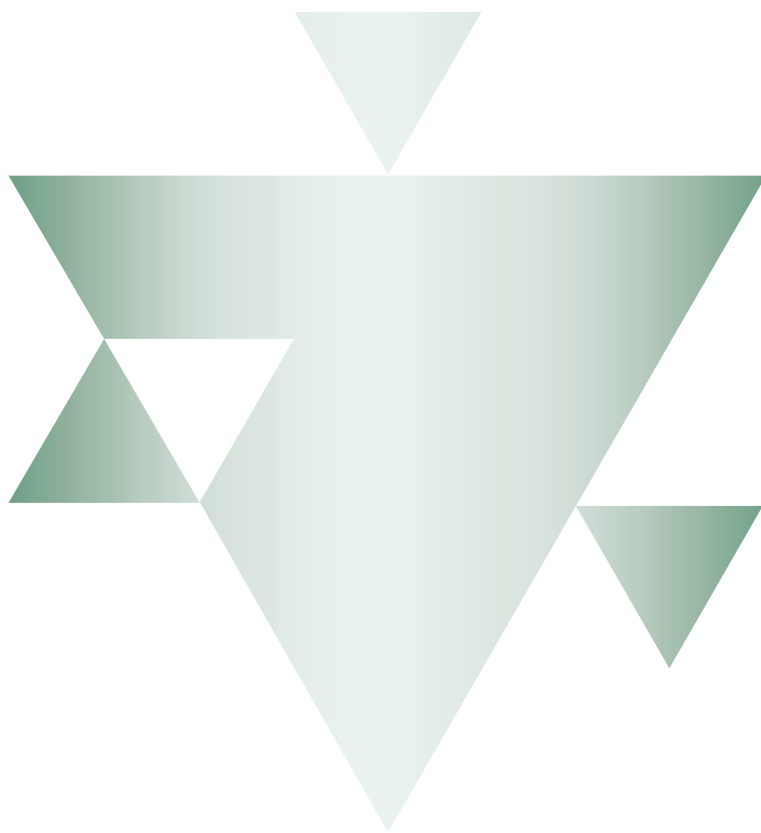


VERESCENCE



SUSTAINABILITY REPORT  
2020-2021

04 **Editorial**

06 **About Verescence**

Key figures  
Activities  
Locations

10 **Our corporate project**

Verescence 2022

12 **Our path to sustainability**

14 **Three-pillar CSR strategy**

16 **Governance & sustainable performance system**

20 **Value chain**

22 **Our CSR issues**

24 **People First**

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

36 **Act for Society**

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

48 **Eco Solutions**

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

62 **Appendices**

CSR dashboard and objectives  
Methodology note  
CSR initiatives 2020-2021  
Equivalence tables (GRI and Global Compact)  
Independent Third Party Report (KPMG)

# EDITORIAL

**The year 2020 has further emphasized the imperative of sustainable development. In response to this profound change, Verescence has implemented numerous projects, maintained its CSR\* investments and structured an even more ambitious roadmap. Our CSR strategy "Glass Made to Last", based on the pillars People First, Act for Society & Eco Solutions, is the backbone of our actions and ambitions.**

For Verescence, the Act for Society pillar requires a local industrial base to reduce emissions linked to the transport of our products and to offer short and agile supply chains. Verescence was lacking an industrial presence in Asia, which has now been corrected with the acquisition of the South Korean glassmaker Pacificglas. Pacificglas, which became Verescence Pacific, is the Asian co-leader in the manufacture of glass bottles and jars for the premium cosmetics industry. We want to make Verescence Pacific the Asian leader in serving Asia's leading cosmetic brands and a preferred partner for our international customers who want to eco-innovate and produce locally.

2020 was a difficult year for the women and men of Verescence. Nevertheless, the teams remained mobilized around our strategic plan "Verescence 2022 - Forming The Future", while putting in place a robust health protocol to continue working safely. These are the key points of our People First pillar, a common culture and a clear, shared strategy. We have continued to work successfully on this very

important pillar, but have also been able to adapt it by integrating new dimensions such as teleworking, e-learning, more agile and efficient management, more multi-skills, and added value in the workstations.

We want Verescence to be a stronger company post-COVID-19, which translates into an acceleration of our CSR strategy and even more ambitious commitments for the years to come. This is what we present in detail in this report. To list just a few here:

- Our adherence to the Science Based Targets initiative (SBTi) and the elaboration of a detailed roadmap enabling us to reduce our scope 1 & 2 emissions by 30% by 2030, and aim for carbon neutrality by 2050;
- Our participation in structuring R&D projects for the glass industry: Furnace for the Future at the



European level and Vercane at the French level. The goal is to design new generations of glass furnaces with emissions reduced by 60 to 80%;

- Our efforts to reduce water consumption, which have resulted in a 49% decrease since 2016, should bring us closer to the concept of a "dry plant" by 2025;
- The launch of a new post-consumer recycled glass (PCR) composition, Verre Infini® 20, which will complement Verre Infini® 40 and will be manufactured in France, Spain, and the United States by the end of 2021.

This fourth sustainability report highlights our Sustainable Performance System and our desire to further embed our CSR approach in our processes. The many local initiatives and the commitment of all our teams allow for continuous progress of our indicators. To meet the climate change challenge, we will have to implement structural transformations. But by making progress together every day, we will achieve our ambitious goals.

■ **THOMAS RIOU**, Chief Executive Officer

We want Verescence to be a stronger company post-COVID-19, which translates into an acceleration of our CSR strategy and even more ambitious commitments for the years to come.

THOMAS RIOU

# ABOUT VERESCENCE

Verescence is the world leader in luxury bottles. For more than 120 years, we have been manufacturing and decorating high-end glass bottles and jars for the biggest brands in the perfume and cosmetics industry. At the cutting edge of innovation, our seven plants in France, Spain, the United States and South Korea allow us to produce as close as possible to our customers. Passionate about our business, we push beyond the limits of our historical know-how to provide high-quality, innovative and environmentally-friendly solutions.

MADE OF GLASS AND PASSION.

 **NO 1** IN LUXURY  
GLASS BOTTLE MANUFACTURING

ANNUAL PRODUCTION  
CAPACITY  
 **600 MILLION  
BOTTLES**

**€321 M**  
TURNOVER  
IN 2020

 **2,340**  
EMPLOYEES  
WORLDWIDE

**7** 

 **100%**  
OF OUR SITES  
ISO CERTIFIED

**PRODUCTION  
SITES AROUND  
THE WORLD**  
GLASS & DECORATION

QUALITY : ISO 9001, ISO 22716,  
ISO 17025 (INSULATORS)  
ENVIRONMENT: ISO 14001  
HEALTH AND SAFETY: ISO 45001  
ENERGY: ISO 50001 (MERS-LES-BAINS)  
PHARMACY: ISO 15378 (ABBEVILLE)

FRANCE | SPAIN  
USA | SOUTH KOREA

**Top 1%** OF THE WORLD'S MOST ADVANCED COMPANIES IN TERMS  
OF CSR ACCORDING TO THE 2020 ECOVADIS ASSESSMENT  
**PLATINUM MEDAL**

All over the world, we use our expertise in the beauty and insulator markets.

PERFUME AND BEAUTY



Experts in both the glass and finishing trades, we develop bottles and jars that meet the requirements of the biggest names in the beauty world. Seven manufacturing sites for glass and finishing, established in France, Spain, the United States and South Korea, can produce more than 600 million bottles per year.

INSULATORS



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



- FRANCE - Mers-les-bains
- SPAIN - La Granja
- USA - Covington
- SOUTH KOREA - Janghang



- FRANCE - Abbeville & Ecouché
- SPAIN - La Granja
- USA - Sparta
- SOUTH KOREA - Janghang



- FRANCE - Paris
- SPAIN - Barcelona
- USA - New York
- SOUTH KOREA - Janghang
- BRAZIL - São Paulo

# OUR STRATEGIC PLAN

For the past two years, the Verescence 2022 - Forming the Future strategic plan has guided Verescence's strategy. Structured in five pillars centered around sustainability, it aims to make our group the world reference in the sustainable beauty market, with the following key points:

- CSR: energy efficiency and increasing the skills of our employees;
- Industrial performance with investments in automation and digitalization;
- Innovation and the winning of new territories.

Despite the COVID-19 crisis, we stayed the course in 2020, with notable advances including joining the Science Based Targets initiative (SBTi), modernizing our production lines, and strengthening our global presence in Asia and Brazil.

## Customer excellence

- OTIF 94.8%
- Consolidation of the fast track offer (delivery time of 4 weeks for Gold references)
- Simplification of flows to reduce industrial lead time
- Customer complaint rate of 0.57%
- Generalization of digital tools to facilitate remote communication with our customers and accelerate time-to-market

## Competitiveness

- Acceleration of investments to adapt our industrial facilities to the skincare market (dedicated cosmetic lines, control and the latest generation of vacuum blowing

equipment)

- Strengthening and better valorization of our local know-how and ecosystem (example: Made in France)
- Improving the industrial performance at all our sites
- New savings plans to gain agility and reduce our fixed costs

## People First

- The priority: protection of our employees in the context of a health crisis
- TF1: 3.19
- Improvement of working conditions at all our sites (5S, ergonomist, cobots, etc.)
- Progress in hiring young female engineers

## One Verescence

- Continuation of international management training
- Accelerated deployment of e-learning
- Group-wide standardized performance monitoring system
- Alignment of strategy and CSR actions within the Group's various regions

## New territories

- Acquisition of Pacificglas in South Korea
- Eco-design: launch of Verre Infini® 20
- Opening of a sales office in Brazil

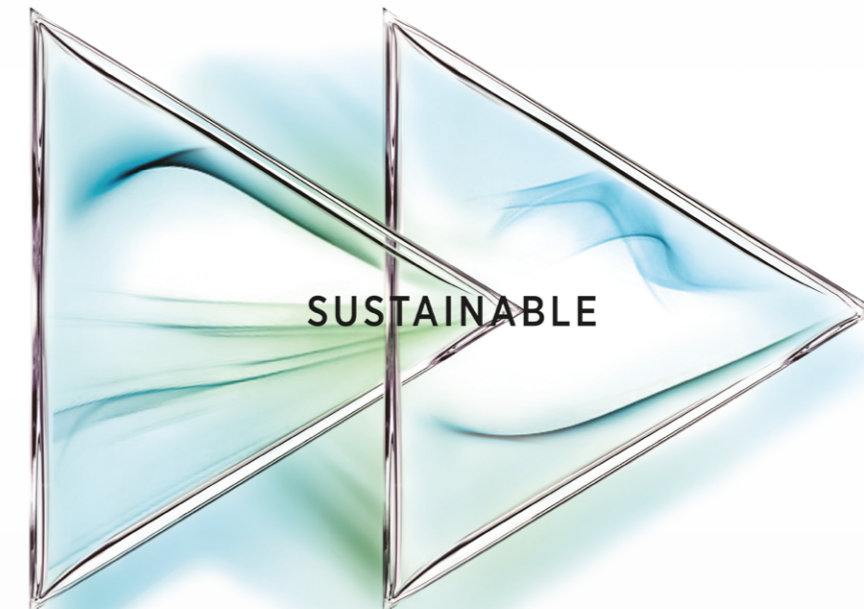
VERESCENCE

2022

FORMING THE FUTURE

CUSTOMER EXCELLENCE

COMPETITIVENESS



NEW TERRITORIES

PEOPLE FIRST

ONE VERESCENCE

To become the global reference in the sustainable beauty industry.



