



Sustainability report 2019

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PRESENTATION OF THE COMPANY

PRESENTATION OF THE COMPANY

The Benvic group was created in 2014 from the sale of the PVC Compounds activity of the Solvay group. We are a major player in the industry and we have been producing blends adapted to the needs of our customers for more than 50 years. Our experience and our multiple areas of expertise allow us to work on a wide variety of projects and markets. Over the past few years, we have implemented a new organization which strengthens our skills and promotes synergies between our various sites and activities.

Our markets:

We market our products in more than 60 countries, for various uses such as buildings, fluid transport, cables, electronics, technical profiles, packaging, food and automotive.

Our products:

We mainly produce 5 types of products: PVC compounds and premixes, flexible and rigid PVC, One Pack (PVC stabilizer), and alloys. We have recently expanded our product range by offering biopolymer-based solutions (Plantura range), TPE and Halogen Free (HFFR).

Our countries of operation:



Our plants:

-  → Chevigny-Saint-Sauveur
-  → EREPLAST Porcieu Amblagnieu (excluded from this report)
-  → Montornès del Vallès
-  → Ferrara
-  → MODENPLAST MEDICAL Ubersetto (excluded from this report)
-  → DUGDALE Sowerby Bridge (excluded from this report)
-  → Alfa PVC Witkowo



MESSAGE FROM THE CEO

The Benvic Group has for several years been engaged in a dynamic of transformation. This accelerated in 2019 with the acquisition of 3 companies: Ereplast, Modenplast Medical and Dugdale.

We therefore redefined our strategy at the beginning of the year and included an ESG (Environment, Social, Governance) pillar. A good example of this is our entry into the recycling market with the acquisition of Ereplast, which specializes in the recovery of plastic scrap. Another is the expansion of our product range with the Plantura bio-polymer range.

Our development strategy is in line with the values defined by the Group:

- team spirit
- commitment
- respect
- enthusiasm

Our values, as defined as ethical principles, represent moral obligations which each of us must commit to respect in order to act and answer the question: "What do I have to do to act responsibly?"

In order to demonstrate the strength of our commitment, we signed the UN Global Compact.



With this Global Compact, we commit to 10 key principles relating to human rights, working conditions, the environment and anti-corruption. The Compact also commits us to contributing to the advancement of the UN's Sustainable Development Goals (SDGs).

Luc Mertens, CEO



THE VALUE WE CREATE

FACILITIES INCLUDED IN THE SCOPE OF THIS REPORT ARE:

BENVIC CHEVIGNY-SAINT-SAUVEUR, BENVIC FERRARA, BENVIC MONTORNÈS DEL VALLÈS, ALFA PVC; HOLDING - BENVIC GROUP, BENVIC BE, BENVIC GER.

BENVIC'S MISSION

WE DEVELOP SUSTAINABLE OFFERS AND LASTING CUSTOMER RELATIONSHIPS FOR AN EXTENDED RANGE OF COMPOUNDS

THREE PILLARS

**BENVIC
Forever**

Sustainable gears

**BENVIC
More**

Innovative solutions

**BENVIC
Naturally**

Natural resources

STRONG RESOURCES

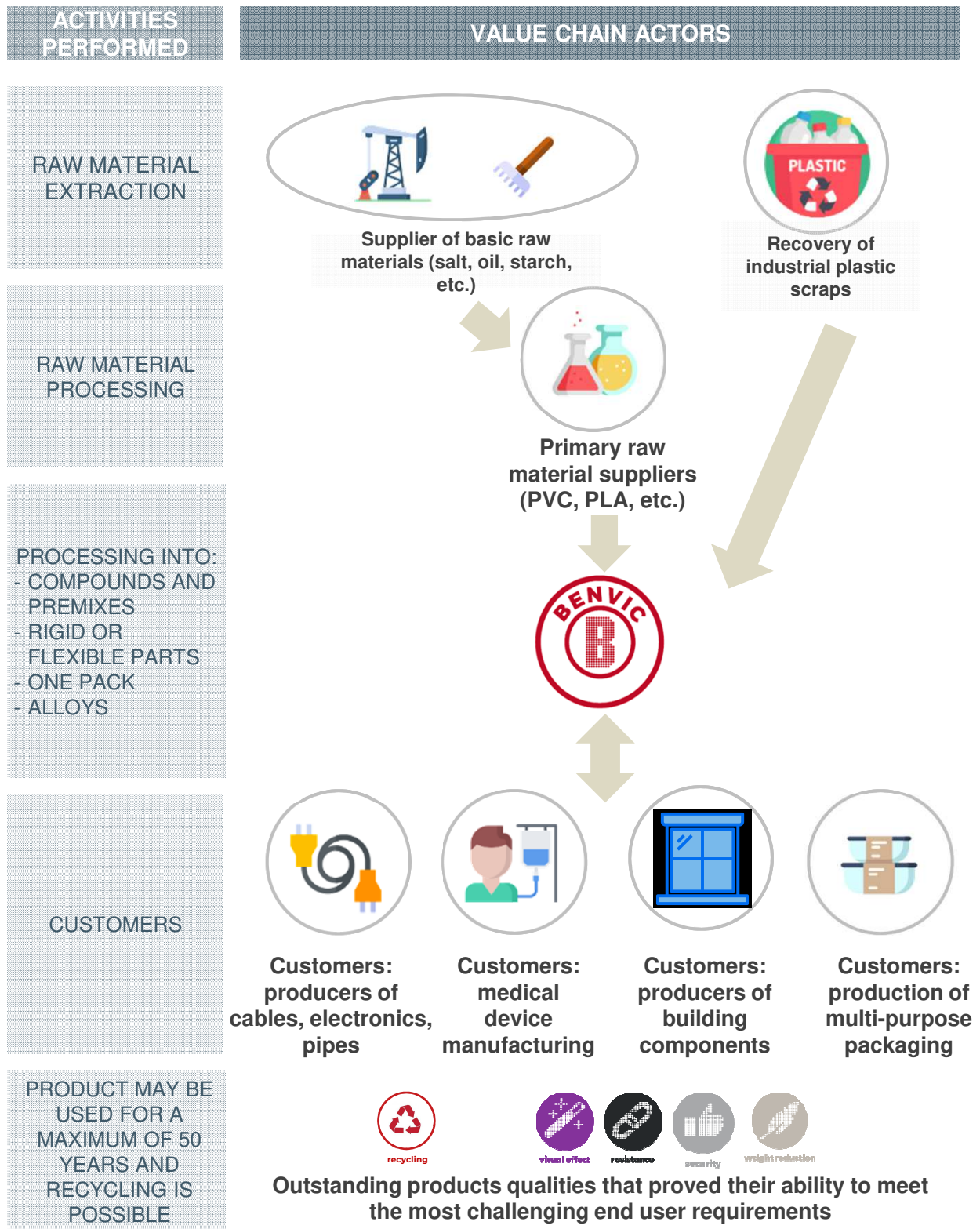
- €191m of Group sales
- €10.2m of investments
- Cutting-edge technologies for the production of PVC, particularly using recycling
- €3.1m spent on R&D
- 318 employees
- €1.0m spent on preventive HSE
- 43,507 MWh of energy consumed
- 9.6% of energy/operational cost
- 7,232m³ of water consumed
- 5 main suppliers of raw materials and a highly diversified portfolio of additives



