PROMOTING THE CIRCULAR ECONOMY BY BEING A DRIVING FORCE IN THE COLLECTION AND USE OF CULLET

Our action plans

⇒ Invest in cullet treatment centers

In order to optimise the cullet treatment process (better quality, better output, minimum waste) and thus increase the integration of cullet into its production, the Group has made long-term investments in its eight cullet processing centers located in Europe.

⇒ Share best practices

Verallia relies on the expertise of its various business units around the world to share best practices and knowledge among the sites, and to optimise the sorting, processing and therefore the integration of cullet into our productions.

Example of Spanish sites that are enriched by the expertise of French and Italian sites (Everglass and Ecoglass).

⇒ Educate customers and end users about the importance of glass recycling

Raising awareness of recycling is a priority for the Group, with a view to attaining a two-fold objective:

- Increase the amount of glass collected;
- Improve glass quality to optimise its integration into productions. Verallia takes advantage of all events (fairs, inaugurations, customer events and training, student designers, etc.) to encourage sorting and recruit new recycling ambassadors.

Verallia works in partnership with glass industry associations (FEVE, the European Container Glass Federation, ABIVIDRO in Brazil), local authorities, glass eco-organisations (CITEO in France, ECOVIDRIO in Spain, etc.) and cullet processing companies. In the absence of a household glass collection system, such as in Chile or Argentina, Verallia acts on its own behalf by launching collection campaigns in partnership with cities close to plants. 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 and had more than 5.8 million views on social media. The aim was to encourage consumers to change their behaviour.

An Italian partnership created in 2019 between Costa Crociere, Oleificio Zucchi and Verallia Italia.

The container glass collected on Costa Crociere boats is sent directly to Ecoglass, the Italian cullet processing center. It is then cleaned and transformed into cullet, which is directly used to produce new olive oil bottles in the Italian plant Verallia Carcare. These bottles are then purchased by the olive oil producer Oleificio Zucchi, which fills them and sells them to Costa Crociere.

30 tonnes of cullet were collected in 2019 to produce nearly 100,000 olive oil bottles.

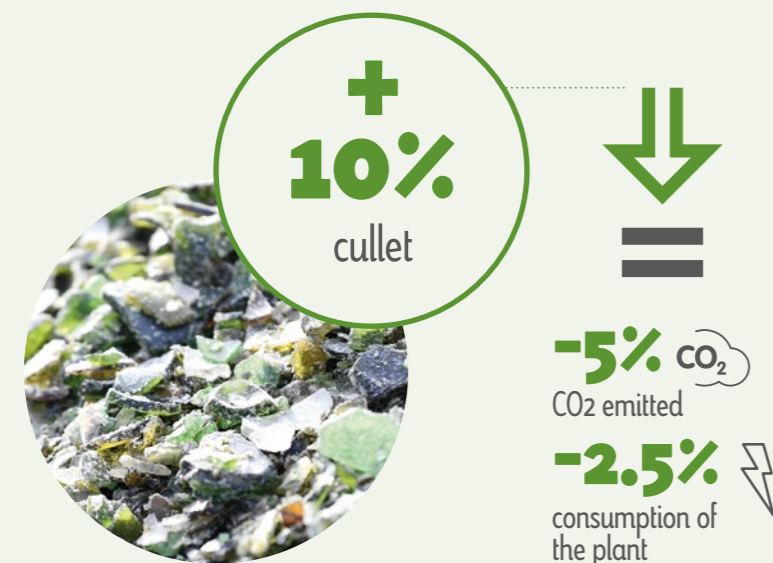
This pilot project is intended to be replicated in Italy and other European countries.

The Commitments Charter "Glass, 100% Solutions"

In 2019 in France, the actors in the container glass value chain (glass producers, eco-organisations, communities, marketers and professional organisations representing distributors) signed the "Glass, 100% Solutions" Commitments Charter. The purpose of the charter is to accelerate and mobilise all levers so that glass never becomes waste. The Commitment Charter serves as the framework for a continuous progress momentum, sets out concrete and measurable commitments, and establishes a transparent and regular monitoring mechanism. By supporting sorting, re-use and recycling, the charter is at the heart of the Circular Economy Roadmap strategy and the objectives of the draft bill on combating waste and promoting the circular economy.

OUR UNIQUE EXPERTISE IN CULLET PROCESSING

Over the period 2018-2019, the Group is investing **nearly €12.4 million** in its cullet processing centers.



OUR PERFORMANCE

External cullet usage rate in production (at our 32 glassmaking sites, all colours and all models)

	2017	2018	2019
External cullet usage rate in production (at our 32 glassmaking sites, all colours and all models)	49%	47%	49%

Analysis of our results

We depend on the available deposit, and therefore on collection from individuals and Cafés, Hotels & Restaurants (CHR). Collection rates vary greatly depending on the countries and collection systems in place.

In 2017, the collection rate in Europe was 76%. It had previously remained flat at 74% for three years – 2014, 2015 and 2016.

DEVELOPING ECO-DESIGN FOR RESPONSIBLE PRODUCTS

In the food and beverage sector, glass packaging is essential: it ensures containment, quality and safety and conveys product identity. The global need to make packaging more sustainable is thus accompanied by Verallia's desire to reduce its carbon footprint by improving the environmental performance of its products; a shared desire intensified by the expectations of the Group's stakeholders. This translates, in particular, into less weight for bottles and jars, while maintaining an equivalent level of value perceived by the end consumer: eco-design.

The glass container – healthy and inert – is already in itself a model of circular economy because it is 100% and infinitely recyclable. However, the application of a rigorous eco-design approach reduces its environmental footprint, including its carbon impact.

The Group encourages its subsidiaries to initiate eco-design approaches, which it is interesting to support with studies and in particular life cycle analyses. In 2019, Verallia France therefore commissioned the firm Quantis to conduct a Life Cycle Analysis as an example on a 495 g ECOVA bottle produced by Verallia France, used to package wine and consumed in France.

To reduce these environmental impacts, the integration of recycled materials – cullet – is a major driving force for the Group. Choices related to the product's characteristics can also significantly improve its impact throughout the cycle: reducing its weight, choosing its tint, optimising its palletisation, are points that Verallia incorporates when developing its product ranges.

Using this approach, the French subsidiary of Verallia is formalising its eco-design approach and intensifying its awareness-raising activities for various stakeholders with the aim of increasing the number of eco-designed products placed on the market each year. It is then up to customers to choose (or not) to develop or select an eco-designed product from our references.

Governance

The eco-design approach is decentralised and integrated within each subsidiary. Each country has its own organisation to deploy the product eco-design approach. This is often carried out by the design offices (13 product development centers working on eco-designed products) and subject matter experts. R&D supports the design offices and provides design tools that are tailored to these challenges (e.g. resistance simulation tools). Marketing becomes involved for standard products and sales for customer specialties.

Our action plans

⇒ Implement a rigorous eco-design approach with the ECOVA product line

Verallia acts on environmental impact improvement levers, and in particular those related to its "standard" articles, developed internally and available to all customers. The standard "ECOVA" ("Eco" for eco-design and "Va" for product valuation) range offers a good example of the eco-designed models promoted by Verallia. This range of products, available for all countries, is lightweight and developed to maximise the number of items per pallet. These eco-designed products reduce the CO₂ production and transportation emissions by an average of 15%. In 2019, the ECOVA range continued to expand internationally. Since its launch in 2009, nearly 21 billion products have been sold (12.4% of Verallia's sales in 2019).

Verallia's room for manoeuvre is narrower for "specific" container glass, also known as "customer specialties," which are developed at the customer's request based on detailed specifications. However, Verallia plays an advisory role in these particular development cases. In addition, customers increasingly incorporate environmental performance criteria into their specifications; Verallia has developed 131 eco-models since 2015, referred to as "ECOVA".

⇒ Co-build eco-designed products with our customers

In France, Verallia designed a lightweight bottle for the Badet Clément house. Badet Clément wanted to improve the environmental impact of its Jamelles brand, which exports more than 70% of its production.



⇒ Continue to educate our stakeholders about eco-design

Raising awareness among its stakeholders and especially its customers about eco-design is a priority for the Group.

In 2019, Verallia carried out about 20 interventions in France to raise the awareness of various actors to CSR and eco-design issues. In addition to regular exchanges with its customers, Verallia also met with associations, institutions and trainee designers.

The EGO range eco-designed by Verallia Chile

In Chile, Verallia developed a range of bottles in 2015, called Enhanced Geometric Objects (EGO), to meet the demand for high-end wines without violating its environmental pledge.