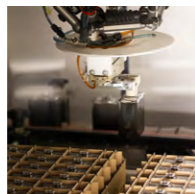
# OUR PATH TO SUSTAINABILITY

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



2008

Launch of the TOP 2012 plan to improve quality and service



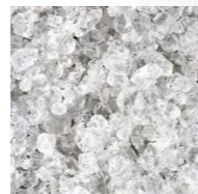
2010

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



2012

Development of Verre Infini® 40, the first premium glass made from 40% post-consumer recycled (PCR) glass



2014

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



2016

– Signing of the United Nations Global Compact  
– Implementation of the Glass Made to Last CSR approach  
– Reconstruction of Furnace 1 in La Granja with reduced CO<sub>2</sub> emissions and energy consumption



2018

– Verescence joins the Science Based Targets initiative (SBTi)  
– Verescence joins the "VERCANE" and "Furnace for the Future" projects aimed at decarbonizing the glass sector  
– Platinum EcoVadis medal for the Group and all of its sites



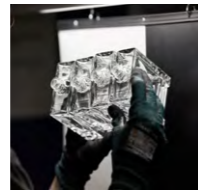
2020

2009



Launch of a Safety/CSR Day at all sites: safety is our priority

2011



Investments for the eco-responsible modernization of our facilities

2013



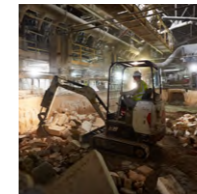
Implementation of Autonomous Production Units (APU) at all our finishing sites

2015



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

2017



– Reconstruction of Furnace 6 in Mers-les-Bains with reduced CO<sub>2</sub> emissions and energy consumption  
– Creation of a Life Cycle Analysis tool

2019



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

2021



– Acquisition of Pacificglas in South Korea  
– Launch of the Verre Infini® 20 in France, Spain and the United States  
– Definition of a decarbonisation plan (scope 1, 2 and 3) by 2034

# CSR STRATEGY IN 3 PILLARS

Initiated in 2018, our CSR approach entitled Glass Made to Last is based on three fundamental pillars: “People First”, “Act for Society” and “Eco Solutions”. Fully integrated into our overall strategy, it is part of a project shared with all of our stakeholders and sets concrete commitments by 2022.

## PEOPLE FIRST



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

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

## ACT FOR SOCIETY



What makes Verescence unique is its status as an international group with a strong local presence. As a leader, we have to set an example and make our actions sustainable so that we contribute positively to the ecosystems around us. We believe that economic and social performance must and can be coordinated jointly.

- LOCAL PRESENCE, GLOBAL STRENGTH
- PRESERVING EMPLOYMENT AT OUR SITES
- SUSTAINABLE PROCUREMENT
- BUSINESS ETHICS

## ECO SOLUTIONS



Glass is a unique material that can be recycled an infinite number of times without any deterioration in its properties. It inspires us to incorporate the environmental imperative as a source of creativity and innovation. We believe that developing more planet-friendly processes and eco-designed products is compatible with the codes of luxury and beauty.

- QUALITY OF SERVICE AND COMPETITIVENESS
- INNOVATION AND ECO-DESIGN
- OPTIMIZING THE ENVIRONMENTAL IMPACT OF OUR PROCESSES

### VERESCENCE AND THE SUSTAINABLE DEVELOPMENT GOALS OF THE UNITED NATIONS

The Glass Made to Last program contributes to 15 of the 17 Sustainable Development Goals (SDGs) set by the United Nations for 2030.





# GOVERNANCE AND SUSTAINABLE PERFORMANCE SYSTEM

## Editorial

Sustainability is at the heart of Verescence's strategy and strategic plan. This is why the associated CSR issues are not the responsibility of a sole person or department. CSR performance is an integral part of



the company's performance system.

Governance has been in place for several years to define Verescence's CSR strategy and its deployment at all sites, in all processes, and at all levels of the organization.

We have integrated all the CSR levers into our performance management system: improvement targets, measurement indicators and standards.

This integrated system has proven its effectiveness in recent years.

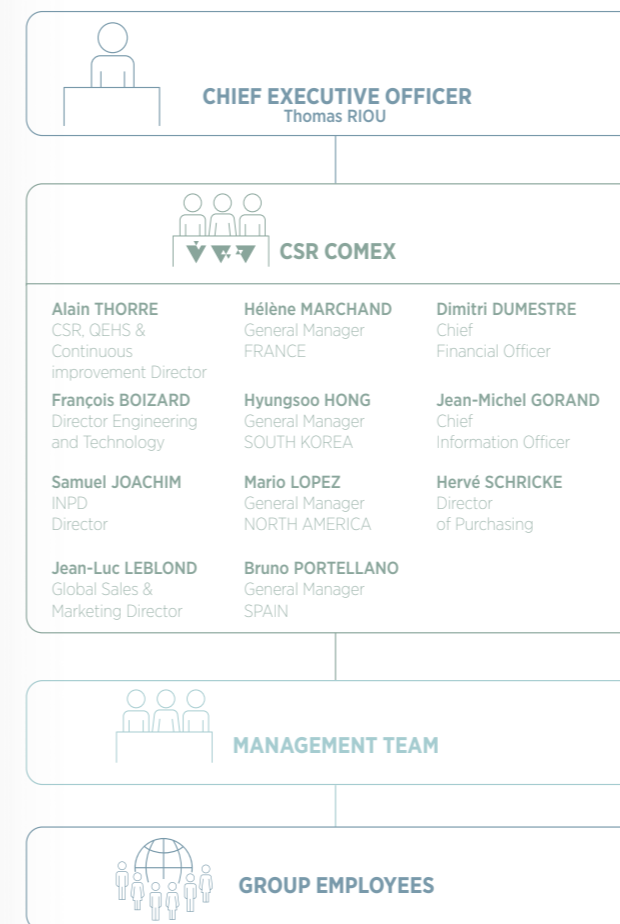
■ **ALAIN THORRÉ**, CSR, QEHS and Continuous Improvement Director

To implement its sustainability strategy and ensure that it is taken into account by all departments at all sites, Verescence has set up a Governance and Sustainable Performance System.

### Governance, personified by the CSR Executive Committee and its members, aims to:

- Take into account and prioritize the expectations and changes of stakeholders (customers, employees, shareholders, suppliers, the State, various sectoral organizations, etc.);
- Analyze and control risks;
- Deploy and enforce the overall strategy;
- Define rules and modes of operation;
- Ensure overall control of the proper conduct of Verescence activities;
- Ensure transparency of information to stakeholders.

## CSR GOVERNANCE AT VERESCENCE



CSR is carried to the highest level by the CEO, who unites all employees around the Group's vision. He works to ensure that the sustainable development policy and the transformation project are meaningful at all levels of the company.

The CSR Executive Committee meets every two months with the participation of the Chief Executive Officer to define and validate CSR actions, in accordance with the Group's strategic orientations. Its members are the heads of geographical areas and functional departments.

The operational departments deploy the CSR strategy within all the company's departments and implement actions to achieve the objectives defined by the CSR Executive Committee.

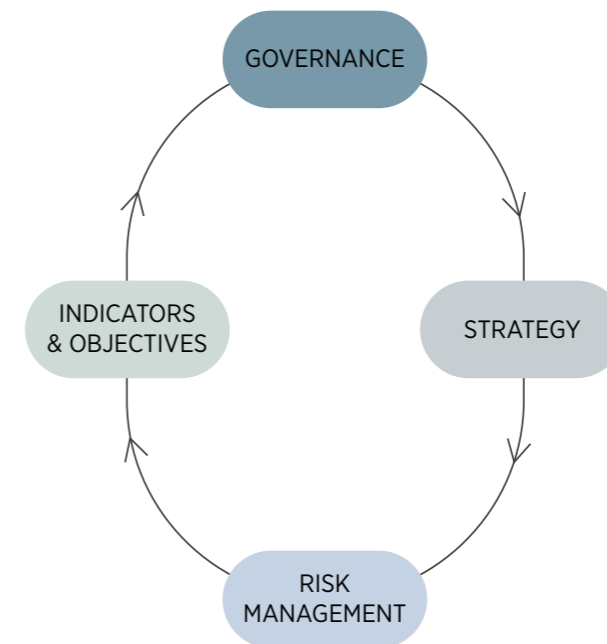
At Verescence, CSR concerns every employee, whatever their position. They actively participate in working groups and part of their variable compensation includes objectives linked to the Group's CSR performance.



**The Verescence Sustainable Performance System defines formal mechanisms (processes, defined structures, management and organizational standards) in order to:**

- Set performance goals to be achieved for each department, region, site, furnace or APU, etc.;
- Measure the performance at all levels of the organization in a homogeneous way using standard KPIs and shared reporting;

- Periodically review performance through business reviews, performance meetings, etc.;
- Define and ensure the follow-up of improvement projects through steering committees, work groups and business line committees;
- Verify compliance with the main standards through an internal audit system.



**Verescence has chosen to have its Sustainable Performance System certified by a single organization (AFNOR) to ensure homogeneity of requirements and compliance with international standards (ISO), recognized by our customers and stakeholders in the areas of Safety, Quality, Environment, Good Manufacturing Practices (GMP) and Energy Management.**

Annual assessments by internationally recognized organizations (EcoVadis and CDP) allow Verescence to benchmark itself and improve:

- Its CSR strategy, the relevance of its deployment, the results obtained and perceived, thanks to EcoVadis evaluations;
- Its commitments and process developments regarding the reduction of CO<sub>2</sub> emissions and water management through CDP Climate Change and CDP Water Security.

## Interview



**EMIN ALESKEROV**  
Head of Innovation & Sustainability  
**STIRLING SQUARE**  
CAPITAL PARTNERS

"ESG is one of the most important topics in private equity today because our industry, with its long ownership periods and active stewardship role, is well suited to contribute. We see exciting opportunities to create value for all stakeholders by paying close attention to factors beyond financial performance. For Stirling Square, ESG and sustainability more broadly, go beyond risk management and compliance. Sustainability must be integrated into the core business strategy of every portfolio company to create long-lasting value.

We are delighted to see Verescence fully embracing, if not championing, this thinking. We are proud of the company's achievements and increasingly will encourage it to share its best practices with other companies in our portfolio.

The level of ESG engagement at Verescence has not only been noticed by us as shareholders but also by its forward-thinking clients and industry experts: congratulations to all employees on the immense achievement of the EcoVadis Platinum rating!"

\* ESG: Environmental, Social, and Governance Criteria

# VALUE CHAIN

## Resources

### FINANCIAL CAPITAL

€321M of revenue

Verescence's activities cover 2 sectors: Perfumery-Cosmetics and Insulators. In 2020, we generated revenue of €321 million, 89% of which from the beauty business.

### HUMAN CAPITAL

2,340 employees

We are an international group with 2,340 employees in 5 countries (France, Spain, United States, South Korea, and Brazil). In 2020, 33% of our employees were women.

### INTELLECTUAL CAPITAL

175 employee hires

Innovation is the engine of our future growth. Our 88-strong R&D department around the world feeds our innovation strategy. Verescence has 60 active patents and patent applications around the world.

### INDUSTRIAL CAPITAL

7 industrial sites

We have operations in France (1 glass plant and 2 finishing plants), Spain (glass and finishing plant), the United States (1 glass plant and 1 finishing plant), and South Korea (glass and finishing plant).