... CREATING VALUE

- Rates of growth, sales and margins higher than the growth of the PVC market
- More than 2,000 formulations per year
- About thirty technical experts
- 99% of waste recycled internally
- 5,769 hours of training
- An absenteeism rate of 5.5%
- Voluntary turnover 2%
- 4 sites certified ISO 14001 (equivalent)
- 2 sites certified ISO 50001
- 0 environmental incidents
- 0,42 mt CO₂-eq emissions (scopes 1, 2 & 3)
- More than 90% of revenues in 2019 were generated from long-term customers

OUR VALUE CHAIN



PVC, A POLYMER WELL-ESTABLISHED IN ITS MARKETS

PVC

Our material, PVC (polyvinyl chloride) is a traditional thermoplastic polymer. What are its advantages among plastics?

It's the most carbon-efficient. It's one of the most resistant materials in the environment: used as a rigid material for the building industry, it's insensitive to UVs and humidity. It also no longer emits VOCs (volatile organic compounds) and has a high durability (up to 50 years).

What do we do?

We process polymer resins and additives into PVC in powder or granular form. We produce blends for both rigid and flexible PVC as well as one pack stabilizers for customers who produce their own PVC (rigid or flexible). Finally, we develop innovative alloys of PVC and other polymers in order to maintain and reinforce certain properties of PVC. Our service promise is to offer the following qualities: protection, insulation, food contact safety, resistance, weight reduction, quality of service, safety, visual effects and health use.

MAIN SECTOR CHALLENGES

The plastic crisis: expansion & criticism

Long before the current wave of plastic backlash, in the early 2000s, PVC was blamed by Greenpeace for the risks associated with additives and its close-to-zero recycling level. Many efforts have since been made by the sector in Europe, organised in particular around the sustainable development programme for the Vinyl 2010 sector and then Vinyl Plus.

PVC production compounds do not present major toxicity risks. On the other hand, some plasticising additives (if used) may present risks which end consumers are wary of.

Public awareness of environment issues

Awareness of the massive production of plastic (350 million tonnes in 2017) and in particular of single-use plastic (50% of the plastic produced) is making end consumers wary of the use of plastic in general.

The demand for products made from recycled materials is growing. In a context of promotion of the circular economy and pressure on recycling to meet targets, in France and Europe, PVC has only recently started to be recycled and its recycling rate remains marginal.

BENVIC'S POSITIONING TO ADDRESS THESE TRENDS

Eliminating substances of concern and producing bio-plastics

Benvic is strongly committed to provide its customers with long-lasting and safe solutions. Therefore, we have eliminated the use of lead and DEHP in our production and are careful to the additives used.

"Naturally" is the third pillar of our strategy: with the acquisition of Plantura at the end of 2018, Benvic now has the skills to produce biopolymers. The market for bio-based plastics is indeed dynamic and bio-based products are perceived as being more environmentally-friendly.

Producing multiple-use solutions and promoting recycling

What are our commitments? Recycling, reduction of energy consumption and greenhouse gas production. In addition, our products are not for single use.

With the acquisition of Ereplast in particular, Benvic has the skills to produce PVC from plastic production scrap.



OUR VISION FOR BENVIC

OUR STRATEGY

We redefined our strategy in 2019. It is based on 3 growth factors: consolidation of our positions in recycling and PVC innovations, development of new offers in our markets and, finally, geographic and business expansion to conquer new markets.

Our vision is guided by our 3 pillars: BENVIC Forever - Sustainable Gears, BENVIC More - Innovative Solutions and BENVIC Naturally - Natural Resources. Our acquisitions during the year are in line with these, as well as our medium-term projects: consolidation of industrial tools, recycling projects, marketing development for the Benvic Forever line, development of polymerization and a second polymer production line for the BENVIC More and Naturally line.

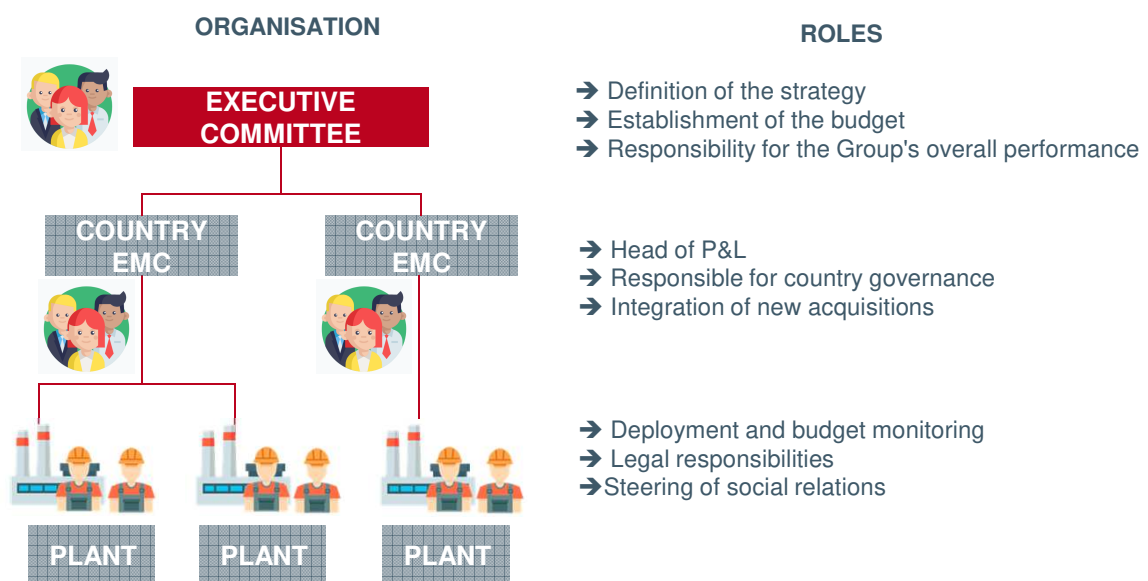
The year 2019 was devoted to: launching the strategy, defining roles for the Executive Committee, regional managers and plant managers, sharing the strategy via workshops and meetings in the plants, drawing up roadmaps for the integration of acquired companies and defining roadmaps for all functions.

This transformation is accompanied by a constant and unchanging commitment to exceptional B2B service and customer focus. Our teams, (particularly the sales teams) support our customers in the implementation of our solutions for their extrusion & injection equipment.

OUR GOVERNANCE

The Benvic Group is an SAS (simplified joint stock company), and our management system was adapted to better align with our vision and ambitions.