The **EGO** range is characterised by:

- Bottles with very **deep push-up** (61 mm) create an optical effect to keep the impression of weight and preciousness of high-end bottles.
- Bottles on average **20% lighter** than similar-looking bottles.

A premium eco-design range up from 100,000 in 2015 to over six million bottles in 2019.

Bouteille EGO - 1865 - VSPT



DEVELOPING ECO-DESIGN FOR RESPONSIBLE PRODUCTS

Level 2 Glass School days

In France, Verallia launched its Glass School II days, dedicated to the discovery of the container glass circular economy. These Glass School II days are organised in the cullet treatment centers of the Everglass Group. A one-day awareness campaign is offered: customers can learn about the circular economy of the glass industry and its recycling process from theoretical and practical points of view. The afternoon of the day is dedicated to a course on the eco-design of glass products: good practices, impact levers.

The ECOVA range at Pernod Ricard Spain

For Campo Viejo, an iconic vineyard in La Rioja (Spanish wine region), Pernod Ricard Bodegas chose eco-designed bottles from Verallia's Ecova range. The weight of the bottles decreased from 550 g to 390 g, which reduced CO₂ emissions from the full life cycle of these bottles by more than 30%. Bottle transport has also been optimised, allowing more bottles to be transported by lorry.

OUR PERFORMANCE

	2017	2018	2019
Number of bottles and jars sold from the Ecova and EGO ranges	1,906,653,593	1,876,491,345	1,893,540,812
Proportion of sales of the Ecova and EGO ranges of total sales	12.6 %	12.6 %	12.4 %

These results relate to all subsidiaries producing glass packaging excluding Russia.

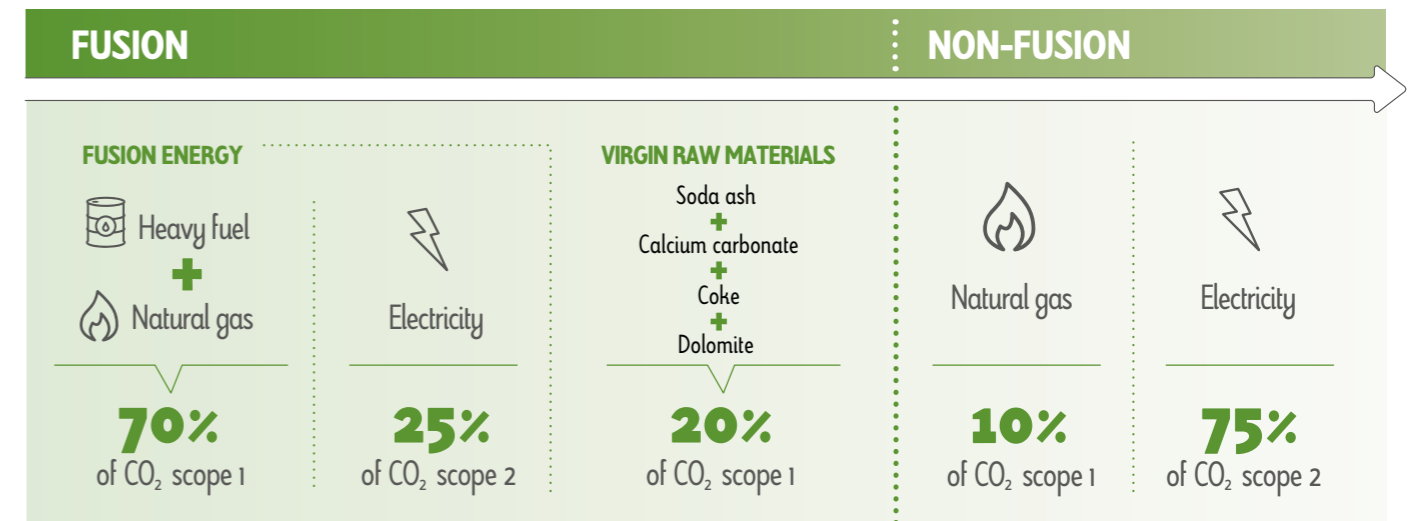
IMPROVE ENERGY EFFICIENCY AND REDUCE OUR CO₂ EMISSIONS

We are strengthening our environmental strategy in the light of major climate change, with the aim of minimising the environmental footprint of our products to meet the demands of our customers and the aspirations of consumers.

Glass is a healthy, infinitely recyclable material with no loss of value, which has the primary role of packing, protecting and transporting food and beverages; however, its manufacture now involves a high carbon footprint. It is therefore essential to change the current industrial tool to bring about a massive reduction in CO₂ emissions.

We currently measure our scopes 1 and 2¹ CO₂ emission levels as we strive to reduce them. Our highest emission station in our plants is the glass melting station (as fusion entails raising the temperature of solids – sand, cullet, soda ash, calcium carbonate – to arrive at a homogeneous vitrified mixture).

The simplified diagram below shows the distribution of our carbon emissions; percentages are for information purposes and may change. The percentages for scopes 1 and 2 are provided with respect to the total (fusion and non-fusion).



All our plants operate with 84% gas, 10% fuel oil and 6% electricity on the fusion side.

OUR KEY OBJECTIVES

- > **Worldwide Objective:** for 2019–2030, 20% reduction in scope 1 and 2 CO₂ emissions per tonne of packed glass per year, or 2%/tpg/year.
- > At the end of 2019, this objective was enhanced compared with the initial target announced: for 2018–2019, 1% reduction in scope 1 and 2 CO₂ emissions.

¹ Scopes 1 and 2
 Scope 1 "Direct emissions" = CO₂ emissions within the physical boundaries of the plant = carbonated raw materials, heavy and domestic fuel, natural gas (fusion and non-fusion).
 Scope 2 "Indirect emissions" = emissions related to electricity consumption required for the plant's operation.

IMPROVE ENERGY EFFICIENCY AND REDUCE OUR CO₂ EMISSIONS

Governance

Global EHS policy is initiated by the Chairman and CEO and the CSR department, and then deployed and facilitated at the level of each department. See *governance of the EHS function* "Acting for the safety and development of our teams".

In 2019, the Group decided to strengthen its actions to reduce its environmental footprint by giving priority to reducing CO₂ emissions. The reduction target applicable from 2020 has become -2% for scope 1 and 2 per year between 2019 and 2030. Accordingly, the Group has set up a special organisation, defined in line with the various project managers. The global approach and objectives are determined by the CEO and are forwarded to all relevant departments: industrial, technical, R&D, EHS, procurement (in charge of renewable energy purchases), and finance. This steering committee meets every three months.

A specific "industrial excellence" network in the Technical Department is in place to ensure the deployment and implementation of projects and actions, including those with a direct impact on the reduction of energy consumption and CO₂ emissions. This network is led by a manager on each region of the Group and by a coordinator at each plant. Monthly and quarterly reviews are performed by the Director of Industrial Excellence in order to attain the annual objectives.

Building on its new CO₂ emission reduction objectives, the Group has stepped up its strategy through three key steps:

- 1/ Raise awareness,
- 2/ Measure,
- 3/ Reduce.

Raising awareness is the first step in the process of ensuring that each Verallia employee, including top management, shares a common level of knowledge on environmental issues and the acceleration of climate change. This first of all involves understanding the concept of CSR and the various lines of action during special meetings held in the Group. This presentation is relayed by each CSR expert worldwide to raise awareness among as many employees as possible.

The Climate Mural is another way of educating colleagues. This is a two-and-a-half hour workshop hosted by external consultants, which consists of three sequences: alignment of knowledge about the climate crisis and the need for action; presentation of the various driving forces for Verallia on these subjects; and collective reflection on concrete solutions to activate these forces. The 32 site managers have already participated in this mural. We have also organised workshops in four of our countries (Germany, France, Italy and Spain), bringing together various functions of the Group (EHS, Purchasing, Marketing, Industrial, Management Control, etc.). These workshops have enabled us to raise awareness and examine 70 views, allowing us to align knowledge and identify actions to contribute to the objective of reducing CO₂ emissions. This workshop will also be offered to Executive Committee members in the first half of 2020.

To improve the measurement of our CO₂ impacts and to communicate our "climate energy pledge" to our large-scale customers and investors, as of 2020, we will use the global benchmark for impact collection and assessment: The CDP (formerly the Carbon Disclosure Project). The frequency of CO₂ reporting will also be increased by 2020 through monthly versus quarterly reporting by EHS managers to the EHS Group Manager.

All Industrial, Technical, R&D and EHS departments strive daily to reduce the Group's CO₂ emissions. In 2019, this was reflected in a significant decrease in the share of fuel oil in the energy mix used.