### ENVIRONMENTAL CAPITAL

78,916 MWh of energy savings

Quantity of glass drawn: 116,990 tons

Total energy: 610,667 MWh

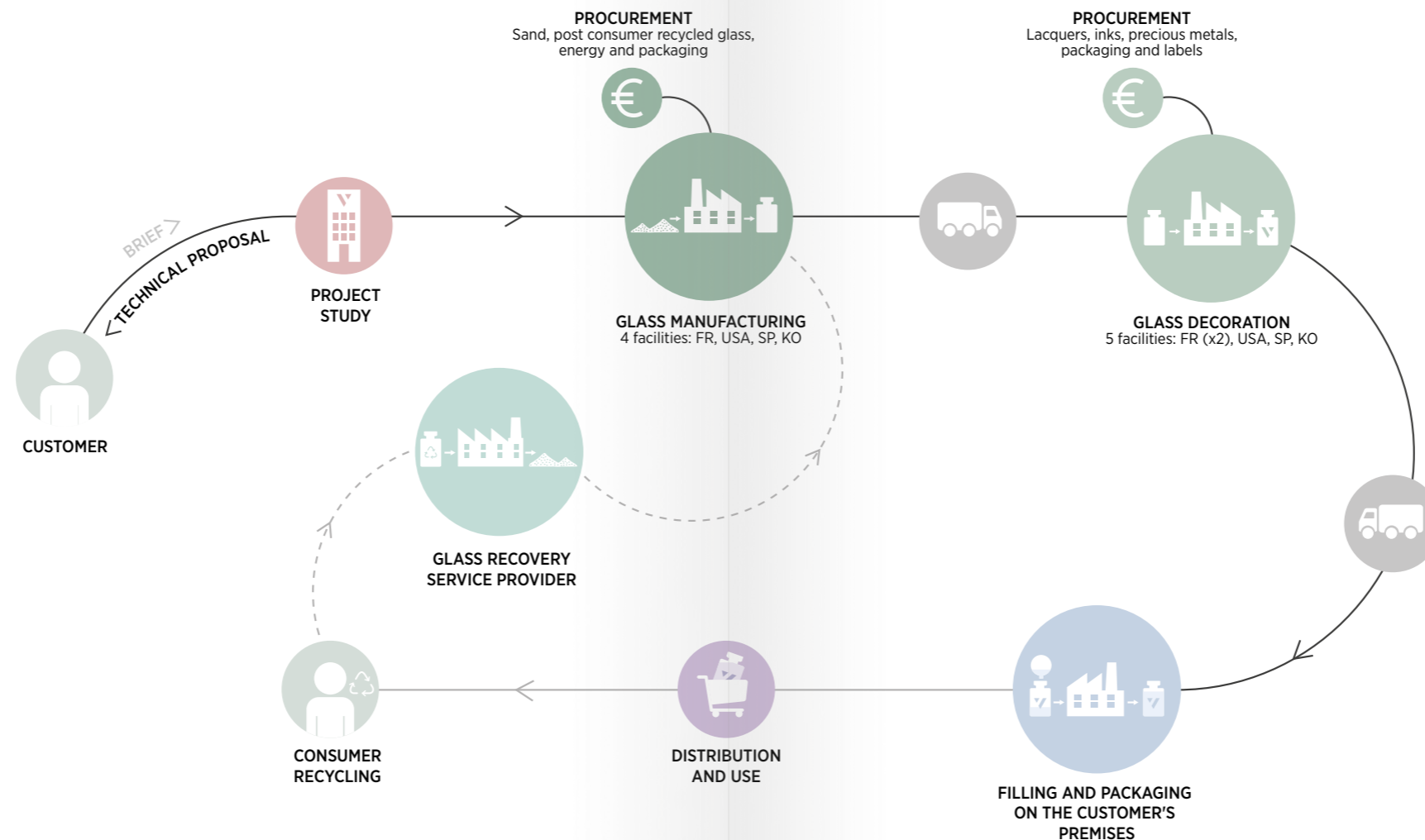
Water: 332,586 m<sup>3</sup>

### RELATIONAL CAPITAL

98% local purchases

Our ecosystem includes 2,732 suppliers, including 119 partners listed on the CSR 1 panel (suppliers having a significant positive effect on Verescence's CSR impact) and represents €140 million of purchases in 2020.

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



→ Logistics flow of products whose quality/compliance is ensured by Verescence

- - - Logistics/quality by the customer

## Value creation

### HUMAN IMPACT

TF1 = 3.19

Our priority is to guarantee the highest safety standards and to eliminate accidents at our plants. In 2020, the number of accidents with lost time per million hours worked (TF1) was 3.19 (vs. 13.9 for the hollow glass manufacturing industry in France).

We are committed to gender parity (43.7% female hiring) and offer the best protection systems to our employees (all of our employees benefit from health insurance and a life insurance policy).

### RELATIONAL IMPACT

99.4% compliant deliveries

In 2020, our OTIF (On Time, In Full) across all our plants was 94.8%, and our customer complaint rate was 0.57%, i.e. 99.4% compliant deliveries, which considerably reduced rejects and unnecessary transport.

### INDUSTRIAL IMPACT

100% of sites certified

In 2020, our key industrial performance indicators improved:

**Glass:**

Productivity: +0.8% kg/line hour worked

**Decoration:**

Changeover time reduction: -12%

Lacquering productivity: improvement of more than 5%

### FINANCIAL IMPACT

+3.8% sales growth

related to the integration of South Korea

### ENVIRONMENTAL IMPACT

-18,109 tons of CO<sub>2</sub> emissions (Scope 1 and Scope 2)

Hydro lacquer vs. Solvent: 100%

Waste recycling rate: 87%

### INTELLECTUAL IMPACT

70% of employees trained

In 2020, 70% of employees benefited from training and 2 employees enrolled in training courses eligible for a professional qualification certificate.

Verescence filed a new patent in 2020.

91 life cycle analysis (LCA) studies completed for our customers, 63% more than in 2019.

\* tg = metric ton of glass

# OUR CSR CHALLENGES

## Methodology note

The risk management system implemented by the Verescence Group is based on the identification and consideration of the main factors likely to have a significant impact on its activities, its financial situation and its image.

The Executive Committee has thus validated the identification and evaluation of 97 risk factors producing an impact either internally (business continuity, performance, profitability, etc.) or externally for one or more of its stakeholders (customers, suppliers, financial partners, employees, institutions and civil society). All of these internal and external factors are periodically evaluated according to three criteria rated from 1 to 10: severity, occurrence and level of control. This assessment has identified 28 significant CSR issues for the Group and all of its subsidiaries, 10 of which are considered major, either internally or externally. This categorization makes it possible to establish and verify the relevance of the Group's CSR strategy for all its pillars. All of our issues are thus represented and prioritized in the map opposite.

- ▼ People First   ▼ Act for Society   ▼ Eco Solutions
- Major significant CSR issues
- Significant CSR issues
- CSR issues identified and not developed in this report





# PEOPLE FIRST

Health & Safety  
Well-being at work and recognition  
Skills and careers  
Diversity

A company is first and foremost enriched by its teams, talents and personalities. Which explains our priorities: health, safety, skills development, recognition and well-being at work. Verescence was able to preserve these fundamentals during the COVID-19 crisis. The massive arrival of new technologies and a new (Korean) culture within the Group is bringing new ideas and enabling us to improve our working methods and performance in a sustainable way.



## SAFETY

**3.19** TF1 INDEX FOR THE GROUP  
2022 OBJECTIVE: <2



## WELL-BEING AT WORK AND RECOGNITION

**3%** SHARE OF INVESTMENTS DEDICATED TO IMPROVE WORKING CONDITIONS AND EHS INITIATIVES  
2022 OBJECTIVE: 2%



## DIVERSITY

**33%** OF WOMEN IN THE GROUP

**30%** OF WOMEN MANAGERS

**44%** OF FEMALE RECRUITS  
2022 OBJECTIVE: 50%



## SKILLS AND CAREERS

**3** E-LEARNING MODULES ON CSR, GOOD MANUFACTURING PRACTICES AND ANTI-CORRUPTION

**10,398** HOURS OF TRAINING AT THE GLASS AND FINISHING SCHOOL

**70%** OF EMPLOYEES TRAINED  
2022 OBJECTIVE: 70%

## OUR VALUES

**PASSION EXCELLENCE RESPECT COURAGE**

# Health and safety

## ANTI-COVID MEASURES

**Health and safety are our top priorities, which is why we implemented very specific and effective measures from the outset of the COVID-19 crisis.**



Verescence Mers-les-Bains, France

- Verescence anticipated a certain number of preventive measures as early as February, such as the implementation of a travel ban;
- Orders for masks, hydroalcoholic gel (hand sanitizer) and the creation of a shared safety stock for all Group sites;
- Taking the temperature of our employees;
- Instructions for cleaning and disinfecting the common areas and workstations.
- In France, social dialogue was reflected in 2020 at

each of our sites through regular exchanges with the CSSCT (Health, Safety and Working Conditions Committee) and CSE (Economic and Social Committee) elected representatives regarding the implementation of the health protocol to ensure the protection of employees in compliance with government directives. At the same time, crisis units were set up, one at the level of the Group's Executive Committee and the other composed of HSE and medical teams. Daily updates for the first three months, then weekly, to develop our "COVID-19" plan. This plan has been continuously updated to take into account:

- Evolving government measures in each country;
- The specifics of our various departments;
- Good practices in the field initiated by the teams;
- Feedback from our customers or other industries.

Very quickly, weekly audits were conducted in several areas on each of the Verescence sites to ensure the proper implementation and compliance of these anti-COVID measures. These digital audits, carried out on a tablet, are compiled and monitored weekly at the Group level.

## PSYCHOLOGICAL AND TELEMEDICINE SUPPORT

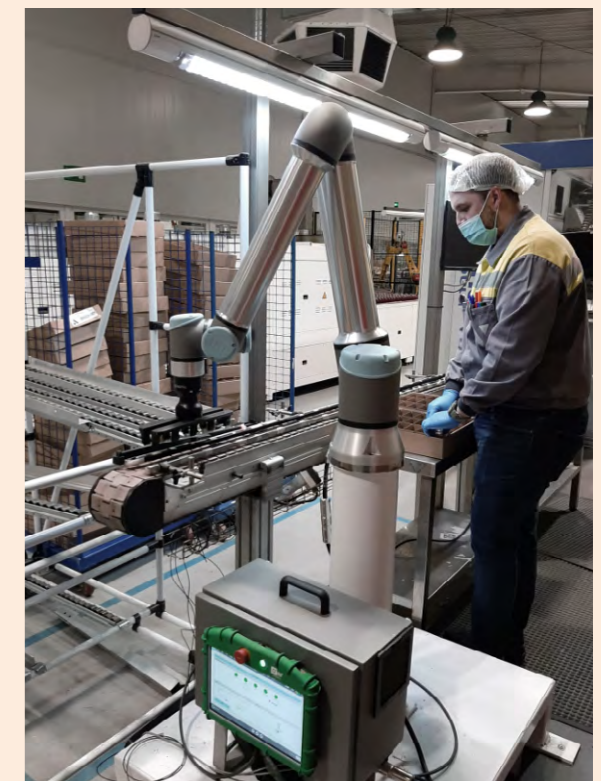
**Periods of lockdown have been sources of difficulty for accessing care and generated needs for additional health benefits.**

In France, this was an opportunity to develop partnerships with our healthcare providers, resulting in the opening of two additional services, telemedicine and psychological support for employees and their families. These remote care procedures are still in operation.