The Executive Committee steers the Group's progress under the direction of the CEO. It includes the financial and industrial functions, ESG, human resources, corporate communication, R&D and sales, in a cross-departmental manner. All members of the Executive Committee are partners of the SAS. Each of the 8 industrial sites has its own management committee.



OUR AMBITIONS

OUR AMBITION TO DEPLOY THE STRATEGY




Our ESG strategy is built around the concept of stakeholders, with 7 different parties involved. Benvic's ambition seeks to balance the interests of these stakeholders in a manner consistent with its values, ethical standards and commitments. In the short term, our ESG strategy will be deployed to all our entities (please note that our scope of work for 2019 ESG report does not include the most recent acquisitions*).

Please find below an assessment of our perception of maturity of the group on the theme according to an evaluation grid carried out by the group.

STAKEHOLDER	AMBITION	EVALUATION YEAR 2018	EVALUATION YEAR 2019
 CUSTOMERS <i>create lasting relationships with our customers</i>	Continue and strengthening our responsible offer	2 / 4	2 / 4
 EMPLOYEES <i>take care of our employees</i>	Support our employees in the transformation and implement the acquisition strategy	1.9 / 4	1.8 / 4
 PLANET <i>respect our planet</i>	Improve our environmental performance and carbon footprint	2.6 / 4	2.8 / 4
 INVESTORS <i>create value in an ethical manner</i>	Acquire companies with an ESG focus	1 / 4	1 / 4
 SUPPLIERS <i>promote sustainable procurement</i>	Formalise a responsible procurement policy	0.8 / 4	0.8 / 4
 COMMUNITIES <i>work with local communities</i>	Strengthen actions with local communities	1.9 / 4	1.9 / 4

- * Scope of the listing in 2019 and scope of the report: the plants with a full year in the group are Benvic Chevigny-Saint-Sauveur, Benvic Ferrara, Benvic Montornès del Vallès, ALFA PVC Witkowo.

...TRANSLATES INTO A QUANTITATIVE AMBITION

STAKEHOLDER	AMBITION 2023
 CUSTOMERS <i>creating lasting relationships with our customers</i>	2.5 / 4
 EMPLOYEES <i>take care of our employees</i>	2.5 / 4
 PLANET <i>respect our planet</i>	2.5 / 4
 INVESTORS <i>create value in an ethical manner</i>	3.5 / 4
 SUPPLIERS <i>promote sustainable procurement</i>	2 / 4
 COMMUNITIES <i>work with local communities</i>	2.5 / 4

OUR COMMITMENT TO THE SDGs

The Member States of the United Nations have established 17 Sustainable Development Goals - known as SDGs. They define 169 targets to be achieved collectively by 2030. What is the ambition? To eradicate poverty, protect the planet and ensure prosperity for all. As a signatory of the Global Compact, BENVIC is obliged to contribute to the achievement of these objectives. We have therefore identified the SDGs with which Benvic can offer the greatest potential impact. These are:



"By 2030 substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water, and soil pollution and contamination."



"Ensure sustainable consumption and production patterns by 2030."



"By 2030, achieve environmentally sound management of chemicals and all waste throughout their life cycle in accordance with internationally agreed guiding principles, and significantly reduce their release into air, water and land in order to minimize adverse effects on human health and the environment."



"By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse."

Why?

Today, plastics and polymers (including PVC) generate fears about the chemicals they may contain, their low level of recycling and their heavy use of non-renewable fossil resources. This is why we feel it is our duty to work on these aspects. In this report, the sections describing our actions contributing to the achievement of these objectives will be marked with a pictogram.



1.

CREATE LASTING RELATIONSHIPS WITH OUR CUSTOMERS



- 1.1 Integrate our ESG commitments into our customer relationships
- 1.2 Control product-related risks
- 1.3 Innovate by integrating the ESG aspect
- 1.4 Analyze and develop our markets, integrating the ESG aspect



1.1- INTEGRATE OUR ESG COMMITMENTS INTO OUR CUSTOMER RELATIONSHIPS



Our ambition

- Reduce the number of recurring complaints each year
- Have ourselves evaluated by an external organization to improve our excellence with regard to our customers

What this means for us

- Develop a collaborative ESG approach
- Inform consumers of product risks
- Respond to requests for information and complaints

WHAT PROGRESS HAVE WE MADE?

Collaborative ESG approach:

- Interaction with customers via ESG questionnaire to identify their ESG expectations

Consumer information:

- Update of product safety data sheets every 3 years

Respond to requests and complaints :

- Complaints and claims tracking system with study of results indicators and monitoring of the implementation of corrective action plans

WHAT WILL WE DO?

- Measure customer satisfaction with our ESG performance
- Create a group marketing department in 2020. This will contribute to the integration of ESG commitments into our customer relationships
- Structure responsible marketing principles (in line with responsible lobbying practice) to ensure that our communication is consistent and sincere

WHAT ARE WE DOING?

Our tools:

- CRM and other tools by entity
- Complaints procedures
- Service rate monitoring
- Customer survey

Sharing between plants allows us to develop our excellence vis-a-vis our customers.

OUR INDICATORS

- 85% of customers give a score of 7/10 or more to their overall impression of BENVIC*
- 80% declare that they recommend BENVIC to their colleagues (score greater than or equal to 7/10)*
- 3 areas for progress are identified by customers: delivery times, innovation and responsiveness*

** Source: BENVIC 2017 customer survey on a sample of 86 customers*

CUSTOMER EXAMPLE



We helped the customer Myral in the deployment of a "green" approach, with the introduction of recycled materials in all the materials used for the manufacture of its panels.

In 2019, we approved a material which contains 20% recycled PVC from joinery production scrap.

This material is the result of a new Benvic development and has exactly the same properties as the initial version of the PVC, which this customer is also using.



1.2- CONTROL PRODUCT-RELATED RISKS



Our ambition

- Deploy our regulatory compliance program at all our plants
- Substitute hazardous substances with less/non-hazardous alternatives

What this means for us

- Protect the health of our employees
- Provide our customers with safe and "sustainable" regulatory solutions

WHAT PROGRESS HAVE WE MADE?

Regulatory compliance:

- Inventory of all products used in our plants
- Analysis of Safety Data Sheets and updates

WHAT WILL WE DO?

- Deployment of the product compliance program throughout the Group
- Automation of installations in which products are used manually

WHAT ARE WE DOING?

Our tools:

- A regulatory compliance program, including an exhaustive inventory of the substances available in our plants and monitoring of the status their use

Our actions:

- Evaluation and/or measurement of chemical exposures during the different phases of the processes
- Implementation of substitution programmes to move towards less hazardous substances/processes
- Integration of chemical risk in the installation of new equipment in order to limit the teams' exposure to chemicals as much as possible

EXAMPLE IN A SUBSTANCE



- Since 2017, finalization of the substitution of lead stabilizers for solutions free of heavy metals
- Octyltin Stabilizer Substitution Program (substance listed in the *REACH Candidate List*)



1.3- INNOVATE BY INTEGRATING THE ESG ASPECT



Our ambition

- Continue to develop sustainable products by bringing added value to our customers

What this means for us

- Identify, select and manage product and process innovation projects by integrating the ESG aspect

WHAT PROGRESS HAVE WE MADE?