All our plants operate with 84% gas, 10% fuel oil and 6% electricity on the fusion side. Five countries have completed their full conversion with furnaces operating with 95% gas and 5% electricity (Germany, Ukraine, Russia, Spain – excluding the Canary Islands – and Portugal). 2019 also marked the worldwide deployment of industrial solutions described below in our policy. New actions will be added to attain the new objective of reducing CO₂ emissions by at least 2% per tonne of packed glass from 2020.

A policy to adapt our different industrial tools to climate change

Today, only our scope 1 and scope 2 impact is measured. Our objectives and action plans are mainly established on the basis of scope 1 and 2 data.

The Group's approach to energy efficiency targets:

1. Eradicating all energy losses identified

A structured method has been put in place to enable comprehensive identification of energy losses. This programme uses different types of tools (energy auditing, equipment efficiency, leak detection, etc.).

The next step is to define projects to eradicate the identified losses. A project is characterised by the definition of objectives, the creation of a team, work planning and industrial key performance indicators. Performance is measured every month.

2. Improving existing industrial tools

Throughout the service life of our furnaces (10 to 12 years, or even 14 years), the Group makes improvements to reduce energy consumption. This can be achieved through improvements in sealing and thermal insulation, glass temperature optimisation, combustion settings, and adjustment of combustion air volume.

In regions with fluctuating Lower Calorific Value (LCV), the Group continued to deploy a real-time LCV regulation system, to optimise continuous combustion. Furnaces are thus less energy-intensive and more environmentally friendly.

By the end of 2019, 35% of Verallia furnaces had been fitted with this system. An identical programme will be deployed for feeders¹ from 2020.

3. Research and development in a less energy-intensive 4.0 industry

As energy is mainly consumed during glass melting, each new furnace construction is an opportunity to improve the Group's performance in these areas.

The Group is investing to introduce artificial intelligence into its plants - Industry 4.0. Sensors progressively installed throughout the production line contribute to the regulation of production in real time. This approach makes it possible to stabilise production, quality and energy consumption.

Our specific action plans

Actions based on circular economy principles.

Initiatives based on circular economy principles enable the recovery of energy consumed, by extracting the waste heat² from our installations to heat the buildings of the Group or neighbouring cities, as implemented in Germany a few years ago or in France recently.

⇒ First steps towards greener transport

With regard to commodity suppliers, Verallia always looks for local actors in order to reduce the impact of transport and thus minimise the environmental impact. For example, Italy's choice of multimodal transport allows the transfer of certain lorry flows to other transport modes, such as shipping and rail. This helps to reduce the carbon footprint of the Group, which also prioritises the use of a new generation of lorries powered by liquefied natural gas (LNG), less polluting than gasoline.

Waste heat recovery²

At the Neuburg (Germany) site, thanks to a heat exchanger set up in 2015, the heat from furnaces is recovered and used for the city's heat network.

Benefit for the city: 23,7 GWh in 2019 (about 7% of consumption of the plant)

On the site in Wirges, Germany, a waste heat recovery unit was installed on both furnaces of the plant in late 2013, helping to drastically reduce gas consumption for heating the site (86% reduction corresponding to 10 GWh of natural gas and CO₂ emissions reduced by 2000 tonnes per year).

At the Saint-Romain-Le-Puy site (France), thanks to the investment in 2018 of a system to recover waste heat from annealing arches to heat the plant and produce domestic hot water, the emission of almost 500t of CO₂ could be avoided in 2019 (i.e. halving the natural gas consumption of these stations = -2500 MWh).

1. <https://www.cdp.net/fr>

1. Feeder = distribution channel that supplies glass to the machines from the front end of the furnace. Their role is to maintain the temperature and homogenise the glass until it arrives at the machine.

2. The waste heat is the residual heat produced by a process and not used by it.

⇒ **Towards “greener” energy**

Sustainable access to competitive renewable energy sources is an important lever to achieve our goal of reducing our CO2 emissions. Thus, reducing the carbon content of our energy mix will complement the virtuous effect of improving the energy efficiency of our production units. That is why we are launching a renewable energy assessment and integration project in 2020. The objective is to secure green energy

supply by defining a panel of solutions (solar, wind, etc.), the implementation of which will depend on each country.

Please note: the Mendoza plant in Argentina chose to reduce its scope 2 impact starting in 2019. Half of its electricity is wind energy.

KEY FIGURES

ISO 50001 certifications:

4 German sites **3** Iberian sites

25% of the 2019 R&D budget invested in furnace energy efficiency

OUR PERFORMANCE

	2017	2018	2019
tCO2 emitted per tonne of packed glass, scope 1 ¹	0.444	0.438	0.426
tCO2 emitted per tonne of packed glass, scope 2 ²	0.098	0.085	0.084
tCO2 emitted per tonne of packed glass, scope 1 and 2	0.542	0.523	0.510
Direct CO2 emissions	2,532,736	2,548,698	2,479,512
Indirect GHG emissions (purchases of electricity, steam, hot water)	557,376	496,217	487,825

■ **Analysis of our results**

CO2 emissions: On scope 1, we saw a 2.8% reduction between 2018 and 2019.

Starting in 2019, we will integrate scope 2 into our objectives, and use as our energy-related CO2 emission factors those of the IEA: International Energy Agency. We used these same IEA emission factors to calculate our scope 2 CO2 emissions for 2018.

Of the total scope 1 and 2, we note a reduction of 2.5% tCO2/tpg between 2018 and 2019.

If we look at absolute value, scope 2 amounted to 496,217 tonnes of CO2 in 2018. Our last CSR report mentioned the value of 442,322 for 2018, which corresponded to the use of a different source of emission factors than that of the IEA currently used, which explains the variation.

Some actions to explain the improvements:

- Maximum conversion of furnaces to natural gas instead of heavy fuel oil, while respecting atmospheric emission limits through primary measurements
- Reconstruction of four furnaces (Lagnieu, Burgos, Villa Poma, Rosario)

1. Scope 1 "Direct emissions" = CO2 emissions within the physical boundaries of the plant = carbonated raw materials, heavy and domestic fuel, natural gas (fusion and non-fusion).

2. Scope 2 "Indirect emissions" = emissions related to electricity consumption required for the plant's operation.

OPTIMISING WATER USE AND REDUCING WASTE

Protecting water resources is one of the most important environmental issues for Verallia. Fourteen Verallia sites are exposed to a risk of medium to high water stress. No site is located in an extremely high water stress zone¹.

With regard to waste, our sites produce very little waste (excluding furnace reconstructions). However, the Group strives to minimise and recycle waste based on circular economy principles.

OUR KEY OBJECTIVES

- > **2015-2020 target**
-5% water consumption in the glass plants
- > **2015-2020 target**
+5% waste recycled in glass plants

■ **Governance**

EHS officials manage water and waste governance. Executive management is the decision-maker on investment issues. See *simplified organisational chart of the EHS function in chapter "Acting for the safety and development of our teams"*.



■ **A policy to reduce water use and waste**

Verallia's water standard provides rules for conserving this vital resource: **11 golden rules** for all industrial sites.

Six golden rules specific to glass production sites. Measures are in place to ensure compliance with sampling and discharge limits and to identify non-compliance:

- Sampling facilities must be equipped with meters (with computerised data processing) by the end of 2021.
- Discharged volumes are monitored weekly.
- An accredited body performs an analysis of discharge from industrial water and stormwater at least once yearly (temperature, pH, suspended solids, five-day biochemical oxygen demand, chemical oxygen demand and total hydrocarbons).

Preventive and corrective actions are taken to ensure compliance with limits, effective effluent treatment, and safe storage of products (labelled containers, empty containment tanks, fuel oil pipes in good condition, spill kits in hazardous areas).

■ **Our action plans**

⇒ **Protect water resources**

Verallia's water systems operate in semi-closed loops to cool the cullet and equipment, saving water resources: In most of our plants, water is recycled for many cooling uses; after treatment and cooling it can be reused. To ensure a satisfactory level of quality, external water supplies are necessary.

The largest use of water is for 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 before it is transported and then recycled in the furnace. The cooling water is cleaned of oil and particle residues and reused to cool new production waste.

1. source: <http://www.wri.org/applications/maps/aqueduct-atlas>

OPTIMISING WATER USE AND REDUCING 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.

Monitoring of the implementation of the actions in the water standard has begun and will continue through coaching in environmental standards (as done for safety and health). Technical improvement actions are also in place: For example, for gob cutting water, the benchmark between sites has reduced water use by four to five times.