### Focus

## COBOTS: LA GRANJA, PILOT SITE FOR THE GROUP

**The La Granja plant has been chosen as a pilot site to develop and standardize the use of collaborative robots (cobots) for the Group.** More than a dozen "cobots" will be installed in 2021 in our various subsidiaries. Collaborative robots work alongside our teams and allow for the rapid and safe automation of a number of tedious and repetitive tasks, while maintaining a high degree of flexibility and preserving our know-how.

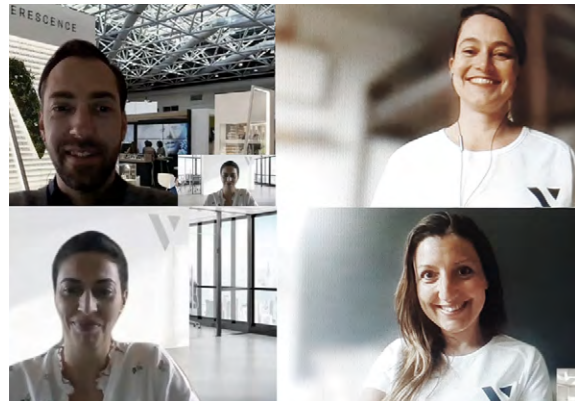


Verescence La Granja, Spain

# Well-being at work and recognition

## INTRODUCTION OF TELEWORKING

**The health crisis has imposed restrictions on our professional travel and has led us to re-think the organization of our work in order to follow the government recommendations of the different states.**



The sales teams in a TEAMS meeting

From the beginning of the crisis, we set up teleworking wherever possible, i.e. mainly for the functions at the Verescence headquarters (on the industrial sites, teleworking is not possible, except for some administrative positions).

*It should be noted that the implementation of teleworking at the head office in Paris has been the subject of regular exchanges with our elected representatives and employees and has resulted in the implementation of a charter approved by the CSE.*

Extensive feedback from our managers and employees has helped refine this new practice. Our ambition is to maintain this organization, which is proving to be effective and which improves well-being at work. The continuity of internal and external exchanges has been greatly facilitated by the IT tools deployed by Verescence. IT teams have accelerated TEAMS training, connected meeting rooms, written user guides, and developed functionalities. TEAMS is now a tool everyone has mastered, allowing us to keep travel to a minimum. Usage is growing rapidly, reaching over 3,000 meetings held, 5,800 individual calls, and 141,000 messages sent in the month of April 2021.

## EXCEPTIONAL FINANCIAL SUPPORT FOR OUR AMERICAN AND SPANISH EMPLOYEES

**Verescence is firmly committed to providing all our employees with healthcare in line with the best practices in their country of residence and financial protection in the event of a non-work-related accident.** At the height of the COVID-19 crisis, we were forced to close our plants in the United States and Spain for over a month. Since these countries do not have a sufficiently protective partial unemployment system, we decided to make a considerable financial effort by applying the compensation proposed by the more generous French system. In Spain, management and unions at Verescence La Granja opened negotiations to reach an agreement to supplement the remuneration of employees affected by the suspension of their work contracts. The agreement concerned nearly 300 employees.

## Focus

## WORKING CONDITIONS AND TRAINING PROGRAM IN THE UNITED STATES

**The North American labor market is characterized by high volatility and low employability in production functions. In light of this situation, Verescence has deployed an unprecedented program in its U.S. plants:**

— An ambitious training plan to develop skills. Numerous initiatives were implemented in 2020:

- Implementing career paths. Each new production team member must have clear visibility with regard to their career evolution and training;
- Very precise skill tables and periodic interviews (30-60-180-360 days) for each operator to determine individualized training programs;
- A full-time team of 3 people for recruitment, onboarding and ongoing training;
- Partnerships with schools in our territories and with our machine suppliers.

— A ramp up of investments to improve working conditions. The main advances in 2020 were:

- Improving the efficiency of air conditioning systems;
- Suction system on all screen printing stations;
- Refurbishment of break rooms and locker rooms;
- Ergonomic analysis and action plan on all workstations;

- New methods of communicating our strategy and its application on a daily basis through dashboards, digital screens and numerous meetings in the field.

A concrete example is the implementation of a training program for industrial maintenance with a local partner, the Piedmont Technical College. We are pleased to have two of our staff in this program, Wayne and Chris.



Wayne and Chris, Verescence training collaborators at Piedmont Technical College

## Skills and careers

### VERESCENCE ACADEMY: DEVELOPMENT OF E-LEARNING



GMP training at Mers-les-Bains, France

**We wished to make new tools available to our teams to accelerate the acquisition and dissemination of new skills.**

*E-learning supplements the face-to-face sessions and proved to be even more important during the COVID-19 period.*

After an initial "anti-corruption" module, which will now be renewed every year, we introduced a training course on Verescence's CSR strategy online, and rolled out a "good manufacturing practices" training course. This GMP course was available to all Verescence employees and around 2,000 sessions were run in 2020 – 4 times more than in 2019.

New modules are being prepared for the coming months and all our sites are now equipped to offer these modules to all Verescence employees if necessary.

### Focus

## ESTÉE LAUDER CHOOSES VERESCENCE TO TRAIN ITS TEAMS IN THE GLASS AND FINISHING PROCESS

**Estée Lauder chose Verescence to train its Quality, Development and Purchasing teams in the Glass and Finishing process.**

From December 2020 to the end of January 2021, we therefore organized 4 "Glass School" online training sessions lasting 2 days each, for 52 employees from the New York, Melville (US), Agincourt (Canada), Lachen (Switzerland), Whitman (Great Britain), and Oevel (Belgium) sites.

The training included different modules, from the glass forming process to the finishing techniques offered by Verescence. Despite the distance, participants had the opportunity to explore our plants through virtual tours and videos on a wide variety of technical topics. They were also able to test their knowledge with interactive quizzes.

*"We had the feeling of actually being in the heart of the factory thanks to the videos and virtual tours which were very clear and very high quality."*

THE ESTÉE LAUDER TEAMS.



Training session for our client Estée Lauder organized remotely from the site at Mers-les-Bains, France



# Diversity



## DEVELOPING CULTURAL DIVERSITY

**With our new location in South Korea, we now have an industrial presence in four countries each with very rich, and very different cultures.**

Respect for cultural diversity is essential, which is why a few days after the acquisition of the Pacificglas glassmaker, intercultural training was launched as well as language training to facilitate exchanges.

*An intercultural training program has been launched, which all Verescence employees who will be working regularly with our Korean subsidiary will follow by summer 2021.*

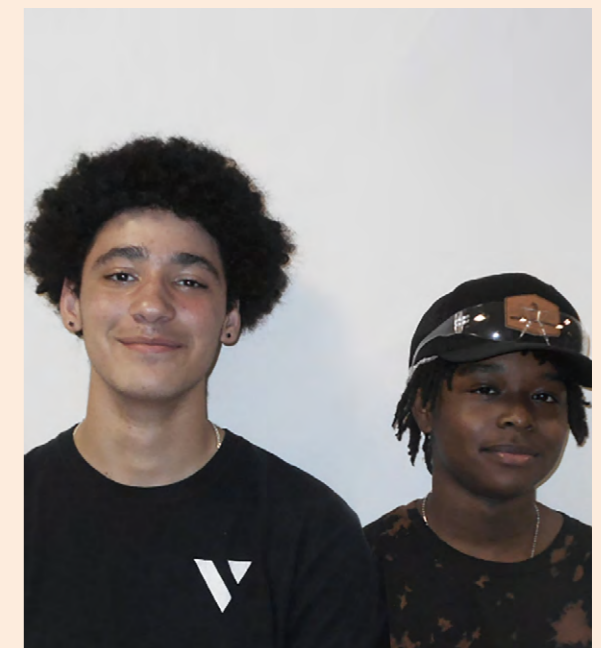
For this diversity to create value, it must be expressed throughout the Group. To achieve this, business line committees bringing together Verescence experts of all nationalities and departments, cross-visits to our sites, and major cross-functional projects are implemented throughout the year.

### Focus

## COVINGTON PARTNERS WITH AN APPRENTICESHIP PROGRAM FOR YOUTH INTEGRATION

**A specific apprenticeship program was set up with the German American Chamber of Commerce (GACC) to provide Georgia and Newton County with a work-study model that allows high school students to split their time between school and on-the-job training in industrial environments.**

Verescence is proud to be an active participant in this unique learning program in Georgia, and recently hosted two high school students, Rashid and Dustin. One of them graduated and is now a technician at Verescence.



Dustin and Rashid, apprentices at Verescence Covington

# Diversity

## FEMALE HIRES AT VERESCENCE

### Editorial

In 2020, we continued to advance diversity at all our sites.

In France, we have almost reached parity between men and women in terms of hiring and two-thirds of the executive hires are women. Among our young talents recruited in 2020 are several women



engineers at our French industrial sites, in positions that until now had tended to be reserved for men only.

We also continued to increase the number of women on the management committees at our industrial sites. For example, at the Verescence Somme site, we now have 40% women on the management committee. The increase in the number of women in our management teams is a long-term project that is being built over time. We firmly believe in the value of this approach when it comes to strengthening our teams and improving our performance over the long term.

■ **HÉLÈNE MARCHAND**, General Manager France, Member of the Verescence Board



"I've always wanted to work in the field of industrial maintenance, and joining Verescence is an opportunity for me to acquire the managerial, technical, and industrial skills

required for the luxury bottles business. My studies were directly oriented towards the industry through a DUT degree in mechanical design, then through a work-study maintenance engineer course. I'm now thriving in my position as Maintenance Methods Manager at Verescence."

■ **MARIE**, Maintenance Methods Manager, Verescence Mers-les-Bains



"I heard about Verescence's reputation in the industry and it made me want to join the finance department of this market-leading company. After learning more about its mission

and vision, it was clear how my goals aligned with those of the Group. There is nothing I like more than working with other people committed to a common goal, and it's this collective drive that motivates me every day at Verescence."

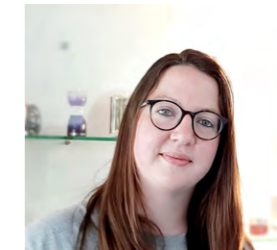
■ **PRISCILA**, Accounting, Treasury, and Tax Manager, Verescence La Granja



"As a young mother-to-be, I'm proud to be able to achieve my potential in an international group that makes strong commitments to the planet. Being a salesperson at

Verescence allows me to actively participate in the development and promotion of an eco-responsible material – glass – which is especially motivating!"

■ **ANNA**, Sales Manager, Verescence New York



"Originally from the Hauts de France region, I did all my university studies there, in preparatory classes in Amiens then in engineering school at ENSIAME. After my

first job experience in the automotive industry, I wanted to join Verescence to explore the glass industry and discover the full range of its know-how in glass and finishing. Environmental issues are very important in Verescence's DNA, which is what motivated me to join the Group! As part of the Lacquering APU, I have the chance to work as closely as possible to the production to make sure that the products conform to the customers' needs."

■ **ALISÉE**, Continuous Quality Improvement Manager, Verescence Somme



"After studying engineering specializing in glass materials (ENSCI), joining the Verescence group was an obvious choice for me. The position I hold today allows me

to combine my passion for the glass industry with the pride I take in participating in the design of a beautiful product. But it's also the strong values of the Group, which places the human being and the environment at the heart of its process, that made me decide to join the Verescence adventure."