- Managing the portfolio of innovation projects, with a focus on projects that are impactful from an ESG standpoint

WHAT ARE WE DOING?

Our tools:

- Innovation management guidelines
- Business Innovation work

Our actions:

- Discussion of the results in the Business Innovation Steering Committee for resource allocation choices
- Review and approve the allocation of resources dedicated to innovation and to actions aimed at improving the environmental footprint of projects on an annual basis

OUR INDICATORS

- €3.1m spent on R&D

WHAT WILL WE DO?

- Structure our product range, integrating the specificities of the latest acquisitions
- Increase in tonnes of biopolymer products

EXAMPLE OF INNOVATION WITH A POSITIVE ESG IMPACT



Benvic has invested in the Plantura brand. This enables us to develop a range of biopolymer-based products. This range allows us to offer our customers a more extensive and biosourced range.

For Italian customers, Benvic also produces compression fitting compounds obtained by injection. The customers' injection process generates a significant quantity of scrap which they are unable to reintroduce into production. Our Italian plant collects the shredded scrap, then reformulates it with 30-50% virgin material to obtain a now-compliant compound for the production of standard-compliant fittings.



1.4- ANALYZE AND DEVELOP OUR MARKETS, INTEGRATING THE ESG ASPECT



Our ambition

- All our acquisitions have demonstrable ESG benefits
- Continue to demonstrate that our business is inherently "sustainable"

What this means for us

- Orienting our action plans to integrate ESG

WHAT PROGRESS HAVE WE MADE?

Growth strategy based on the following principles:

- Pursue a rational and sustained innovation
- Develop unique businesses
- Position the best interest of customers, partners and employees, at the centre of any strategic growth plan

WHAT ARE WE DOING?

Our tools:

- Innovation management guidelines
- Innovation projects
- Acquisition in areas with high ESG impact

Our actions:

- Analysis of all business innovation projects
- Discussion of the results in the Business Innovation steering committee
- Annual verification of the allocation of resources dedicated to innovation to actions aimed in particular at improving the environmental footprint of projects and processes
- External and internal growth strategy in activities related to sustainable activities

WHAT WILL WE DO?

- Integrate the marketing approach (product-oriented) into our management, with dedicated resources
- Continue our ESG strategy for all our countries of operation
- Pursue our external growth strategy by targeting acquisitions which respond to this factor
- Develop upstream the search for sources of material to be recycled directly at our customers' sites

EREPLAST EXAMPLE



In 2019, we acquired the French company Ereplast, which specialises in the production of PVC from industrial plastic scrap. Benvic will become more involved in the collection of scrap, enabling it to obtain materials for recycling and to move closer to the objectives of recycling and circular economy.

This will enable the Benvic Group to extend the PVC range based on recycled products.



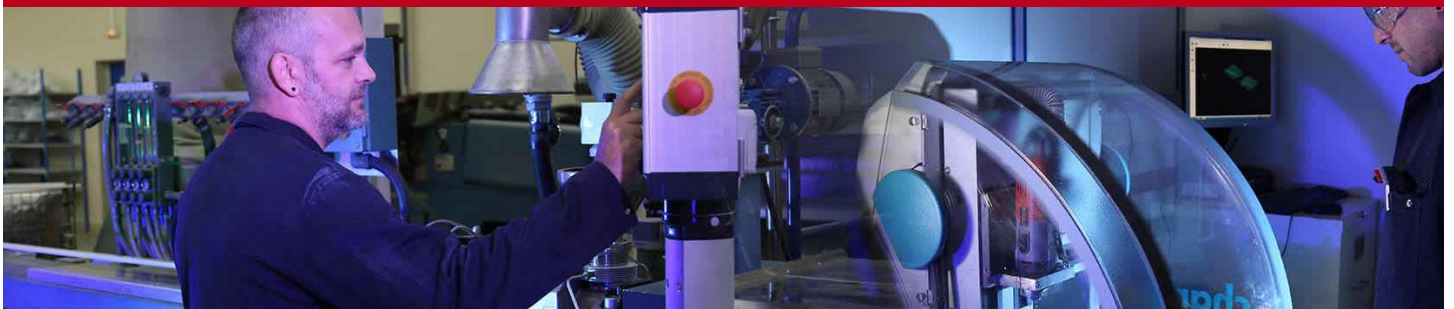


2.

TAKE CARE OF OUR EMPLOYEES



- 2.1** Ensure the health and safety of employees
- 2.2** Respect the fundamental human rights of employees and guarantee their social rights
- 2.3** Ensure quality social dialogue
- 2.4** Develop employability
- 2.5** Motivate employees



2.1- ENSURE THE HEALTH AND SAFETY OF EMPLOYEES



Our ambition

- Decrease the frequency rate of workplace accidents
- Reduce the severity rate of workplace accidents

What this means for us

- Control health risks
- Prevent workplace accidents

WHAT PROGRESS HAVE WE MADE?

Health risks:

- Conducting health risk assessments and systematic training for on-site personnel - including verification that training for subcontractors has been completed

Preventing workplace accidents:

- Reporting accidents of personnel present on site and conduct investigations to identify the causes
- Being implemented: the conducting of systematic corrective action plans and the communication of Health plans

WHAT ARE WE DOING?

Our tools:

- Accident and near miss reporting tool
- Cause tree performed at each accident with stoppage
- OHSAS 18001 management system
- HSE culture & behaviour programs at certain sites
- Standards for the HSE management of subcontractors

Our actions:

- Integration of safety in technical projects
- "Safety Induction" for all newcomers, whether temporary or permanent
- Integration of safety in all training courses at the workstation

OUR INDICATORS

- 1 accident with stoppage
- 323 days lost due to workplace accidents
- 43 declarations of near misses
- €1.0m in HSE preventive expenditure
- 85% of employees say they feel they work in a plant where safety is a priority*

** Source: employee satisfaction survey 2018 (share of respondents who strongly agree and somewhat agree)*

WHAT WILL WE DO?

- Implementation of behavioural safety programs
- Continued work on industrial excellence with a focus on the 5S's and the LEAN method
- Improvement of the documentation of the analyses and actions in place (maintenance, in particular)
- Implementation of an accident reporting system with information sharing between plants

EXAMPLE OF ACTION



A Safety Day was held in France in October 2019. This day was focused on raising awareness through workshops:

- Hazard Hunt
- Escape Game
- Ergonomics, energy, sleep nutrition - Addiction prevention

These groups were hosted by external and internal safety, health and wellness professionals.