KEY FIGURES

4.3¹kg of non-recycled waste per tonne of packed glass

OUR PERFORMANCE

	2017	2018	2019
Water consumption (m ³ /tonne of packed glass)	0.569	0.583	0.630
Percentage of our waste recycled	69%	51%	62%
Total water extractions (m ³)	3,241,798	3,389,114	3,671,417
Quantity of waste produced (tonnes)	66,864	53,010	65,385

⇒ Reduce waste

Several actions have been taken to minimise waste, treat it and return it to the internal circuit; they are listed together in a catalogue of best practices.

Examples of best practices include the following:

- Organisation of storage areas
- Identification of waste collection containers with common colours
- Best methods of waste management, by waste type
- Reduction at source (sorting and washing soiled rags and gloves, replacing hazardous with non-hazardous materials)

Example: Waste disposal, Italy (Villa Poma site)

■ Analysis of our results

Water use : In 2019, an average of 0.63 m³ of water was used per tonne of packaged glass. After several years of improvement (-5% between 2015 and 2018), use increased by 8% between 2018 and 2019. Specific issues in three plants contributed to more than 60% of the degradation:

- At one site, pipes dating to 1970 and cooling towers in poor condition were a source of major leaks, resolved at the end of 2019 and early 2020. To address this issue, regular inspections are conducted and new cooling towers will be installed in 2020.
- Another site has encountered quality problems; therefore, there is no internal cullet to cool.
- Finally, at one of our sites, end-of-life furnaces underwent hot repairs (six in one year for two furnaces) requiring large amounts of water.
- Some sites reduced consumption significantly in 2019 by implementing actions:

Chalon-sur-Saône (France) : -19%

- Cleaning of settling ponds and sludge removal
- Pipe cleaning
- Refurbishment of instrumentation for make-up water on IS machines
- Staff awareness building

Zorya (Ukraine): -11% thanks to more frequent checks of water volumes used.

Waste

In 2019, we recycled 62% of our waste, an increase of 11% compared with 2018. The Lagnieu plant particularly improved, recycling 100% of its electrostatic precipitator dust. Another important performance indicator: The amount of non-recycled waste per tonne of packaged glass is 13% lower in 2019 than in 2018. This decrease demonstrates waste reduction at source, for example, by recycling cullet sludge, electrostatic precipitator dust and waste of various compositions in the furnace.



1. Including waste from furnace reconstructions

STRIVING FOR EXCELLENCE IN THE QUALITY OF OUR PRODUCTS

Verallia monitors the quality of its products on a daily basis. Comprehensive, sound procedures are in place to guide product manufacturing and quality control.

Despite these procedures, a critical production defect can occur without detection, a situation all the more serious because our completed products are intended to be marketed and consumed on the end market. This could lead to substantial and lasting damage to Verallia's reputation in the eyes of the customer and even the public at home and abroad. Striving for excellence in the quality of our products addresses two major challenges:

- The first relates to new customer requirements that are linked to the markets in which they operate. Verallia is increasingly called on to provide certifications, as specifications become ever more exacting.
- The second involves strict food safety regulations (Regulation (EC) No. 178/2002 of the European Parliament and of the Council of 28 January 2002). The ISO 22000 certifications we earned cover compliance with this Regulation.

Governance

In 2019, we created a Group Quality department that reports to the Chief Industrial Officer. Quality teams for countries and our individual sites are operationally attached to the Group Quality Department.

There is similar vertical organisation for each division worldwide: The Quality Director of each division reports to the Chief Industrial Officer who communicates directly with the Group Quality department.

Every month, quality committees that bring into play the Industrial department and Executive Management of each division are organised. They improve current standards by building on internal quality issues and customer complaints.

Quality policy

To achieve the highest excellence in our products, we launched a quality improvement plan in 2019 with four lines of action for the entire Group. Each site creates its local quality policy, following the guidance in the quality improvement plan.

Four lines of action of the quality improvement plan

1. Root Cause Analysis (RCA), more than a method of resolving problems, it's a genuine change in attitude towards them. In 2019, change intensified and included:

The review and implementation of the RCA Next Step, incorporating "San Gen Shugi" concepts and the first steps in preparing for the use of best practices. San Gen Shugi is a mindset that guides an individual's behaviour when confronting a problem. The principle is that you cannot understand a problem without observing it yourself based on real facts and figures.

Guidance of staff through the implementation of a training module and its deployment by the regions.

Establishment of an RCA Next Step framework to evaluate each committed stakeholder (from simple participant to coach) and to monitor upskilling in the approach.

The implementation of a global customer complaint management process at the Group level involving the regions and the Technical department.

2. Quality control throughout the manufacturing process

This requires:

Technical audits of all inspection machines to correct non-conformities immediately and establish a plan to optimise our tools.

Determination and implementation of inspection machine adjustment standards across all glass plants.

Assessment of the skills and guidance of users of inspection machines.

Implementation of a forming parameter simulation tool for anticipating equipment settings and optimising them with respect to the risk of defect generation.

Installation of sensors throughout the production line to control production and quality.

3. Prevention and adaptation of our monitoring plans

Group R&D has developed simulation tools. These tools assess the mechanical and thermal specifications of bottles and jars virtually, and optimise the results to achieve the level of quality expected by our customers.

We launched a training plan for all our industrial designers at the end of 2019.

By 2020, our goal is to adjust and improve our existing monitoring plans.

4. Compliance with food safety regulations

As a food packaging manufacturer, Verallia must comply with European food regulations. The existing monitoring system is designed to implement all necessary safety measures for the certification of our plants.

In 2019, 25 of the Group's 32 glass plants are ISO 22000 certified (food safety).

A focal point network involving each site will be established in 2020 to develop consistent reference documents on the key operating principles for regulatory requirements.

An e-learning module will be created to educate employees about the responsibilities of food packaging manufacturers. The priority targeted areas are production, supply chain, sales and purchasing.

OUR KEY OBJECTIVES

- > Constantly improve customer satisfaction through continuous improvement of the company
- > **2017-2020 target: a 50% reduction in complaints¹**
- > **100% of sites ISO 22000 certified (food safety) in 2021**

¹. Number of justified complaints per 100 million containers delivered



STRIVING FOR EXCELLENCE IN THE QUALITY OF OUR PRODUCTS

KEY FIGURES 2019

100% of our glass plants are **ISO 9001 certified**

78% of our glass plants are **ISO 22000 certified** (food safety)

32 technical audits were conducted on **more than 800** units of monitoring equipment in all our glass plants.

OUR PERFORMANCE

	2017	2018	2019
% of ISO 22000-certified sites	68%	68%	78%
Reduction in complaints* (number of justified complaints per 100 million containers delivered)	Reference year	-25%	-45%

*Reductions expressed compared with our 2017 reference

Analysis of our results

So far, the results are in line with our ambitions and areas for improvement in the final plan, meeting the requirements of our external and internal customers. The continuous improvement process aims at the dual goal of building on and strengthening our knowledge and expertise, while challenging, when necessary, our achievements in the pursuit of quality excellence.

COMPLYING WITH APPLICABLE REGULATIONS AND ANTI-CORRUPTION MEASURES

Verallia's sustainability is inconceivable without sharing values common to the entire Group. Verallia thus reaffirmed the principles that have guided all its companies and teams since the 2000s, restating in 2017 the four cardinal values that underpin its Code of Conduct: customer care; respect for people, laws and the environment; empowerment and accountability; and teamwork.

This Code of Conduct is the foundation of the Group's actions in terms of business ethics, which is the common thread that unites the community of people who work at and for Verallia. Its objective is compliance with laws and regulations as well as the policies and values of the Group.

The compliance culture that drives the Group is expanding through this code and is bolstered by a compliance programme that strengthens the value of respecting laws and their related obligations.

In this context, Verallia's signing of the United Nations Global Compact demonstrates its four values and deepens its commitment to promoting, through its compliance programme, the principles of human rights and respect for the environment, labour standards and anti-corruption. Similarly, the Group is particularly attentive to working on the five United Nations Sustainable Development Goals (SDGs) that it has chosen as focal areas. Finally, the Group is acting in accordance with the tax rules in the countries in which it operates and fulfilling its reporting obligations on time. The Verallia Group does not therefore have a structure for tax evasion.

OUR KEY OBJECTIVE FOR 2020

- > **Train all new managers** hired in 2020 in the Comply (competition law) and ABC (anti-bribery and corruption and compliance with economic sanctions) compliance training programmes in their first year in the Group!

Governance

The implementation of the Group's compliance programme is based on a compliance network of about 50 correspondents (functional or operational managers).