■ **SOPHIE**, Continuous Quality Improvement Manager, Verescence Orne

# ACT FOR SOCIETY

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

**Born in the Glass Valley more than 120 years ago, Verescence has a strong and historical local presence in France and Spain (glass activity developed for the royal family in the 18<sup>th</sup> century) and for 25 years in the USA. With the acquisition of Pacificglas, Verescence has reinforced its industrial and commercial network by establishing a long-term presence in Asia with one of the leaders in the high-end market.**

**Our success is based on value-creating proximity with all our stakeholders. Act for Society, in other words, our social commitments, are reflected in our locations, our businesses, our responsible purchasing and business ethics.**



## SUSTAINABLE PROCUREMENT

**2,732** ACTIVE SUPPLIERS INCLUDING 119 PARTNERS LISTED ON CSR PANEL 1 (SUPPLIERS HAVING A SIGNIFICANT POSITIVE EFFECT ON VERESCENCE'S CSR IMPACT)

**96%** OF THE SUPPLIERS LISTED ON THE VERESCENCE CSR 1 HAVE SIGNED THE CSR CHARTER  
**2022 OBJECTIVE: 100%**

**140** MILLION EUROS IN PURCHASES

**98%** LOCAL PURCHASES WE EXCEEDED OUR 2022 TARGET BY 3 POINTS



## BUSINESS ETHICS

**100%** OF THE DEFINED POPULATION TRAINED ON THE RISKS OF CORRUPTION  
**2022 OBJECTIVE: 100 %**



## PRESERVING EMPLOYMENT AT OUR SITES

**46** THIS IS THE NUMBER OF EMPLOYEES ACCOMPANIED BY VERESCENCE IN QUALIFYING TRAINING PATHS SINCE THE PROGRAM SET UP IN 2016  
**2022 OBJECTIVE: 55**

ACTIVE MEMBER OF ASSOCIATIONS PROMOTING OUR KNOW-HOW

FEVE FÉDÉRATION DU VERRE  
COSMETIC VALLEY LA GLASS VALLÉE  
THE FRAGRANCE FOUNDATION CETIE

# Local presence, global strength

## NEW TERRITORIES: CONQUERING ASIA

As part of the "New Territories" component of our strategic plan, Verescence 2022 - Forming the Future, we completed the acquisition of Pacificglas, the South Korean leader in glass bottles for the cosmetics industry on February 26, 2021. This new subsidiary positions Verescence as a leading player in the Asian beauty market and provides its international customers with an unparalleled global service comprising manufacturing facilities in France, Spain, the United States and Asia.

### Focus

## PACIFICGLAS BECOMES VERESCENCE PACIFIC

Specializing in bottles and decorations for the luxury cosmetics industry, Pacificglas is a privileged partner of the biggest Asian cosmetics brands, such as Sulwashoo, Laneige, Hera, and IOPE. Created in 1973 by the Korean beauty leader Amorepacific, which remains a minority shareholder with us, our new Asian subsidiary has more than 110 employees and operates with a state-of-the-art ISO 9001 and ISO 14001 certified plant. Located in Janghang, 150 km southwest of Seoul, it has a furnace and extensive decoration capabilities: screen printing, lacquering, hot stamping, pad-printing, frosting, and gluing. Pacificglas became Verescence Pacific in May 2021.

### Interview



**HYUNGSOO HONG**  
General Manager  
Verescence Pacific

"We are very proud to join the Verescence family. We are confident that our combined expertise will enable us to bring even greater value to our customers."



Verescence France



Verescence La Granja



Verescence Pacific



Verescence Covington



Verescence Sparta

# Local presence, global strength

**In France, given the difficulties encountered during the COVID-19 crisis, some of our major customers expressed their commitment to us after being questioned by local deputies and the Ministry of Industry.**

## VERESCENCE TAKES PART IN THE MADE IN FRANCE INITIATIVE

The entire French perfumery-cosmetics sector was hit hard by the COVID-19 crisis with sales falling between 20 and 30% in 2020. Although little publicized, this sector represents a strategic sector and is the 2<sup>nd</sup> largest export sector in France.

Within this sector, glassmakers have been particularly weakened by this sharp drop in volumes for several reasons:

- Importance of fixed costs (a furnace never stops);

- Share of labor costs (a profession with unique human expertise, requiring a long learning process);
- Economic fragility of glassmakers before the crisis.

Some of our major customers have therefore decided to support French glassmakers and help them emerge stronger from this crisis:

- By maintaining the quality and breadth of their collaborations with French glass companies;
- By giving preference to French players in their supply, in compliance with European law and competition law;
- By providing the sector with visibility as early as possible on the evolution of their sales activities and on upcoming calls for tenders;
- By optimizing payment times as well as the duration of the immobilization of the ordered stocks to facilitate the cash flow of the suppliers affected by the health crisis.

In return for our own commitments, as a French glassmaker, to continue to invest to support our competitiveness, our innovation and our progress in CSR. Discussions began at the end of 2020 and should lead to sustainable and beneficial improvements for both French glassmakers and our customers. These discussions are held within the framework of the sector committee.

## Focus

### INTRODUCTION OF "DOOR TO DOOR" AT LA GRANJA

**On February 10, 2021, Verescence La Granja and its partner Macance successfully began sorting bottles in real time (called "Door to Door").**

This integration allows us to be more agile and flexible, reducing reaction times to adjust processes if necessary and bringing in products that are ready to be shipped. "Door to Door" also allows us to shorten the internal logistics chain with two major advantages – the reduction of the carbon footprint and the improvement of the delivery times for our customers – and is in line with the two Door to Door initiatives already introduced in Mers-les-Bains in 2014 and 2018.

This integration required some adjustments to our facilities in order to welcome our partner in the best working and safety conditions.



The Macance teams



The Door to Door unit in La Granja

# Preserving employment at our sites

## VERESCENCE BENEFITS FROM THE “FRANCE RELANCE” PLAN



Visit from the French Deputy Minister of Industry Agnès Pannier-Runacher, September 4, 2020, as part of the “France Relance” plan

**For summer 2020, we decided to relaunch our strategic investments across all of the Group’s sites. These are investments that will accelerate our transformation to Industry 4.0 by continuing to automate and digitize so we can improve the working conditions of our employees and the industrial performance of our production sites.**

We have maintained investments allowing us to reduce our CO<sub>2</sub> emissions and improve our energy efficiency.

In France, Verescence has benefited from the government’s “France Relance” plan for industrial territories to accelerate its investments despite the COVID-19 crisis. We have received a subsidy of €500,000 out of more than €12 million in investments per year, half of which are dedicated to improving our industrial and environmental performance.

Some examples of Industry 4.0 investments:

- Automation:
  - Automation of packaging on a production line at our Mers-les-Bains site;
  - 2 cobots for bottle gripping at our Verescence Orne site;
  - Investments in the latest generation of quality control cameras at all our sites.
- Digitization:
  - Installation of a latest-generation MES (Manufacturing Execution System) at our finishing sites;
  - Computer equipment and software to go paperless at all our sites.



Verescence Mers-les-Bains

## MODERNIZATION OF OUR ORGANIZATION

**In the very difficult context of the COVID-19 crisis, the company had a dual objective: to prepare itself for the end of the crisis, and to adapt itself to meet the sustainable challenges of the market.**

Given our weakened economic situation, we needed to reduce our fixed costs and transform our organization (structure and production support) in order to:

- Adjust staffing levels to projected changes in our production, which is critical for adapting our costs;
- Maintain skills and preserve our core business;
- Put in place more agile organizations by consolidating departments;
- Develop multi-skills;
- Strengthen teams with specific skills, prepare for the future;
- Promote internal mobility, reduce the social impact.

Our plan to modernize the organization of the headquarters and the Mers-les-Bains site has been adapted following constructive discussions with our social partners. We will seek to accompany these changes as best as possible throughout the different stages involved in implementing this reorganization, and to make this new organization a success.

# Sustainable procurement

## INTRODUCTION OF PPA AND CERTIFICATES OF ORIGIN

**We are collaborating with IBERDROLA in Spain for the implementation of renewable energy PPAs<sup>(1)</sup> over a period of 10 years, aiming at carbon neutrality of our electricity consumption for our La Granja site.**

This represents a 10,000-ton reduction in CO<sub>2</sub> emissions annually, which is 25% of our emissions in Spain (scope 1 & 2).

To meet our CSR strategy, the decarbonization of our electricity must be achieved through local and long-term structuring projects. Priority is given to our sites in countries where electricity is not strongly decarbonized, which is why similar approaches are being studied for our American sites.

## PARTNERSHIP WITH SUPPLIERS DURING THE CRISIS

During the 1<sup>st</sup> lockdown in March 2020, we implemented specific actions to preserve our strategic suppliers (sorters, molders, finishing subcontractors):

- Concentrating our purchases with our main partners, giving priority to local suppliers;
- Implementing a communication routine with them;
- Supporting them in setting up a quality health program (supply of masks, hydroalcoholic gels, etc.).

Since then, we have continued to work closely with these partners to adapt as best we can to this period of slow recovery, where our ability to forecast the future remains limited and the fits and starts significant. Our ambition is to emerge stronger from this crisis, both ourselves and our ecosystem, and to keep in place operating procedures that enable our partners to serve us better and perform better over the long term.

## ROADMAP CSR SUPPLIERS



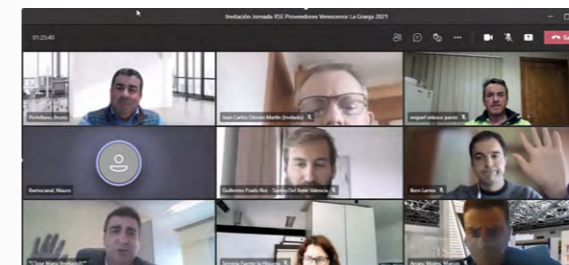
Verescence La Granja

**Following our 1<sup>st</sup> CSR supplier day held in France, a similar approach was launched in Spain in April 2021 (organized remotely) with our main local suppliers.**

In the wake of these CSR supplier days, which brought together 64 partner companies, meetings were held with our CSRI\* suppliers with the aim of defining objectives for each and establishing a progress plan based on our three pillars.

A periodic review has consequently been undertaken on improvement initiatives and on the monitoring of targeted performance on CSR criteria such as:

- For sorting suppliers: safety and working conditions and for some, local employability;
- For suppliers of finishing and finishing raw materials: reduction of water and energy consumption, re-use of outdated materials.



Supplier CSR Day 2021

## RELOCATION OF PURCHASES

**Year after year, we are making progress in the development of short circuits at our sites in order to reduce supply times for our customers, eliminate unnecessary transport costs, and reduce losses by ensuring better quality control. In so doing, we support the development of our ecosystem while reducing our carbon footprint.**

We set up our first Door to Door initiative for bottle sorting in Mers-les-Bains in 2015, followed by a second in 2018. In 2021, the La Granja site will in turn develop the sorting of bottles using the Door to Door process. We have also re-internalized sorting at all our finishing sites. In the U.S., we helped to establish one of our finishing material suppliers near our plant and have re-internalized part of the molding operations in order to improve time-to-market and performance.

We have developed on-site waste recovery operations by working closely with our suppliers (covers and pallets, for example).

We are also continuing our efforts to shorten our flows and new impacting projects are currently being studied at all our sites.

(1) PPA (Power Purchase Agreement): a PPA is a long-term power purchase agreement signed by mutual agreement between an energy producer (generally renewable: wind, solar) and an energy consumer.

\*CSRI: suppliers with the most significant impact on Verescence's CSR strategy.

## Business Ethics

### ANTI-CORRUPTION TRAINING

2020 was marked by the deployment of a global "Anti-Corruption" program for the third consecutive year, as part of our ongoing commitment to expanding the defined population<sup>1</sup>.