2.2- RESPECT THE FUNDAMENTAL HUMAN RIGHTS OF EMPLOYEES AND GUARANTEE THEIR SOCIAL RIGHTS



Our ambition

- Stay vigilant regarding gender equality in equal positions
- Comply with regulations on the proportion of disabled employees on the sites

What this means for us

- Promote equal opportunities for all

WHAT PROGRESS HAVE WE MADE?

Various approaches according to the regulations:

- Mapping distribution of men/women
- Knowing employees with disabilities at certain sites
- Opening certain jobs internally to allow for internal mobility

WHAT WILL WE DO?

- Structure the Group's commitment to equal opportunities for all and to non-discrimination
- Continue to adapt machines for people with disabilities to enable them to remain in employment

WHAT ARE WE DOING?

Our tools:

- HR Files

Our actions:

- Follow-up of disabled personnel
- Assistance to employees to enable disabled status to be recognized
- Gender equality index by country
- Wage gap monitoring

EXAMPLE OF ACTION



Job definitions with an associated coefficient exist at several of our sites.

Each coefficient is used to determine a minimum wage which we are obliged to comply with.

This ensures equal treatment for each employee according to the job held and experience in that job.

OUR INDICATORS

- 12% of employees are women



2.3- ENSURE QUALITY SOCIAL DIALOGUE



Our ambition

- Strengthen the Group spirit, both among employees and their representatives

What this means for us

- Promote direct employee expression
- Respect employee representation rights

WHAT PROGRESS HAVE WE MADE?

Direct expression :

- Promotion of direct expression, including through regular team meetings

Employee representation rights:

- Involvement of employees in social dialogue beyond regulatory requirements, particularly in key decision-making processes
- Improvement of social dialogue through an annual assessment and presentation of future actions from an HSE perspective

- Communication to employee representatives of the information necessary for their activity
- Consultation with employee representatives for all major decisions, including HSE and working conditions

WHAT WILL WE DO?

- At the Group level, we must continue to share the information necessary for a good understanding of Benvic's strategy, especially in times of major changes for the Group, such as in 2019 (several acquisitions)

WHAT ARE WE DOING?

Our tools:

- Social climate survey: survey carried out at least every 3 years to solicit the opinion of Group employees
- Sharing of information in visual and communicative format on the subjects: customers, staff, products, processes, safety, BENVIC lines, etc.

Our actions:

- Implementation of a social board, at the Group level, with the main trade unions ("Group Committee", non-regulatory) in 2019
- Information meetings at each site to present its results and objectives, presenting the entity's KPIs in a visual manner
- Monthly team meetings to present the progress made by the sites and the Group in more detail

EXAMPLE OF ACTION



Once a year, the Italian staff is offered the opportunity to put questions in a box. The manager responds in a clear and transparent manner. This is organised to encourage direct exchanges.

In France, action plans related to social dialogue and annual reviews are presented and followed up at frequent meetings of the CSE and the body dedicated to safety.



2.4 - DEVELOP EMPLOYABILITY



Our ambition

- Keep voluntary turnover below 1%
- A training budget equal to 2% of the total payroll by 2023 in all sites

What this means for us

- Develop the skills of our employees
- Provide the necessary skills and the related management

WHAT PROGRESS HAVE WE MADE?

Skills development:

- Identifying available skills and defining action plans to meet the individual's needs & conducting performance appraisal interviews for all employees
- A regularly updated training plan, taking into account the needs of employees and the department

Skills management and related management:

- Workforce mapping
- Management training
- Mapping of all current skills and future needs

- Internal training courses during inductions
- Deployment of training plans

OUR INDICATORS

- 5,769 hours of training
- Nearly 1% of the payroll devoted to training
- Voluntary turnover 2%
- Absenteeism rate of 5.5%

WHAT WILL WE DO?

- Alignment of needs and skills mapping with the Group's strategy
- Working groups on recruitment at the Group level

WHAT ARE WE DOING?

Our tools:

- Job descriptions
- Periodic monitoring of the workforce
- HR Training Policy and HR Tools - HRMS
- Training materials
- ISO documentation
- Training indicators

Our actions:

- Definition of clear job descriptions for all managerial and most non-managerial functions
- Guidance in the plants

EXAMPLES OF ACTIONS



- An individualized training plan to adapt the company's needs to the individual in terms of technical and management training
- Implementation of coaching for managers (mostly from the field) to give them the tools to manage their colleagues



2.5 - MOTIVATE EMPLOYEES



Our ambition

- 100% of managers have individual ESG objectives by 2023

What this means for us

- Deploy objectives for all
- Promote improvement projects and feedback systems
- Compensate employees fairly
- Integrate ESG into compensation policy

WHAT PROGRESS HAVE WE MADE?

Objectives for everyone:

- Set objectives for everyone

Improvement projects and feedback of suggestions:

- Implementation of a procedure for employee feedback and the identification of improvements during ongoing managerial reviews

Fair remuneration:

- Communication of remuneration policy

WHAT ARE WE DOING?

Our tools:

- Team meetings
- Training plans and analysis tools
- Employee Satisfaction Survey

Our actions:

- Remuneration policies set by site are mainly linked to local obligations. Non-managerial teams do not currently have any objectives

OUR INDICATORS

- 78% of employees say they are satisfied with their responsibilities*
- 68% of employees report that they have sufficient training opportunities to progress in their work*

**Source: employee satisfaction survey 2018 (share of respondents who entirely agree and somewhat agree)*

WHAT WILL WE DO?

- Promote operational working groups, involve employees in projects
- Include ESG criteria in remuneration
- Work on the implementation of a bonus upon exit of the main shareholder to give visibility to employees in the event of a change of ownership
- Encourage suggestion feedback from employees

EXAMPLE OF ACTION



On the basis of the 2019 objectives, we implemented a new, more efficient HR management tool for monitoring interviews and executive compensation at Group level.



3.

RESPECT THE PLANET



- 3.1** Promote environmental management
- 3.2** Preserve natural resources
- 3.3** Limit our impact on the environment



3.1- PROMOTE ENVIRONMENTAL MANAGEMENT



Our ambition

- Maintain zero environmental incidents

What this means for us

- Deploy an environmental management system
- Raise awareness and engagement with our employees
- Comply with and anticipate regulations
- Track and manage incidents

WHAT PROGRESS HAVE WE MADE?

Environmental management system:

- Obtained ISO 14001 or equivalent certification and implemented a continuous improvement system in each plant

Awareness and involvement of the teams:

- Regular organization of information sessions on the environment

Regulations:

- Maintain corporate compliance

Incidents:

- Follow-up and analysis of environmental incidents and implementation of follow-up corrective action plans

OUR INDICATORS

- 0 environmental incidents
- 4 industrial sites certified ISO 14001 or equivalent
- 80% of employees say they feel they work in a plant where safety is a priority*

** Source: employee satisfaction survey 2018 (share of respondents who strongly agree and somewhat agree)*

WHAT WILL WE DO?

- Create key performance indicators related to environmental risk management
- Safety and Environment Managers' Day to exchange best practices, integrating the general objectives related to climate change

WHAT ARE WE DOING?