The actions of the correspondents are coordinated by the policies of Group Executive Management and driven by regional and country executive management. They ensure the dissemination of policies and the facilitation of operational teams that address compliance issues, actions for which they are supported and coordinated by a compliance committee (regional or country) on which the company they belong to depends. Compliance committees have been set up in the Group in France, Northern and Eastern Europe, Italy, the Iberian Peninsula and Latin America. These committees can suggest any means of improving the effectiveness of the Code of Conduct and complying with applicable laws, rules and policies in the areas covered by the Group compliance programme or any other they may identify. These committees generally bring together, at a minimum, the Chief Executive Officer of the company or region, Chief Financial Officer, Legal Director, Director of Human Relations, risk officers, audit and internal control managers for the same area, and compliance correspondents. Compliance correspondents are members of the compliance committee in their regions or the company they belong to.

1. Except India and the United States

COMPLYING WITH APPLICABLE REGULATIONS AND ANTI-CORRUPTION MEASURES

The correspondents also rely operationally on the Audit and Internal Control Department, which checks the effectiveness of rules and procedures and the managers who are trained in compliance programmes. The Group aims to train all new managers in compliance policies in their first year in the Group.

A Group compliance committee, whose work until the end of 2019 was merged with that on Company risks, monitors the actions taken and validates the topics to support and the future action plans. It proposes additional measures to ensure the effectiveness of the implementation of the Code of Conduct and to comply with applicable laws and policies in the areas of, among others, competition law, prevention of corruption, management of personal data, and financial embargoes and sanctions.

The Group compliance committee includes members of the Executive Committee, the Legal Director, the Group Compliance Officer, the Internal Control Director, the Risk Director and one or more operational staff.

To strengthen the governance of the Group's compliance programme following admission to trading of common shares comprising the share capital of Verallia SA on the Euronext Paris regulated market, it was decided that, as of 2020, the compliance programme would be monitored by the Board of Directors of the Company established as a result of this admission.

To date, the compliance programme has been monitored by the compliance network organised around the following main topics:

- **Prevention of corruption,**
- **Compliance with competition law,**
- **Compliance with rules on economic sanctions and embargoes.**

■ One compliance programme: the basis of the Group's policies

All Group compliance policies are disseminated throughout the regions and subsidiaries in the same manner, as follows:

Policy	It is defined at the Group level by Executive Management with the support of the organisation described below. The Group's policy is rooted in local and international regulations to which the Group is subject and feedback from the regions and countries.
Deployment	This is updating the procedures, codes or processes that support the Group's policy and initiating its deployment through compliance correspondents. Various tools are also available to implement the Group compliance programme, including a dedicated intranet entitled Compliance, where policies and tools, publication of practical guides, and a whistleblowing system are available.
Training	The educational content, methods (classroom or e-learning, or both), population to be trained and proposed scheduling.
Monitoring	The integration of new processes into internal audit programmes and the conduct of internal or external audits by specialised firms to ensure the proper implementation of Group processes and policies.



COMPLYING WITH APPLICABLE REGULATIONS AND ANTI-CORRUPTION MEASURES

⇒ Prevention of corruption

A first action programme was implemented in the early 2010s. It has recently been expanded based on French law on transparency, anti-corruption and influence peddling and modernisation of economic life.

This programme is based on risk analysis, an anti-corruption code of conduct, a code included in the rules of procedure of companies in France, internal policies (gifts, conflicts of interest, intermediaries) and a whistleblowing line. In 2020, it will be extended by a complementary classroom training programme in all the countries where the Group operates on a common foundation presented to the Group Executive Committee in 2019. This training will be translated into the languages of the Group.

⇒ Compliance with competition law

The action plan on compliance with competition law is based on basic training available in e-learning modules that each new manager must complete within a year of joining the Group. Work took place in 2019 on e-learning and employee management tools, with the aim of asking each manager to repeat the training if they belong to an at-risk population and completed the online training more than two years ago. Moreover, in 2019, following audits of the proper application of competition law by an external consulting firm, specific topics were selected and gave rise to classroom training in France and Italy. A policy on participation in professional associations and a best practices guide (revised in 2018) were developed and made available to the sales departments.

⇒ Compliance with rules on economic sanctions and embargoes

A policy on compliance with rules on economic sanctions and embargoes was established in 2016.

In 2018 and 2019, classroom training was chosen for sales people working on exports and purchases. This training has been made available on the Compliance intranet so that each employee can access it. In addition, a screening tool has been made available and can be used for auditing new suppliers and customers. Team classroom training in the topic and use of the screening tool was organised.

■ Main actions in 2019:

⇒ Executive Committee classroom training in anti-corruption

The programme used will be the common core of training deployed in 2020 in all countries of the Group for at-risk populations.

⇒ Internal audit of sales agents

The audit was conducted on the main companies of the two European regions of the Group based on the sales agent/intermediary policy implemented in 2016. After receiving results of an audit, the sales agent/intermediary policy was reviewed and action plans were implemented for some companies in the audited scope.

⇒ Training of sales agents in specific topics in competition law

Classroom training in France and Italy in the relationship of sales agents with their distribution channels and in the management of information concerning competitors.

OUR PERFORMANCE

% of new managers hired during the year trained in our compliance programme (Comply and ABC)

	2018	2019
Comply:	79%	62%
ABC:	77%	57%

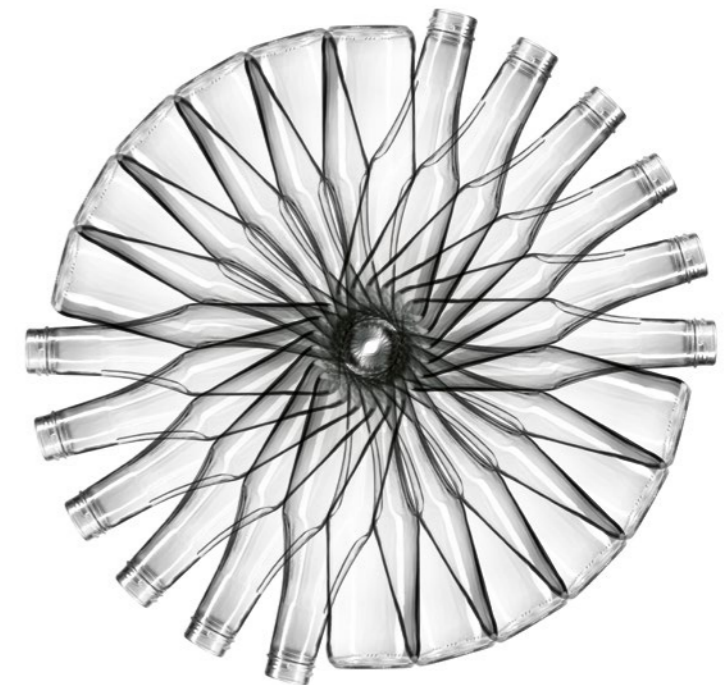
Except India and the United States.

■ Analysis of our results

The Univerra platform that hosts e-learning courses makes it possible to see the percentage of registered employees who completed the training and the success rate. The Human Resources Departments choose the employees to train in accordance with the compliance policy determined by the Group. The platform is open to all Group countries¹.

Based on the 2019 results, training objectives for new managers were maintained and strengthened: Train all new managers hired in the Comply (competition law) and ABC (anti-bribery and corruption and compliance with economic sanctions) compliance training programmes in their first year in the Group². It was decided to relaunch a campaign for managers targeted in 2019 who have not undergone online training.

New e-learning modules, including competition law and compliance with economic sanctions, will be established.



1. Except India and the United States because of the small size of subsidiaries in these countries.
2. Except India and the United States.

HAVING RESPONSIBLE PURCHASING PRACTICES

As part of the enhancement of its CSR approach, the Verallia Group strengthened the responsible procurement component in 2019. Verallia now has 10,000 active suppliers, mainly in the countries where we operate (Europe, Latin America, Russia). Purchases account for 1.6 billion in annual spending, half of which are energy and raw materials. These two categories add up to nearly 1,000 active suppliers. Most of these suppliers are local, except for the suppliers of soda ash or certain chemicals.

The other main spending segments are capital expenditure (1,500 suppliers), transport (700 suppliers), production (2,000 suppliers), including consumables, packaging (1,700 suppliers) and general purchases and low-value procurement (3,500 suppliers).

The actions put in place this year aimed at extending the application of one of the Group's four values throughout our supply chains: respect for people and the environment.

Governance

The Group's purchases and supplies are under the responsibility of the Procurement Department, which consists of a director who coordinates the entire Group's procurement function and a team of buyers responsible for the strategic procurement families.