As a result, 456 participants completed the training in 2020 (+19% compared to 2019) for an overall success rate of 100%.

Verescence also invites all new managers joining the Group to take part in the training. These results demonstrate, once again this year, the commitment of Verescence and its employees to respect business ethics and rules of good conduct.

### CYBERSECURITY

Aware of the growing risks related to cybersecurity – their impacts and consequences – for several years, Verescence has built up an organization and a governance with the implementation of a Group Cybersecurity Committee, chaired by our CEO under the responsibility of the IT Director (CIO) and the Head of Information Systems Security.

Well beyond the technological and IT dimension, a support program for users and managers has been put in place to understand this new dimension and to make everyone a contributor in the protection of our customer and company data, and Verescence's IT assets (machines and software).

In order to support and secure Verescence's digital transformation, and in particular the acceleration of the industrial digital transformation via the automation of our lines, data feedback and analysis, Verescence works daily on the implementation of new means of protection, monitoring and response in case of attack.

(1) People exposed to risks are managers and employees who are in contact with third parties in the course of their work (purchasing, finance, sales, accounting/payroll, HR, customer service, etc.).





# ECO SOLUTIONS

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

**Glass is a virtuous material: aesthetically pleasing and infinitely recyclable, with no interaction with its contents. Recognized qualities and potential that continue to inspire our strategic choices and R&D. We are committed to going even further in eco-design, in the quality of our service and in reducing the environmental impact of our processes.**



## INNOVATION AND ECO-DESIGN

**1,200** TONS OF RECYCLED GLASS  
SOLD WORLDWIDE IN 2020

**+63%** OF COMMERCIAL OFFERS  
ACCOMPANIED BY A LIFE CYCLE ANALYSIS  
**2022 OBJECTIVE: 50%**  
OF OFFERS WILL BE SUBJECT TO LCA



## OPTIMIZATING THE ENVIRONMENTAL IMPACT OF OUR PROCESSES

**1.57** NOX EMISSIONS  
23% BELOW REGULATORY THRESHOLDS  
KG/TG

**87%** OF WASTE RECYCLED  
**2022 OBJECTIVE: 97%**

**0.52** SOX EMISSIONS  
61% BELOW REGULATORY THRESHOLDS  
KG/TG

**-49%** WATER CONSUMPTION  
BETWEEN 2016 AND 2020  
**2022 OBJECTIVE: 2,5 M<sup>3</sup>**  
PER TON OF GLASS DRAWN

**0.060** FINE PARTICLE EMISSIONS  
58% BELOW REGULATORY THRESHOLDS  
KG/TG

**-10%** CO<sub>2</sub> EMISSIONS (SCOPE 1 AND SCOPE 2)  
BETWEEN 2016 AND 2020  
**2022 OBJECTIVE: 0.92 TON**  
PER TON OF GLASS DRAWN

## NEW PARTNERSHIPS IN 2020

WE HAVE JOINED THE FOLLOWING INITIATIVES AND CONSORTIUMS:

- THE SCIENCE BASED TARGETS INITIATIVE (SBTI)
- THE EUROPEAN PROJECT FURNACE FOR THE FUTURE (F4F)
- THE VERCANE R&D PROGRAM

## SCORE B

IN CDP 2020

FOR THE REDUCTION OF GREENHOUSE GAS EMISSIONS AND WATER MANAGEMENT ACCORDING TO THE PROGRAMS "CDP CLIMATE CHANGE" AND "CDP WATER SECURITY"

## Quality of service and competitiveness

### DEPLOYMENT OF CONNECTED EYEGLASSES AT ALL OUR SITES

**Restricted by the first lockdown in March 2020 and having made the choice to continue its activities, Verescence had to adapt very quickly. In record time, our IT teams deployed the latest generation of shared vision tools to be able to continue our operations (production, quality, maintenance), and our contact with our customers and suppliers (quality and development) in the best conditions possible despite travel restrictions.**

All our industrial sites were equipped and trained within a few weeks and the use of these tools has since been extended for "remote" visits, audits, and product presentations.



Anna, Quality and Continuous Improvement Engineer with connected glasses, Verescence Mers-les-Bains

These technologies, which in times of crisis have enabled us to maintain our links with our customers and partners, are considerably changing our practices and actually allowing us to gain in efficiency, expertise, and time-to-market, so that we can bring even more added value to our customers.

### 3D MODELING TOOL

**Thanks to the use of realistic rendering software, Verescence can now accompany its customers from the design stage of their product** by digitally generating bottles that are as close to reality as possible, simulating all the glass shapes and decoration technologies Verescence offers.

*This upstream work facilitates exchanges, significantly accelerates the design stages, and limits the industrial prototyping phases that generate waste and emissions.*

### SHORTENING LEAD TIMES WITH AGILESCENCE

**In 2019, we launched Agilesence and implemented a Fast Track workflow that allowed for four-week delivery for some of our customers' top references. In 2020, we continued to work on our agility by establishing a new roadmap:**

— Improvement of our indicators: after having implemented a delivery lead time, we are launching a new indicator allowing us to monitor the industrial lead time of our production, and thereby to identify even more precisely the waiting times without added value and the critical process phases to reduce our lead times;

— Integration of the supply chain teams right from the development phase to define the optimum flow for an optimized lead time;

— Integration of in-line operations to reduce our cycle time. We are continuing to integrate vacuum blowing operations into our finishing lines to avoid having to rework them later. We have also continued to invest in the latest generation of camera tracking systems to continue to do away with visual inspection at the end of production at both our glass manufacturing and finishing sites;

— Increasing our production speeds, particularly in our glass operations, where we have doubled production speeds at equivalent run sizes on more than 10 million bottles since 2019.

#### Interview



**STÉPHANE AVEQUIN**  
Supply Chain Director  
France

"We are continuing to take action to achieve our goals by 2022. Our goal is to better adapt to the increased volatility of the markets while reducing our stocks."

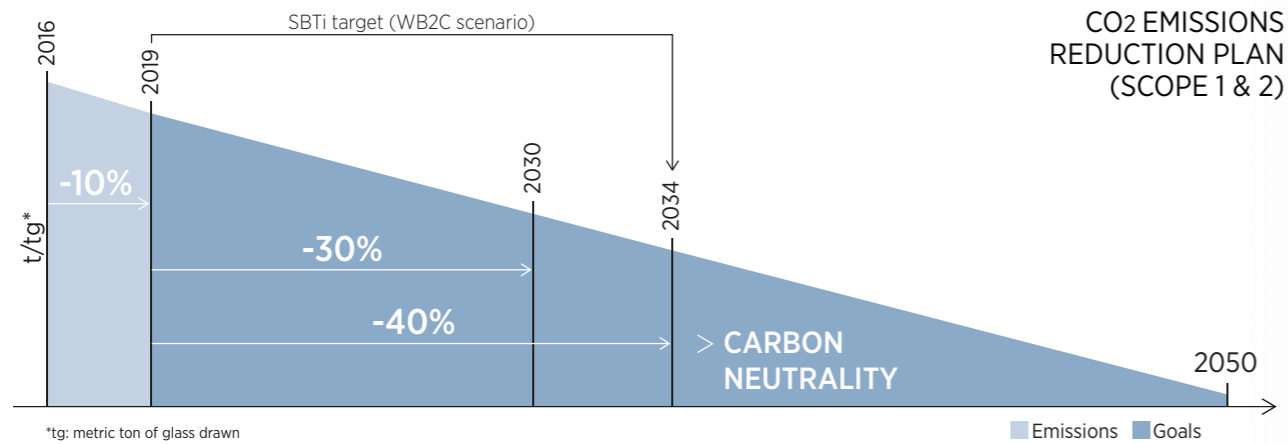
### MAINTAINING OUR ACTIVITY DURING THE HEALTH CRISIS

**At the beginning of the global pandemic, when Asia closed its first megacities and despite its main customers closing down one after the other, Verescence decided to keep its manufacturing sites open.** Yet, thanks to the rapid application of effective health measures, and by quickly adapting our operating methods, we were able to confidently keep our business activities running. With those customers who remained open, we made a list of priorities to deliver. Similarly, our scheduling departments were coordinated to identify those items that could be manufactured in this unprecedented situation. Finally, we inventoried all our deliverable stocks and offered them to our customers quickly.

*Thanks to these critical actions and Verescence's resilience in the face of the conditions imposed by the pandemic, we were able to maintain high-quality performance to serve our customers. Our overall OTIF is up, at 94.8% at the end of 2020.*

# Optimizing the environmental impact of our processes

## ENERGY AND THE 2016-2034 DECARBONIZATION PLAN



**Conscious of the urgency of climate change, Verescence lowered its CO2 emissions in tons per ton of glass drawn by 10% between 2016 and 2019 by implementing continuous improvement plans and installing new, lower-emitting glass furnaces.**

Since January 2020, Verescence decided to go even further and committed to reducing its CO2 emissions to limit global warming to well below 2°C (WB2C scenario proposed by SBTi). The Group's technical management and the management of our plants are also actively working on a plan to reduce CO2 emissions by 2034. This plan uses all levers, from improving the performance of our existing processes to deploying technological breakthroughs in collaboration with our local partners. At the same time, we are also stepping up our eco-design solutions (PCR glass, lightweight glass, etc.).

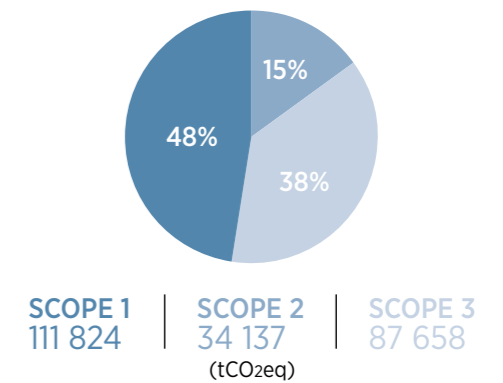
This will ultimately allow Verescence to reduce its CO2 emissions (Scope 1 & 2) by 40% by 2034.

## ASSESSMENT OF OUR SCOPE 3

**Verescence began a comprehensive scope 3 assessment in 2021.** Carried out on a 2019 basis, it received a reasonable assurance opinion from KPMG, and allowed us to identify new opportunities for reducing our carbon footprint.

Accounting for 38% of our total emissions (scopes 1+2+3), our scope 3 clearly points to the need to also guide our suppliers in reducing their emissions.

## CARBON FOOTPRINT 2019 (SCOPE 1, 2 & 3)



**Scopes 1 and 2:** direct and indirect CO2 emissions related to bottle manufacturing.  
**Scope 3:** indirect CO2 emissions linked to production-related activities.

### Focus

## F4F: FURNACE FOR THE FUTURE

**The Furnace for of the Future (F4F) - a true technological breakthrough for glass melting - has been selected by the European Commission among 311 projects for phase 1 funding.**

We will know in the summer of 2021 whether this exciting collective initiative, which will benefit the entire European hollow glass industry, has successfully passed the second and final selection stage. The 19 partners of this European project are working to determine the scope and governance, and have begun the modeling phase: SORG GmbH, the developer of the F4F, is currently investigating the furnace's behavior, consumption and emissions at

different operating speeds and for different proportions of electrical energy and cullet percentage.



## VERCANE

**Faced with the challenge of carbon neutrality, in October 2020 we launched - alongside our three partners, Engie, Saverglass and Fives - the VERCANE (carbon-neutral glass) project, an ambitious R&D program that aims to reduce CO2 emissions from the glassmaking process.**

This program, supported by ADEME (the French Agency for Ecological Transition), studies the different energy sources capable of powering glass production in a sustainable way: hydrogen, bioresources, and electrification.