Our tools:

- HSE Behavioural Program
- Raising awareness on site through internal training or video on the risks

Our actions:

- ISO 14001 certification or equivalent
- Regulatory monitoring

EXAMPLE OF ACTION



Monthly meetings are held at most sites, where safety and the environment are discussed.



3.2- PRESERVE NATURAL RESOURCES



Our ambition

- Reduce our waste and consumption of water and energy

What this means for us

- Improve energy efficiency
- Optimize raw material consumption and reduce waste
- Reduce water consumption

WHAT PROGRESS HAVE WE MADE?

→ Energy efficiency:

- Monitoring energy consumption for Witkowo
- Monitoring fuel consumption and identifying areas for improvement for Chevigny
- Implementation of the best energy efficiency techniques for Ferrara and Montornès del Vallès

→ Raw materials and waste:

- Monitoring of raw material consumption and waste production
- Deployment of waste reduction plans and implementation of the best techniques in terms of material consumption at all sites

→ Water consumption:

- Monitoring of water consumption, definition and deployment of action plans

WHAT ARE WE DOING?

Our tools:

- Methodology for reporting energy consumption
- Energy efficiency documentation
- ISO 50001 manuals

OUR INDICATORS

- 283kW of energy consumed per tonne produced
- Ratio of energy cost/operating cost: 9.6%
- 2 sites certified ISO 50001
- 0.05m³ of water consumed per tonne produced

WHAT WILL WE DO?

- Deployment of action plans on the optimization of raw materials and waste production

EXAMPLES OF ACTIONS



- ISO 50001 certification for Montornès del Vallès and the Chevigny-Saint-Sauveur site since 2019
- HSE Capex is identified and performed each year. For example, in Italy, LED bulbs were installed to reduce energy consumption
- Acquisition in Italy of Plantura, dedicated to the production of polymers from renewable sources and reducing dependence on fossil fuel supplies



3.3 - LIMIT OUR IMPACT ON THE ENVIRONMENT



Our ambition

- Effectively measure our carbon footprint to identify areas for improvement
- Comply with a 2°C strategy in line with the Paris Agreement

What this means for us

- Set science-based targets in line with the Paris Agreement
- Reduce emission of greenhouse gases (GHG)
- Reduce the impact of industrial processes on air, water and soil

WHAT PROGRESS HAVE WE MADE?

Greenhouse Gases:

- Identification of the main greenhouse gas producers, completed for all sites
- 1st calculation of our carbon footprint for the year 2019

Air, water and soil pollution:

- Measurement of environmental impacts

WHAT WILL WE DO?

- Annual measurement of Scope 1 and 2 emissions at all our sites and identification of key Scope 3 emitters
- Implement an action plan to reduce the carbon footprint

WHAT ARE WE DOING?

Our tools:

- Emissions reduction and compliance
- Environmental mapping
- ISO 14001 manuals

Our actions:

- ISO 14001 certification of all our industrial sites

EXAMPLES OF ACTIONS



At our site in Spain, we decided to convert a fleet of ten diesel-powered forklifts into electric forklifts. We thereby reduced diesel consumption from 14,800 litres in 2018 to 3,274 litres in 2019.

We deployed a video conferencing system in all our plants (including those recently acquired) to facilitate exchanges and limit travel.

In 2019, we changed the extrusion machines for more energy-efficient models, particularly at our Polish site. We also introduced a system for monitoring energy consumption.

OUR INDICATORS

- 8,134t CO2 eq. scope 1 & 2
- 415,759t eq. CO2 scope 3
- 2,2t eq. CO2 all scopes per k € of turnover





4.

CREATE VALUE TOGETHER WITH INVESTORS



- 4.1 Perform risk management
- 4.2 Ensure good management and governance
- 4.3 Communicate ethically and transparently



4.1- PERFORM RISK MANAGEMENT

Our ambition

- Have a complete and agile risk management system

What this means for us

- Manage risks globally and take risk management into account in decision making

WHAT PROGRESS HAVE WE MADE?

- Development and implementation of a risk management policy, processes and tools

WHAT ARE WE DOING?

Our tools:

- Methodology for identifying, assessing and prioritizing risks

Our actions:

- Implementation of a process for identifying, quantifying, assessing and prioritizing risks
- Implementation of risk management tools
- Internal control objectives and processes

WHAT WILL WE DO?

- Global risks management at group level through:
 - Periodic monitoring of risks
 - Develop a risk identification approach. Once identified, risks are shared and progress plans are proposed

4.2- ENSURE GOOD MANAGEMENT AND GOVERNANCE



Our ambition

- Market leader in governance

What this means for us

- Develop responsible practices and behaviours
- Promote good governance

WHAT PROGRESS HAVE WE MADE?

Good governance:

- Adoption of a governance framework which is recognized by the markets

WHAT ARE WE DOING?

Responsible practices and behaviour:

- The Group's governance practices are currently being defined and disseminated. They are driven by the way we operate

Our tools:

- Ethical charter incorporating the Group's values

Our actions:

- Drafting of an ESG charter reiterating the group's values
- Calendar of Executive Committee and Strategy Committee meetings

WHAT WILL WE DO?

- Recruitment of a person to manage integration at Group level. This investment will enable us to structure an integration manual for the Group

4.3 - COMMUNICATE ETHICALLY AND TRANSPARENTLY



Our ambition

- Structure our internal and external communication

What this means for us

- Develop a communication process for all significant events

WHAT PROGRESS HAVE WE MADE?

- Identification of market and stakeholder expectations in communication

WHAT ARE WE DOING?

Our actions:

- Stakeholder mapping

OUR INDICATORS

- 48% of employees state that there is communication and exchange between the various departments in the plant*

** Source: employee satisfaction survey 2018 (share of respondents who strongly agree and somewhat agree)*

WHAT WILL WE DO?

- Communicate internally on a regular basis
- In the longer term, evaluate the effectiveness of communications to improve them

EXAMPLES OF ACTIONS

- Externally: structured and regular communication to financial partners
- Internally: a seminar organised in October 2019 to explain the Group's growth strategy and outlook, including the presentation of ESG guidelines. Following the seminar, each plant representative was responsible for communicating the Group's growth strategy while integrating the ESG aspect
- Mixed: Benvic Group's first ESG report on 2019 actions





5.

PROMOTE RESPONSIBLE PROCUREMENT WITH OUR SUPPLIERS



- 5.1** Promote responsible business ethics
- 5.2** Define a supplier standard
- 5.3** Assess the ESG performance of buyers
- 5.4** Manage and evaluate suppliers' ESG performance, optimize relationships



5.1- PROMOTE RESPONSIBLE BUSINESS ETHICS



Our ambition

- Zero cases of proven corruption

What this means for us

- As a company under French law, set up an anti-corruption programme following the recommendations of the Sapin 2 law
- Comply with the GDPR in all our subsidiaries

Anti-corruption and tax compliance

We did not include anti-corruption and business ethics in our first ESG assessment performed in 2019. The first steps will consist of carrying out a review of practices in order to identify the main projects to be implemented.