The Group also has procurement departments within its subsidiaries. Some purchases are pooled regionally between the Group's various companies (e.g. Iberia, South America), particularly those for energy, raw materials and overheads.

One policy

Verallia has a responsible procurement policy, valid for all subsidiaries. It is based on the environmental, legal and social requirements of the Group.

KEY FIGURES

€1.6 billion in purchases

More than **10,000** active suppliers

OUR KEY OBJECTIVES

- > Systematic monitoring of our supplier base using the AFNOR risk mapping tool tested and deployed in 2019.
- > If the risk is greater than 80% in the AFNOR tool, use CSR assessments of the rating agencies EcoVadis and ACESIA for suppliers identified as high risk.
- > In addition, systematically assess in 2020 all our suppliers of critical raw materials.

Our action plans

Identification of CSR risk in our panel of suppliers

- ⇒ Training and dissemination of our supplier CSR risk mapping tool (AFNOR tool) in our subsidiaries (France, Germany, Iberian Peninsula, Italy, Ukraine, Russia, Poland, Brazil, Argentina and Chile).
- ⇒ Launch of CSR assessment campaigns for our suppliers with the EcoVadis tool (160 suppliers invited, including 54 assessed since September 2019).
- ⇒ A whistleblower channel is in place that allows Verallia employees to escalate bad CSR behaviour observed when working at our supplier sites ("The Responsible Eye"). To date, three employees have provided feedback.
- ⇒ The launch of CSR audits of suppliers will begin in 2020 based on the assessments performed (suppliers with poor EcoVadis ratings (<30), country alert or AFNOR score (>80) will be audited).

One internal action for the Group's purchasing functions

Every buyer or newcomer and all employees exposed to supplier relationships are aware of CSR issues. They are required to sign the Supplier Relationship Charter, which includes a CSR section. They must also complete a "Purchasing for All" training module, which has a CSR section, and sign the mandatory charter at the end of the module.

Mobilising our suppliers around a virtuous CSR approach

- ⇒ Inclusion of CSR criteria in our procurement procedures relating to the conduct of our calls for tenders.
- ⇒ Systematic signing of the supplier charter, including a CSR section, by all new approved suppliers.
- ⇒ Inclusion of recycling and waste recovery criteria in our calls for tenders and procurement contracts for computer equipment (e.g. call for tenders for IT equipment for the Group).
- ⇒ Campaign to assess our suppliers' compliance with regulatory arrangements related to "conflict minerals". (Example: sourcing monitoring for tin-containing surface treatment solutions to ensure that our suppliers are not sourcing from conflict areas.)



CONTRIBUTING TO THE DEVELOPMENT OF COMMUNITIES

OUR KEY OBJECTIVES

- > **Continue the climate programme** partnership with PUR Projet to offset **1% of the Group's CO₂¹ emissions** every year and plant more than **500,000 trees** in the initial five-year period.
- > **Continue engaging** with local communities in Latin America.
- > Ensure the best integration of Verallia sites into their local environments.



© PUR Projet

Among the Group's four values, "respect people, laws and the environment" underscores Verallia's importance to community development.

Verallia reflects a long tradition of commitment to all its sites around the world, which are mostly located in the heart of wine regions. Beyond their economic contribution to the local economy, the sites are involved in various actions that contribute to the development of communities. These actions, performed mainly by employees, take various forms: public awareness of the properties of glass and its recycling, donations to voluntary and charitable associations, solidarity campaigns, factory visits, and campaigns to pass on the passion for glass to younger generations.

To face the climate emergency, a major concern for the Group, Verallia is strengthening its environmental strategy. By partnering with PUR Projet in 2019 in a climate programme, Verallia wants to take concrete actions to voluntarily offset a portion of its CO₂ emissions while supporting the local economy.

This programme is part of an insetting (or integrated carbon offset) process that aims to offset internally all the impacts on sustainable development, both to secure Verallia's growth and participate in building a more sustainable world. This means a commitment to reduce its environmental footprint, strengthen CSR positioning with employees and customers, and share the value created beyond its own economic sphere. Indeed, beyond the restoration and pre-

servation of ecosystems, PUR Projet is creating economic value for local communities. This provides, for example, an additional source of income for farmers through agroforestry, a support programme and empowerment to the local communities concerned (skills transfer, productivity improvement, empowerment, climate change adaptation, etc.).

Governance

Local CSR managers in each region manage the projects developed for local communities to best meet specific needs. For example, Verallia Chile and Verallia Argentina organise the collection of household glass in the absence of a recovery system.

Regarding the inclusion of production sites in their ecosystem, the CSR manager, in conjunction with country executive management and country managers, selects the Verallia sites that meet various criteria: environment, employee well-being, availability of green areas, ease of programme deployment and others. Local CSR managers and site managers complete the application files together, which are reviewed by executive management.

Our action plans

The Verallia climate programme consists of two separate schemes.

The first is for reforestation and agroforestry projects in Latin America (Peru, Honduras, Colombia and Brazil) for which Verallia has committed to an initial five-year period. It will offset 1% of the Group's total CO₂¹ emissions every year and plant more than 100,000 trees per year. In addition, in Brazil, we support the local partner of PUR Projet, Nordeste, which acts for the protection of water resources, biodiversity and education in Minas Gerais, near our plant in Jacutinga. The planting project, of which 16,500 trees are funded by Verallia, is not a part of CO₂ offsetting. It consists of restoring forests adjacent to the Rio São Francisco River and raising awareness of their importance in maintaining the quantity and quality of water. Our Brazilian team will participate in the planting as early as March 2020. This project also promotes the socioeconomic development of local communities while preserving local ecosystems.

The second is a programme for integrating Verallia production sites into their environments and territories. Verallia participates in the regeneration and preservation of the local ecosystem through the planting of endemic species and creation of "corridors" of biodiversity² while better integrating sites into the local landscape.

In 2019, two Verallia sites were selected, with an allocated budget of more than €100,000:

In Seville, Spain, to preserve the natural and cultural heritage, the green spaces available were redesigned to increase the plant biodiversity of the site and better integrate it into the local landscape. This included planting olive trees, tracts of aromatics, and local plants and shrubs, and removing and recycling synthetic lawns to regenerate soil. The employees were provided with a space that was reserved for them to transform into a field of olive trees.

In Cognac, France, different projects have been offered to local teams who selected four areas of their site to green, like the commercial office area that will have a true rest area with fruit trees, aromatic plants and eco-designed furniture. Planting and installation are planned for March 2020.



KEY FIGURES

110,000 trees planted

30,910 tonnes of CO₂ equivalent voluntarily offset



1. (Scope 1 et 2): scope 1 "Direct emissions" = CO₂ emissions within the physical boundaries of the plant = carbonated raw materials, heavy and domestic fuel, natural gas (fusion and non-fusion).
2. All the habitats necessary to achieve the lifecycles of a species that are functionally interrelated.

CONTRIBUTING TO THE DEVELOPMENT OF COMMUNITIES

Examples of actions taken by Verallia teams for local authorities

Donation to charities

At Christmas, the Azuqueca plant (Spain) collected more than one tonne of food for the Red Cross. All employees have invested in achieving this result. At the same time, the plant donated €10,000 to the confederation Caritas Internationalis.

Gift of €20,000 to local food banks in Germany

Verallia Deutschland supports the national organisation Die Tafel by donating a total of €20,000 to food banks at its four industrial sites. Thanks to the commitment of volunteers and the support of private companies and donors, Die Tafel can offer food products and basic necessities to the poor at reasonable prices.

LATAM recycling programme: "Glass: a transparent action"

This programme has two objectives: raising awareness of glass recycling and support for the Notti Foundation, an NGO. Verallia Argentina purchases recycled glass and donates its equivalent in pesos to the Notti Foundation. The foundation is using this assistance to build a hydrotherapy center for the rehabilitation of children. More than half a million pesos have been given to the Notti Foundation, corresponding to 640 metric tons of glass, deposited in 35 containers located in different places in Mendoza.

SCOPE OF THE ISSUES COVERED BY OUR SNFP

Given the nature of our activities, we consider that the fight against food insecurity, respect for animal welfare and the subject of responsible, fair and sustainable food, are not major CSR risks and do not justify development in this SNFP.