The VERCANE project has given itself 18 months to complete the research phase and proceed with the prototyping of solutions from available energy resources to on-site transport solutions. The goal is to have a 360° vision of the issue in order to be able to advance to the next step: the deployment of proof-of-concept demonstrators on an industrial scale.



# Optimizing the environmental impact of our processes

## WASTE MANAGEMENT

**Glass manufacturing is an industrial process that generates very little waste. However, the management of waste from our various processes is a permanent concern for all our sites, which have clear and quantified objectives, as well as precise monitoring according to an established map.**

### Interview



**JAVIER ARENAL**  
EHS Manager  
Verescence La Granja

“Mapping our waste has proven successful since the recycling rate at the La Granja plant has increased from 69% in 2018 to 86.5% in 2020. This increase goes hand in hand with the decrease in waste generated. Since 2018, we have reduced non-recyclable waste by 66%, while our production has increased over the same period.”



Cullet stock, Verescence La Granja

Numerous initiatives are implemented and shared between the sites to:

- Reduce the amount of waste generated by our processes, through better settings, optimized equipment, recycling loops, etc.;
- Improve the sorting of various wastes at our sites through dedicated skips, staff training, and standardization of categories at all sites;
- Find or optimize recovery channels for our waste to significantly reduce the amount of waste that ends up in landfills.

In 2020, we recovered or recycled 87% of our waste, with the goal of reaching 97% in the next two years.

## WATER MANAGEMENT

**Verescence is broadening its environmental policy with a strong emphasis on reducing its water consumption with an action priority in areas of high water stress (Verescence uses the Aqueduct tool developed by World Resources Institute as a reference).**

Verescence is therefore committed, within the framework of roadmaps deployed at each of its industrial sites, to:

- Having a highly accurate and computerized counting system (deployment of Technical Management of Energy and Water as part of the Industry 4.0 plan);
- Controlling all its water uses (industrial and domestic) and identifying any abnormal water consumption

(leaks and evaporation);

- Recycling water to supply 100% of its industrial needs;
- Permanently reducing water withdrawals to achieve the lowest technological level.

Thus, all the Verescence plants should reach the "dry plant" level - i.e., a plant where water is withdrawn only for domestic needs - by 2025.

### Interview



**FLORIAN BRIFFARD**  
Apprentice Engineer in automated production and connected factory  
Verescence Mers-les-Bains

“Beyond collecting energy data, the GTE\* allows us to issue alerts as soon as a slide in consumption is detected, so maintenance can intervene more quickly. We gain in agility, efficiency and competitiveness.”

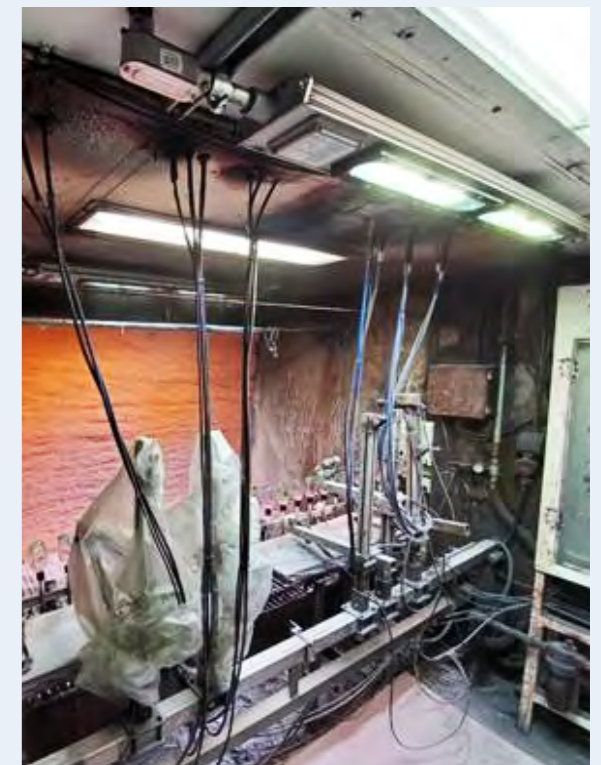


GTE Alert System

### Focus

## REDUCTION OF LACQUERING WASTE AT THE SPARTA SITE

**In the past few months at our Sparta finishing site in Georgia, equipped with two hydro-lacquering lines, we implemented a plan to reduce our lacquering waste** (sludge and oversprays) through a massive investment program (new cabins, spray guns, etc.), training for our teams (configuration of our equipment and management of our raw materials) and preventive maintenance. The teams are proud to have reduced lacquer consumption by 25% over the past 12 months.



Spray booth, Verescence Sparta

\*GTE: technical management of energy and water (French: gestion technique des énergies et de l'eau)

## Innovation and eco-design



We believe that the combination of luxury and eco-design is the future of the Beauty market. It is our responsibility to be fully committed, ambitious, and uncompromising in the search for solutions that are ever more respectful of our planet.

**Reduce.** Reducing the weight of glass is the most important factor in reducing the environmental footprint of our products. By working on the thickness of the walls and the distribution of the material, we can now offer up to 60% lighter weight for the same capacity. In addition to glass, we also want to reduce the impact of our finishing techniques by directing our customers towards more responsible designs (water-soluble lacquers, screen printing using organic or UV inks as an alternative to enamels, and eco-designed designs).

### A STRATEGY BASED ON THE 4R&D

**Reuse.** At a time when the circular economy is booming, Verescence offers refillable solutions in line with the expectations of the perfume and cosmetics market. In so doing, we support our customers in the development of new screw rings allowing the consumer to refill the bottle at home or in-store. We have also developed and patented a refillable glass jar with a glass refill and an aluminum hanging system, offering a 100% recyclable solution.

**Recycle.** Since glass is infinitely recyclable, Verescence has been offering compositions based on post-consumer recycled glass (PCR), i.e., glass from household waste collection, since 2008. In addition, we raise our customers' awareness of the end of life of tinted or decorated glass thanks to our recyclability index developed in 2020 in collaboration with a French re-sorting plant.

**Replace.** The aim here is to ensure that glass finds its place in the beauty market, particularly where plastic is now predominant such as it is in make-up, hygiene products or perfume caps, for example.

**Disrupt.** Because we know that innovation must always bring more value to our customers, we push the boundaries of glass and decoration to transform the creative vision of designers, creating differentiating and competitive solutions. Examples include SCULPT'in for customizing the distribution of the glass inside the bottle, the Safety Glass coating to reinforce the strength of the walls, and our high-gloss screen printing process, an economical alternative to hot stamping.

## Innovation and eco-design

### GLASSIFICATION: TOWARDS NEW TERRITORIES FOR GLASS

**In recent years, glass has regained market share from plastic, driven by end-consumer demand for glass over plastic in high-end packaging:**

- Glass embodies luxury, a durable and precious object;
- Glass is a neutral and non-controversial material for health;
- Glass is infinitely recyclable with an existing and efficient recycling system.

Very early on, Verescence joined this movement and developed innovative solutions to push the boundaries of glass.

2020 saw some notable launches: the first airless glass with a specific shape for CLARINS - Total Eye Lift Serum, caps for the new perfume BVLGARI - Al-legra, refillable and home-delivered hygiene products - WHAT MATTERS - and make-up (mascaras and lipsticks).

As a leading figure in this movement, Verescence aims to continue to expand the field of possibilities for glass.



Glass cap on a production line in Mers-les-Bains

### THE VIRTUOUS CIRCLE OF GLASS VERESCENCE

**With a recycling rate of 76% in Europe and a target of 90% by 2030 ("Close the glass loop" program), glass is one of the most virtuous materials in the packaging sector.**

Glass recycling has existed for a very long time and is very well organized in Europe. For example, in France, glass recycling was set up in 1974 and allows for the recycling of over 85% of all household glass today. Glass collection is managed by local communities and generates a valuable source of funding.

During recycling, household glass is crushed and then sorted by optical sensor systems before being recovered. This step requires no chemical or thermal treatment and no water consumption.

Furthermore, the use of PCR glass in our furnaces significantly reduces energy consumption and emissions (cullet is melted at a lower temperature than raw materials) and limits our impact on natural resources. For example, producing Verre Infini® 40 bottles reduces our impact on CO<sub>2</sub> emissions by 11% compared to a composition without PCR.



**close the  
glass loop**

### LCA

**Since 2017, Verescence has been equipped with a life cycle assessment (LCA) tool developed in collaboration with eco-design specialist EVEA.**

This tool, which limits as much as possible the use of generic data in the calculation of the various environmental impact indicators, is now recognized for the specific modeling of each of the industrial processes used by Verescence.

*Thus, for each glass composition, each furnace and each decorating process, it allows us to present our customers with comparative life cycle analysis studies capable of guiding them towards the most environmentally responsible choices.*

In 2020, this tool was further enhanced. In addition to data representing our latest technological developments (new furnaces, control of our water footprint, etc.), it includes the impact of waste generated during bottle finishing on the volumes to be re-manufactured in our glass plants. Soon, this tool will evolve even further by offering our customers quantitative information on the end of life of bottles and alerting them to the consequences of their choices in terms of transport.

### AN EXPANDED PCR OFFER IN 2021

**Having pioneered the use of PCR glass for many years with Verre Infini® 40 (formerly known as Verre Infini® NEO), Verescence will be offering a new product in 2021, Verre Infini® 20.**

This lower PCR rate will result in a glass shade that will appeal to more customers. By the end of 2021, our largest furnace in France, our Spanish furnace and our American furnace will only produce this composition.

*As a result, 75% to 80% of our production worldwide will be made of PCR glass.*

In addition, in October 2020, Verescence aligned with the European Container Glass Federation's (FEVE) recommendations to report its PCR rate according to the calculation method established by the Federation. This approach, which aims to harmonize the values published by all glassmakers, offers our customers greater transparency and avoids any "greenwashing."

*Today, the rate of use of PCR glass in the manufacture of Verre Infini® 40 sold exceeds 40% (✓).*

# Innovation and eco-design

## Focus

### INTERPARFUMS CHOOSES VERRE INFINI® 40 FOR GIRL BY ROCHAS

**In March 2021, Interparfums launched GIRL by Rochas, a fragrance designed with an eco-responsible approach in terms of both formula and packaging.**



The GIRL bottle by Rochas contains 40% recycled glass

Within the framework of this development, the French group has worked with the entire industrial sector to obtain the best possible compromise, given the constraints of the luxury industry.

## Interview

### 3 QUESTIONS FOR... MARION TROSSAT

DIRECTOR OF PURCHASING AND  
PACKAGING DEVELOPMENT  
INTERPARFUMS



#### 1 Can you tell us about the concept of Girl?

GIRL is a committed fragrance aimed at a conscious generation, attentive to eco-responsibility and well-being. GIRL is a fragrance that has taken a sincere approach to doing things better, and the line will continue to improve as the industry's expertise evolves.

#### 2 Why did you choose Verescence's Verre Infini® 40?

We wanted to find the best compromise between the quantity of recycled glass used in the manufacture of our bottles and the quality compatible with the luxury sector, particularly in terms of the transparency and brilliance of the glass, and we found this answer with Verescence. In essence, recycled glass has already been used once. The GIRL bottle is therefore composed of 40% of glass already manufactured and used. It's a second life for the glass, which is therefore consumed in smaller quantities and allows us to reduce our impact on the environment.