We aim to follow the 8 measures required by the Sapin law and we anticipate that one of the first projects will be the updating of the ethics charter to include business ethics issues - anti-corruption, but also competition, fiscal transparency, transparency on lobbying in particular - as well as the implementation of a gifts procedure.

We did not set up a tax compliance policy as such. On the other hand, the Group complies with the international tax standards of the OECD and the country-by-country tax reporting obligation with respect to transfer pricing.

The Group's activities generate various types of taxes in the countries in which it operates. The Group is committed to ensuring that its subsidiaries in all countries comply with all local laws in force with regard to taxation.

Protection of personal data

WHAT PROGRESS HAVE WE MADE?

- Maturity diagnostic in the protection of personal data and definition of an action plan

WHAT ARE WE DOING?

Our actions:

- Appointment of a DPO - Data Protection Officer
- 2018 inventory of the company's maturity in relation to the requirements of the GDPR from an organizational and technical point of view
- Mapping of the company's information systems
- Mapping of available personal data by processing, by function
- Definition of priority actions to be taken to achieve compliance, and a roadmap

WHAT WILL WE DO?

- Monitor the data processing register
- Encrypt personal data
- Review subcontracts
- Raise employees' awareness to GDPR issues

5.2- DEFINE A SUPPLIER STANDARD

Our ambition

- By 2023, select all our critical suppliers taking ESG criteria into account

What this means for us

- Define prerequisites for suppliers and select them accordingly

5.3- ASSESS THE ESG PERFORMANCE OF BUYERS



Our ambition

- Train 100% of our buyers by 2023

What this means for us

- Train and evaluate our buyers

WHAT PROGRESS HAVE WE MADE?

Being defined and formalized: critical ESG prerequisites in the supplier selection process

WHAT PROGRESS HAVE WE MADE?

Training of buyers in ESG standards required for / by suppliers, and integration of ESG into their mission statement

WHAT ARE WE DOING?

We have successfully managed to build long-standing partnerships with major raw materials suppliers, resulting in long-term outline contracts. For other suppliers (excluding raw materials), we draw up specifications and use several suppliers.

WHAT ARE WE DOING?

Our tools:

- Annual evaluation of buyers (as for other employees)
- Audit of expense reports

WHAT WILL WE DO?

- Develop a responsible purchasing policy
- Evaluate the suppliers of raw materials, according to our responsible purchasing policy, which represent 80% of the turnover
- Define standards for the selection of suppliers

WHAT WILL WE DO?

- Train buyers in the concept of responsible purchasing, familiarize them with the responsible purchasing policy and the code of business conduct
- Ensure that ESG standards are respected in the activity and take them into account when evaluating the performance of buyers



5.4 MANAGE AND EVALUATE SUPPLIERS' ESG PERFORMANCE, OPTIMIZE RELATIONSHIPS



Our ambition

- Develop, through partnerships, value-added ESG projects with our suppliers

What this means for us

- Manage and evaluate suppliers' ESG performance
- Develop partnerships for innovation
- Ensure balanced relationships with suppliers

WHAT PROGRESS HAVE WE MADE?

Supplier performance management:

- Formalizing the supplier evaluation process

Partnerships for innovation:

- Identification of innovation partners with an ESG aspect
- Ongoing integration of ESG impact in the selection of innovation projects

Balanced relationships with suppliers:

- Being established: a supplier satisfaction questionnaire

WHAT ARE WE DOING?

Our tools:

- Supplier complaints tracking tool
- Supplier performance evaluation grid
- Supplier satisfaction questionnaire

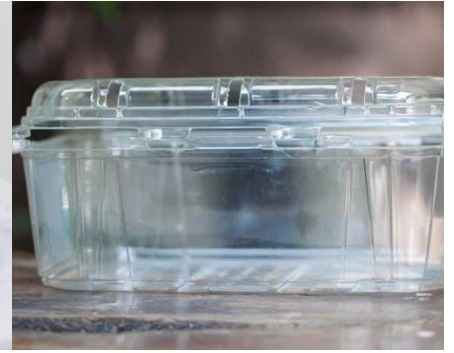
Our actions:

- List of key suppliers and suppliers who can be partners in ESG innovation
- Monthly exchanges with suppliers on contract monitoring

WHAT WILL WE DO?

- Establish a structured supplier evaluation model
- Evaluate suppliers, starting with an annual audit of a few (2 to 3) strategic suppliers
- Integrate purchases (other than raw materials) into the evaluation of suppliers in the long term





6.

WORK WITH LOCAL COMMUNITIES



6.1 Ensure the integration of entities on their territory

6.2 Manage industrial risks linked to the presence of entities in their territories



6.1 – IMPROVE COMMUNITY ENGAGEMENT FOR EACH SITE



Our ambition

- Participation of all our sites in local projects

What this means for us

- Develop relationships with local stakeholders
- Contribute to local development

WHAT PROGRESS HAVE WE MADE?

Relationships with local stakeholders:

- Stakeholder mapping for all sites
- Participation in local initiatives for all sites

WHAT ARE WE DOING?

Our tools:

- Stakeholder action plan
- Questionnaire for local communities

Our actions:

- Visits of students and teachers in our companies
- Reception of trainees or staff and deployment on the territory
- Meeting with stakeholders to explain our business and how we manage our plants

WHAT WILL WE DO?

- Increase communication with stakeholders and develop collaborative approaches
- Ultimately, on all sites: local ecosystem and stakeholder satisfaction measurement
- Define and implement a local development roadmap

EXAMPLES OF ACTIONS



When the new line dedicated to new polymers was installed, we redeveloped the old Vinyloop site and redeployed part of the staff. It was an opportunity for Benvic and the local community to gain a revived site and employees maintained in employment in the local area.

In Montornès, Benvic contributes to the "Municipal Activity Plan" which is propelled by the local authorities. These objectives are the following:

- Propose a public transport offer compatible with the needs of local businesses
- Improve recruitment management between the candidates of the city council's job centre and the hiring needs of companies.

OUR INDICATORS

- €11,000 was invested in philanthropic projects



6.2 - MANAGE INDUSTRIAL RISKS LINKED TO THE PRESENCE OF ENTITIES IN THEIR TERRITORIES



Our ambition

- 100% of our sites have developed appropriate action plans in conjunction with local stakeholders in order to manage industrial risks

What this means for us

- Identify and assess risks
- Control risks to communities
- Prepare for emergencies

WHAT PROGRESS HAVE WE MADE?

Identification of risks:

- Gathering the information needed for the assessment and initial identification & evaluation of risks to communities

Control of the main risks

Emergency situations:

- Minimum emergency preparedness for all sites
- Definition of scenarios for possible emergencies and associated procedures

WHAT ARE WE DOING?