Legal text	List of mandatory items	Implementation by Verallia in SNFP 2019
Decree implementing the transposition of the European Directive (No. 2017-1265)	Impact on climate change of the Company's activity and the use of the goods and services it produces (contribution and adaptation)	See the chapters "Promoting the circular economy by being a driving force in the collection and use of cullet" on pages 18 to 21, "Developing eco-design for responsible products" on pages 22 to 24, "Improving energy efficiency and reducing our CO2 emissions" on pages 25 to 28 and "Optimising water use and reducing waste" on pages 29 to 31.
	Circular economy	See the chapter "Promoting the circular economy by being a driving force in the collection and use of cullet" on pages 18 to 21.
	The fight against food waste	Given the nature of our activities, we consider that the fight against food waste is not our main CSR risks and does not justify development in this management report.
	Collective agreements concluded in the Group and their impact on its economic performance and the work of employees.	See the chapter "Attracting and developing our talent" on pages 15 to 17.
	Actions to combat discrimination and promote diversity and measures taken to support people with disabilities.	The Group felt that these were not among the CSR issues identified as priorities in 2019. Actions to promote diversity and disability are, of course, undertaken in the various Group entities and managed locally. Therefore, diversity is an issue during the recruitment process and special attention is paid to it when selecting the promotions made during the "people review" twice a year. A women's forum was organised in 2019, as well as a dedicated mentoring scheme. Raising employees' awareness of disability is a desire of the Group and is reflected in interventions throughout the year, in particular during World EHS Day on 10 October, 2019. Various initiatives have been undertaken around the world, for example in France, Verallia has supported the French wheelchair rugby team, which has been selected for the Tokyo Paralympic Games.
	Societal commitments to promote sustainable development	See the chapter "Contributing to the development of communities" on pages 42 to 44.
Sustainable Food Law of 30 October, 2018	The fight against food insecurity, respect for animal welfare and the subject of responsible, fair and sustainable food	Given the nature of our activities, we consider that the fight against food insecurity, respect for animal welfare and the subject of responsible, fair and sustainable food, are not major CSR risks and do not justify development in this SNFP.

CORRIDOR OF BIODIVERSITY

All the habitats necessary for the functionally interrelated lifecycles of a species.

CULLET

Means the crushed glass added to the raw materials used in the production of glass.

ECOVA

Range of bottles – "Eco" for eco-design and "VA" for value added.

ECOVADIS

Platform for rating the social and environmental performance of global supply chains.

EGO

Range of Chilean eco-designed products, standing for "Enhanced Geometric Objects".

EHS

Refers to the "Environment, Hygiene and Safety" policy.

EXTERNAL CULLET

Glass collected from individuals and cafés, hotels and restaurants (CHR).

FEEDER

Distribution channel that feeds glass to the machines from the front end of the furnace. Its role is to maintain the temperature and homogenise the glass until it arrives at the machine.

FEVE

European Container Glass Federation.

FUSION

Means the first step in the melting of glass in production furnaces.
Fusion entails raising the temperature of solids – sand, cullet, sodium carbonate, calcium carbonate – to arrive at a homogeneous vitrified mixture.

GLASS SAND

Very small cullet (fraction 0–4 mm).

GOB

Means a compact mass of molten glass.

INSETTING

Identifying business impacts (social, climate, water, biodiversity, etc.) and engaging in socio-economic and environmental projects that mitigate the impacts.

INTERNAL CULLET

Glass from manufacturing scrap.

ISO 22000

Standard that guarantees that food risk to consumers is considered throughout the entire production process.

LCV

lower calorific value.

SALES TEAMS

Functions identified in the sales and marketing channels.

RCA

Root Cause Analysis

SCOPE 1

"Direct emissions" = CO₂ emissions within the physical boundaries of the plant, meaning carbonated raw materials, heavy and domestic fuel, natural gas (fusion and non-fusion).

SCOPE 2

"Indirect emissions" = emissions related to the electricity consumption necessary for the plant's operation.

TF₁

Number of accidents resulting in lost workdays, by millions of worked hours.

TF₂

Ratio of the number of accidents with and without lost workdays per million hours worked.

TPG

Tonne of packaged glass or tonne of good glass.

VERALLIA "DIVISIONS"

There are three:

- Southern and Western Europe,
- Northern and Eastern Europe,
- Latin America.

VERALLIA "REGIONS"

There are five: France, Italy, Northern Europe, Iberian Peninsula, Latin America.

Verallia SA

Report by one of the statutory auditors, appointed as an independent third-party body, on the consolidated statement of extra-financial performance contained in the Group's management report.

[Year ended 31 December 2019](#)



Rapport de l'un des commissaires aux comptes, désigné organisme tiers indépendant, sur la déclaration consolidée de performance extra-financière figurant dans le rapport de gestion du groupe

Exercice clos le 31 décembre 2019

A l'assemblée générale de la société Verallia SA

En notre qualité de commissaire aux comptes de la société Verallia SA (ci-après « l'entité ») désigné organisme tiers indépendant, accrédité par le COFRAC sous le numéro 3-1060 rév.2 (portée d'accréditation disponible sur le site www.cofrac.fr), nous vous présentons notre rapport sur la déclaration consolidée de performance extra-financière relative à l'exercice clos le 31 décembre 2019 (ci-après la « Déclaration »), présentée dans le rapport de gestion du groupe en application des dispositions légales et réglementaires des articles L. 225-102-1, R. 225-105 et R. 225-105-1 du code de commerce.

Responsabilité de l'entité

Il appartient au Conseil d'administration d'établir une Déclaration conforme aux dispositions légales et réglementaires, incluant une présentation du modèle d'affaires, une description des principaux risques extra-financiers, une présentation des politiques appliquées au regard de ces risques ainsi que les résultats de ces politiques, incluant des indicateurs clés de performance.

La Déclaration a été établie en appliquant les procédures de l'entité, (ci-après le « Référentiel ») dont les éléments significatifs sont disponibles sur demande au siège de la société.

Indépendance et contrôle qualité

Notre indépendance est définie par les dispositions prévues à l'article L. 822-11-3 du code de commerce et le code de déontologie de la profession. Par ailleurs, nous avons mis en place un système de contrôle qualité qui comprend des politiques et des procédures documentées visant à assurer le respect des règles déontologiques, de la doctrine professionnelle et des textes légaux et réglementaires applicables.

Responsabilité du commissaire aux comptes désigné OTI

Il nous appartient, sur la base de nos travaux, de formuler un avis motivé exprimant une conclusion d'assurance modérée sur :

- la conformité de la Déclaration aux dispositions prévues à l'article R. 225-105 du code de commerce ;
- la sincérité des informations fournies en application du 3° du I et du II de l'article R. 225-105 du code de commerce, à savoir les résultats des politiques, incluant des indicateurs clés de performance, et les actions, relatifs aux principaux risques, ci-après les « Informations ».

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Verallia SA

Rapport de l'un des commissaires aux comptes, désigné organisme tiers indépendant, sur la déclaration consolidée de performance extra-financière figurant dans le rapport de gestion du groupe

Exercice clos le 31 décembre 2019

Page 3

Il ne nous appartient pas en revanche de nous prononcer sur :

- le respect par l'entité des autres dispositions légales et réglementaires applicables, notamment, en matière de plan de vigilance et de lutte contre la corruption et de fiscalité ;
- la conformité des produits et services aux réglementations applicables.

Nature et étendue des travaux

Nos travaux décrits ci-après ont été effectués conformément aux dispositions des articles A. 225-1 et suivants du code de commerce déterminant les modalités dans lesquelles l'organisme tiers indépendant conduit sa mission et selon la doctrine professionnelle de la Compagnie nationale des commissaires aux comptes relative à cette intervention ainsi qu'à la norme internationale ISAE 3000 - Assurance engagements other than audits or reviews of historical financial information.