Our tools:

- Standards for the preparation of safety systems and definition of risk levels
- Crisis communication tools in some plants
- Emergency procedure in our plants with the contact persons in the event of risks

Our actions:

- Annual evacuation drills at all sites
- Special care is taken to help neighbours who have questions about our activities and the possible risks associated with them

OUR INDICATORS

- 100% of sites conducted evacuation drills in 2019

WHAT WILL WE DO?

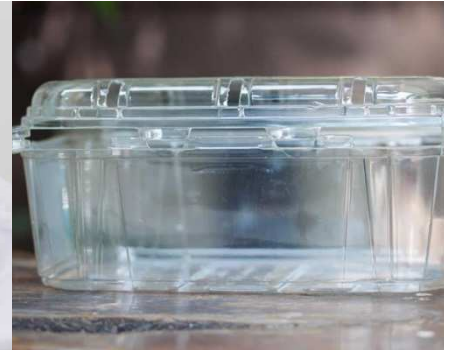
- Analyse the industrial risks for each site
- Set up scenario and procedures to deal with all major risks by involving stakeholders
- Develop a crisis management tool at Group level and also locally if it has not yet been formalized

EXAMPLES OF ACTIONS



Real-life exercise with evacuation of employees and participation of the fire brigade. This allows us to measure the efficiency of our process and to better organize ourselves with regard to our local environment.

In 2019, the Spanish site experienced a major operation of the fire brigade following a fire at a company near Benvic. The operations command post was located at Benvic, who was commended by the authorities for their assistance and involvement in the management of this crisis.



7.

INDICATORS AND CORRESPONDENCE TABLES



7.1 Methodological note

7.2 Correspondence table with Global Compact commitments

7.3 Global Reporting Initiative Correspondence Table



METHODOLOGICAL NOTE & GLOBAL COMPACT CORRESPONDENCE

7.1 - METHODOLOGICAL NOTE

Quantitative reporting covers the Chevigny, Montornes del Vallès, Ferrara and Witkowo sites.

7.2 - GLOBAL COMPACT CORRESPONDENCE

This report serves as a progress communication for our progress on the Global Compact.

PRINCIPLES		SECTION
	Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights.	<ul style="list-style-type: none"> Analyze and develop our markets, while integrating ESG - section 1.4 Respect the fundamental human rights of employees and guarantee their social rights – section 2.2
	Principle 2: Businesses should make sure that they are not complicit in human rights abuses.	<ul style="list-style-type: none"> Define a minimum standard and integrate it into the supplier selection process - section 5.2 Manage and evaluate suppliers' ESG performance, optimise relationships – section 5.3
	Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	<ul style="list-style-type: none"> Ensure high-quality social dialogue – section 2.3
	Principle 4: Businesses should uphold the elimination of all forms of forced and compulsory labour.	<ul style="list-style-type: none"> Respect the fundamental human rights of employees and guarantee their social rights - section 2.2
	Principle 5: Businesses should uphold the effective abolition of child labour.	<ul style="list-style-type: none"> Define a minimum standard and integrate it into the supplier selection process - section 5.2 Manage and evaluate suppliers' ESG performance, optimise relationships - section 5.3
	Principle 6: Businesses should uphold the elimination of discrimination in respect of employment and occupation.	<ul style="list-style-type: none"> Respect the fundamental human rights of employees and guarantee their social rights – section 2.2
	Principle 7: Businesses should support a precautionary approach to environmental challenges.	<ul style="list-style-type: none"> Limit our impact on the environment – section 3.3
	Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility.	<ul style="list-style-type: none"> Promote environmental management – section 3.1 Conserve natural resources - section 3.2
	Principle 9: Businesses should encourage the development and diffusion of environmentally-friendly technologies	<ul style="list-style-type: none"> Innovate by integrating the ESG aspect – section 1.3
	Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.	<ul style="list-style-type: none"> Promote responsible business ethics - section 5.1

7.3 - GRI CORRESPONDENCE TABLE

In order to demonstrate the robustness of our commitment, we have drawn up a correspondence table between the requirements of the GRI CORE standard and our reporting.

No.	INDICATOR	CORRESP.	SECTION
GENERAL ELEMENTS			
102-1	Name of the organization		
102-2	Activities, brands, products and services: description of the organization's activities, brands, products and services		
102-3	Location of company headquarters		
102-4	Location of operations: number of countries in which the organization operates, where significant operations are located or which are significant for the purposes of this report		
102-5	Type of ownership and legal structure		
102-6	Markets served: geographic locations of markets, sectors served, types of customers and users/consumers		
102-7	Size of organization: number of employees, operational information, sales, capitalization and product sales		
102-8	Information concerning employees and other workers: employees by type of contract (permanent/fixed-term), gender, region, full-time/part-time and if a significant part of the activity is carried out by persons who are not employed by the company		
102-9	Supply chain: including its main structure for activities, brands, products and services		
102-10	Significant changes in the size of the organization, its structure, ownership or supply chain (change in the location of operations or main suppliers or in the capital structure)		
102-11	The precautionary principle approach		
102-12	External initiatives (list of CSR charters, principles or other initiatives to which the company adheres)		
102-12	External initiatives (list of CSR charters, principles or other initiatives to which the company adheres)		
102-13	Membership in associations (list of memberships in international industrial or other associations or organisations integrating CSR issues)		
102-14	Statement by the manager (CEO, Executive Committee, Management Committee or Executive Committee) about the interest of CSR for the organisation and the strategy developed		
102-16	Values, principles, standards and behavioural norms		
102-18	Governance structure: including the highest governance committees and their CSR responsibilities		
ECONOMIC			
201-1	Economic performance - Direct economic value generated and distributed	Partial	
205	Anti-corruption - Indicators to be chosen once the process is actually underway	Absent	
ENVIRONMENTAL			
301-1	Materials - Materials used by weight or volume	Partial	
302-1	Energy - Energy consumption in the organization	Complete	
302-3	Energy - Energy intensity	Complete	
303-5	Water - Water consumption	Complete	
305-1	Emissions - Scope 1 GHG emissions	Complete	
305-2	emissions - Scope 2 GHG emissions	Complete	
306-2	Waste and Effluents - Waste by type and processing	Partial	
307-1	Environmental compliance - Environmental non-compliance	Complete	
308	Environmental assessment of suppliers - Indicators to be chosen once the process is actually underway	Absent	
SOCIAL			
401-1	Employment - Recruitment and turnover	Partial	
403-9	Occupational health and safety - Number of workplace accidents	Complete	
401-1	Training and education - Average number of hours worked	Complete	
405-2	Diversity and equal opportunities - Base salary ratio and gender pay gap	Partial	
407	Freedom of association and collective bargaining - Operations and suppliers where freedom of association and collective bargaining may be at risk	Partial	
413-1	Local communities - Operations with local community engagement, impact assessments and development programmes	Partial	
414	Social assessment of suppliers - Indicators to be chosen once the process is actually underway	Absent	
416-1	Consumer health and safety - Assessment of the health and safety impacts of products and services	Partial	