Nous avons mené des travaux nous permettant d'apprécier la conformité de la Déclaration aux dispositions réglementaires et la sincérité des Informations :

- nous avons pris connaissance de l'activité de l'ensemble des entreprises incluses dans le périmètre de consolidation, de l'exposé des principaux risques sociaux et environnementaux liés à cette activité, et de ses effets quant au respect des droits de l'homme et à la lutte contre la corruption et l'évasion fiscale, ainsi que des politiques qui en découlent et de leurs résultats ;
- nous avons apprécié le caractère approprié du Référentiel au regard de sa pertinence, son exhaustivité, sa fiabilité, sa neutralité et son caractère compréhensible, en prenant en considération, le cas échéant, les bonnes pratiques du secteur ;
- nous avons vérifié que la Déclaration couvre chaque catégorie d'information prévue au III de l'article L. 225-102-1 en matière sociale et environnementale ainsi que de respect des droits de l'homme et de lutte contre la corruption et l'évasion fiscale ;
- nous avons vérifié que la Déclaration présente le modèle d'affaires et les principaux risques liés à l'activité de l'ensemble des entités incluses dans le périmètre de consolidation, y compris, lorsque cela s'avère pertinent et proportionné, les risques créés par ses relations d'affaires, ses produits ou ses services ainsi que les politiques, les actions et les résultats, incluant des indicateurs clés de performance ;
- nous avons vérifié, lorsqu'elles sont pertinentes au regard des principaux risques ou des politiques présentés, que la Déclaration présente les informations prévues au II de l'article R. 225-105 ;
- nous avons apprécié le processus de sélection et de validation des principaux risques ;
- nous nous sommes enquis de l'existence de procédures de contrôle interne et de gestion des risques mises en place par l'entité ;
- nous avons apprécié la cohérence des résultats et des indicateurs clés de performance retenus au regard des principaux risques et politiques présentés ;
- nous avons vérifié que la Déclaration couvre le périmètre consolidé, à savoir l'ensemble des entreprises incluses dans le périmètre de consolidation conformément à l'article L. 233-16 avec les limites précisées dans la Déclaration ;

Verallia SA
Rapport de l'un des commissaires aux comptes, désigné organisme tiers indépendant, sur la déclaration consolidée de performance extra-financière figurant dans le rapport de gestion du groupe Exercice clos le 31 décembre 2019
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- nous avons apprécié le processus de collecte mis en place par l'entité visant à l'exhaustivité et à la sincérité des Informations ;
- nous avons mis en œuvre pour les indicateurs clés de performance et les autres résultats quantitatifs que nous avons considérés les plus importants et dont la liste est donnée en annexe :
 - o des procédures analytiques consistant à vérifier la correcte consolidation des données collectées ainsi que la cohérence de leurs évolutions ;
 - o des tests de détail sur la base de sondages, consistant à vérifier la correcte application des définitions et procédures et à rapprocher les données des pièces justificatives. Ces travaux ont été menés auprès d'une sélection d'entités contributrices, à savoir les sites de production de Azuqueca (Espagne), Bad Wurzach (Allemagne), Cognac (France), Dego (Italie), Figueira da Foz (Portugal), Lagnieu (France), Wirges (Allemagne), pour les informations environnementales et les sociétés Verallia Deutschland AG, Verallia France, Verallia Italia S.p.A., Verallia Portugal, Verallia Spain, pour les informations sociales, et couvrent entre 20% et 68% des données consolidées des indicateurs clés de performance et résultats sélectionnés pour ces tests ;
- nous avons consulté les sources documentaires et mené des entretiens pour corroborer les informations qualitatives (actions et résultats) que nous avons considérées les plus importantes et dont la liste est donnée en annexe ;
- nous avons apprécié la cohérence d'ensemble de la Déclaration par rapport à notre connaissance de l'ensemble des entreprises incluses dans le périmètre de consolidation.

Nous estimons que les travaux que nous avons menés en exerçant notre jugement professionnel nous permettent de formuler une conclusion d'assurance modérée ; une assurance de niveau supérieur aurait nécessité des travaux de vérification plus étendus.

Moyens et ressources

Nos travaux ont mobilisé les compétences de 6 personnes et se sont déroulés entre mi-février et mi-mars 2020 sur une durée totale d'intervention de 5 semaines.

Nous avons fait appel, pour nous assister dans la réalisation de nos travaux, à nos spécialistes en matière de développement durable et de responsabilité sociétale. Nous avons mené une dizaine d'entretiens avec les personnes responsables de la préparation de la Déclaration, représentant notamment le Secrétariat Général et les Directions des Ressources Humaines, des Achats, de la RSE, du Juridique et de la Concurrence, de la HSE, du Marketing, de la Qualité et de la Programmation, Logistique et Recyclage verre.

Verallia SA
Rapport de l'un des commissaires aux comptes, désigné organisme tiers indépendant, sur la déclaration consolidée de performance extra-financière figurant dans le rapport de gestion du groupe Exercice clos le 31 décembre 2019
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Conclusion

Sur la base de nos travaux, nous n'avons pas relevé d'anomalie significative de nature à remettre en cause le fait que la déclaration consolidée de performance extra-financière est conforme aux dispositions réglementaires applicables et que les Informations, prises dans leur ensemble, sont présentées, de manière sincère, conformément au Référentiel.

Neuilly-sur-Seine, le 17 mars 2020

L'un des Commissaires aux comptes
 PricewaterhouseCoopers Audit



Itto El Hariri
 Associée



Émilie Bobin
 Associée du Département Développement Durable

Annexe : Liste des informations que nous avons considérées comme les plus importantes

Sélection d'informations qualitatives et quantitatives, associées aux politiques, actions et résultats relatifs aux sept risques principaux identifiés et trois principaux autres engagements complétant la Déclaration pour l'activité du Groupe, présentées dans les sections suivantes du rapport de gestion

Principaux risques identifiés et autres engagements	Rubriques du rapport de gestion traitant des politiques, actions et résultats associés revues dans le cadre de nos travaux
Santé et sécurité des employés	<ul style="list-style-type: none"> • Chapitre « Garantir la santé et la sécurité de tous » <p>Dont les résultats et indicateurs clés de performance :</p> <ul style="list-style-type: none"> - Pourcentage de sites de production verriers en France certifiés OHSAS 18001 et ISO 14001 - Taux de fréquence des accidents du travail avec et sans arrêt des salariés et intérimaires (TF1 et TF2)
Attraction et développement des collaborateurs	<ul style="list-style-type: none"> • Chapitre « Attirer et développer nos talents » <p>Dont les résultats et indicateurs clés de performance :</p> <ul style="list-style-type: none"> - Moyenne des heures de formation par personne (CDI et CDD) - Turnover volontaire CDI (démissions) - Indice d'engagement
Intégration de l'économie circulaire dans notre chaîne de valeur	<ul style="list-style-type: none"> • Chapitre « Promouvoir l'économie circulaire en étant moteur dans la collecte et l'utilisation du calcin » <p>Dont les résultats et indicateurs clés de performance :</p> <ul style="list-style-type: none"> - Taux de collecte du verre ménager dans l'Europe des 28 (2018) - Taux de recyclage du verre au niveau européen (2017) - Economie d'énergie et d'émissions de carbone liée à l'incorporation de calcin - Tonnes de calcin externe utilisées par les sites - Taux d'utilisation du calcin externe dans la production
Eco-conception des produits	<ul style="list-style-type: none"> • Chapitre « Développer l'éco-conception pour des produits responsables » <p>Dont les résultats et indicateurs clés de performance :</p> <ul style="list-style-type: none"> - Nombre de bouteilles vendues des gammes Ecova et EGO - Part des gammes Ecova et EGO dans les ventes Groupe
Efficacité énergétique et empreinte carbone de nos opérations	<ul style="list-style-type: none"> • Chapitre « Améliorer l'efficacité énergétique et réduire nos émissions de CO₂ » <p>Dont les résultats et indicateurs clés de performance :</p> <ul style="list-style-type: none"> - Emissions de tonnes de CO₂ (scope 1 et scope 2) - Evolution des émissions de tonnes de CO₂ par tonne de verre produite (scope 1 et scope 2)
Optimiser l'utilisation	<ul style="list-style-type: none"> • Chapitre « Optimiser l'utilisation de l'eau et réduire les déchets »

de l'eau et réduire les déchets	<p>Dont les résultats et indicateurs clés de performance :</p> <ul style="list-style-type: none"> - Consommation d'eau par tonne de verre produite - Prélèvements totaux d'eau - Part des déchets recyclés - Quantité de déchets produits
Qualité de nos produits	<ul style="list-style-type: none"> • Chapitre « Viser l'excellence dans la qualité de nos produits » <p>Dont les résultats et indicateurs clés de performance :</p> <ul style="list-style-type: none"> - Pourcentage d'usines en France certifiées ISO 9001 et ISO 22 000 - Nombre d'audits techniques réalisés - Evolution des réclamations
Ethique des affaires	<ul style="list-style-type: none"> • Chapitre « Respecter les réglementations applicables et lutter contre la corruption » <p>Dont les résultats et indicateurs clés de performance :</p> <ul style="list-style-type: none"> - Part des nouveaux cadres embauchés dans l'année formés au programme conformité (comply et ABC) dans leur première année de travail au sein du Groupe
Achats Responsables	<ul style="list-style-type: none"> • Chapitre « Avoir des pratiques d'achats responsables »
Développement des communautés	<ul style="list-style-type: none"> • Chapitre « Contribuer au développement des communautés » <p>Dont les résultats et indicateurs clés de performance :</p> <ul style="list-style-type: none"> - Nombre d'arbres plantés - Emissions de carbone compensées volontairement