#### 3 How did the collaboration with Verescence go?

Beyond the choice of Verre Infini® 40, we were able to work with Verescence's development teams to further improve our impact on the environment. We conducted several test sections to achieve a reduced glass weight compared to the initial design without impacting the aesthetics of the product. For example, we were able to reduce the 100ml bottle by 20g, which led to a 16% reduction in carbon footprint by combining the switch to Verre Infini® 40 and the reduction in glass weight, which is the equivalent of 24 round trips from Paris to New York by plane for one passenger for a production of 110,000 bottles.

The Verescence teams also opened the doors of their factory to allow us to shoot a video to explain to our consumers the secrets of the GIRL bottles manufacturing process, in the interests of transparency.

Thanks to all the Verescence teams for this great partnership.

**Here are the results of the comparative life cycle study conducted by Verescence between the GIRL bottle in Verre Infini® 40 and the same bottle in extra flint glass (for a production of 110,000 100ml bottles):**



**-9%**

CARBON  
FOOTPRINT



**-9%**

NATURAL RESOURCES  
USED



**-12%**

WATER  
CONSUMPTION



# APPENDICES

64 **CSR dashboard and objectives**

66 **Methodology note**

68 **CSR Initiatives 2020-2021**

84 **Equivalence tables (GRI and Global Compact)**

99 **Independent third party report (KPMG)**



# CSR DASHBOARD & OBJECTIVES

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

The dashboard below gives a brief overview of the Group's progress with respect to each of the three pillars of the "Glass Made to Last" program. Details of the figures and progress with respect to each commitment are given in the main body of this report.

PILLAR	SDGs	THEME	KPI	UNIT	2019 RESULTS (v) <sup>1</sup>	2020 OBJECTIVES	2020 RESULTS (v) <sup>1</sup>	OBJECTIVES 2021	OBJECTIVES 2022
PEOPLE FIRST	3, 4, 5	<b>Health &amp; Safety</b>	Lost time accident frequency rate (TFI)	Rate	2,85	<2,5	3,19	2,3	<2
		<b>Well-being at work and recognition</b>	Investments allocated to improving working conditions and EHS initiatives vs. Total Investments	%	4,06 %	2%	3,1%	2%	2%
			Absenteeism rate	%	5,51%	4,5%	6,21%	4,5%	<4%
		<b>Skills and careers</b>	Number of trained employees vs. Number of employees	%	61%	68%	70%	>70%	>70%
			Rate of deployment of career mapping	%	71%	90%	70%	90%	100%
		<b>Diversity</b>	Percentage of female managers	%	29,4 %	>35%	29,73%	>35%	>35 %
Percentage of female recruits	%		37,4 %	50%	43,71%	50%	50%		
ACT FOR SOCIETY	8, 10, 11, 16, 17	<b>Local presence, global strength</b>	Local purchases vs. Purchasing volume	%	96 %	95%	98%	95%	95%
		<b>Preserving employment at our sites</b>	Number of employees enrolled in training courses eligible to obtain a professional qualification certificate or to validate the foundations of professional know-how and skills	Cumulative number	44	50	46	50	55
		<b>Sustainable procurement</b>	Number of suppliers that have signed the CSR Charter vs. Number of suppliers listed on the Verescence CSR 1 panel (suppliers with a significant effect on Verescence's CSR impact)	%	97%	100%	96%	100%	100%
		<b>Business Ethics</b>	High-risk employees trained and qualified on corruption risks vs. Total workforce	%	100 %	100%	100%	100%	100%
ECO SOLUTIONS	6, 7, 8, 12, 13, 14, 15	<b>Quality of service and competitiveness</b>	On Time In Full delivery rate (OTIF)	%	94%	>95%	94,8%	>96%	>97%
			Customer complaint rate	%	0,79%	0,75%	0,57%	0,70%	<0,5%
		<b>Innovation and eco-design</b>	Number of commercial offers issued and accompanied by an LCA	Number	56	98	91	115	50%
			Annual change in the number of bottles made from post-consumer recycled glass (PCR)	%	+31,7%	+50%/an	+4,5%	+50%/an	+50%/an
		<b>Optimizing the environmental impact of our processes</b>	CO2 emissions (Scope 1: Direct GHG; Scope 2: Energy Indirect GHG)	t/tg	1,09	0,95	1,09	1,02	0,92
			NOx emissions for glass manufacturing sites	kg/tg	1,33	1,99	1,57	1,94	1,89
			SOx emissions for glass manufacturing sites	kg/tg	1,02	1,32	0,52	1,28	1,25
			Fine particle emissions for glass manufacturing sites	kg/tg	0,051	0,141	0,060	0,137	0,134
			Water withdrawal per metric ton of glass	m <sup>3</sup> /tg	2,5	3	2,8	2,8	2,5
			Total quantity of waste per ton of glass drawn	kg/tg	147	139	127	132	126
Waste recycling rate	%	82,14%	93%	87%	95%	97%			

1. Data verified with a reasonable level of assurance by KPMG for 2019 and 2020.

\* tg = metric ton of glass

# METHODOLOGY NOTE

## Elements of methodology on the published indicators

### SCOPE


All entities consolidated by the Group, excluding the South Korean subsidiary Pacificglas acquired during the year.


### EXCLUSION


Verescence is not concerned with the following matters and does not therefore report any results or initiatives on these subjects:

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

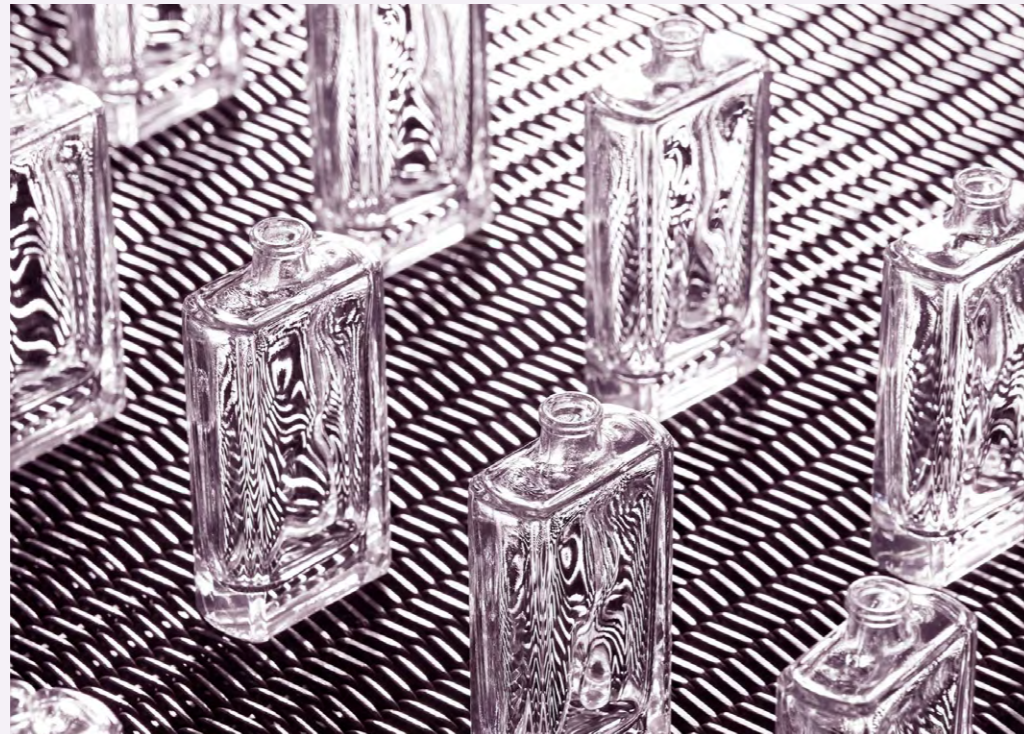
\* tg = metric ton of glass

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

	FREQUENCY	INDICATORS	UNIT	DEFINITIONS / CALCULATION
	Annual	Local purchases vs. Purchasing volume	%	[Sum of the purchasing turnover realized in the processing country (K€) / sum of the entity's total purchasing turnover (K€)]*100 <b>Note</b> A local purchase is defined by the location of the supplier and the performance of the service, or the source of the supplier's materials as follows:— France and Spain: processing countries + border countries — USA: USA only — Exceptional purchases are not included in this indicator — Exceptional purchases are excluded from this indicator
	Annual	Number of employees enrolled in training courses eligible to obtain a professional qualification certificate or to validate the foundations of professional know-how and skills	Cumulative number	Sum of employees enrolled in training courses eligible to obtain a professional qualification certificate or to validate the foundations of professional know-how and skills <b>Note</b> It is the number of enrolments in these training courses during the year which is considered and counted, whether or not a certificate is issued. Training courses equivalent to these French certificates are taken into account internationally
	Annual	Number of suppliers that have signed the CSR Charter vs. Number of suppliers listed on the Verescence CSR 1 panel (suppliers with a significant effect on Verescence's CSR impact)	%	[Number of suppliers that have signed the CSR Charter / Number of suppliers listed on the Verescence CSR 1 panel]*100 <b>Note</b> The indicator for suppliers that have signed the Verescence CSR Charter includes those that have their own CSR Charter
	Annual	High-risk employees trained and qualified on corruption risks vs. Total workforce	%	[Sum of the high-risk employees trained and qualified on corruption risks, anti-competitive practices, and information security vs. total high-risk workforce]*100 <b>Note</b> The following people, known as "high-risk employees", are eligible for this type of training:1) All executive staff worldwide, including various departments (Excom, sales, purchasing, finance, etc.) 2) "Non-executive" populations are included, but are considered at risk given their function, namely the Accounting/Payroll, HR, R&D, Sales Assistants, Purchasing, and anyone in contact with third parties as part of their function 3) Any newcomer falling under 1) or 2)

	FREQUENCY	INDICATORS	UNIT	DEFINITIONS / CALCULATION
	Monthly	Customer complaint rate	%	[Sum of customer complaints accepted / Sum of lots delivered]*100
	Monthly	On Time In Full delivery rate (OTIF)	%	Number of deliveries in time and quantity / Number of deliveries <b>Note</b> A delivery is considered as being "on time" if it is delivered on the date requested in the customer's order. Delivery in full means that there is no difference between the quantities requested and the quantities delivered
	Annual	Annual change in the number of bottles made from post-consumer recycled glass (PCR)	%	[Sum of bottles produced with PCR glass year n - (n-1) / Sum of glass bottles produced year n - (n-1)] * 100 <b>Note</b> Verescence's PCR glass offer includes Verre Infini® 20 and Verre Infini® 40, incorporating 20% and 40% post-consumer recycled glass respectively
	Annual	Minimum PCR glass content in Verre Infini® 40	%	[(Quantity of PCR glass delivered in year (n) (t) + Change in stock of PCR glass in year (n) vs. Year (n-1) (t) ) / (Quantity of Verre Infini® 40 considered good and sent to customers (t) )]*100 <b>Note</b> In France only - Complies with the definition adopted by FEVE
	Annual	Number of commercial offers issued and accompanied by an LCA	Number	Sum of commercial offers issued with an LCA (life cycle analysis) whether they are lost, won, in progress or abandoned
	Monthly	CO <sub>2</sub> emissions (Scope 1: Direct GHG; Scope 2: Energy Indirect GHG)	t/tg	Estimated quantity of CO <sub>2</sub> emissions to produce one metric ton of glass Total quantity of estimated CO <sub>2</sub> (t CO <sub>2</sub> ) / Quantity of glass drawn (t) <b>Note</b> Source of emission factors: GHG Protocol (IEA emission factors of 2011 published in 2014, provided by WRI)
	Annual	Atmospheric emissions (Nox/Sox/ fine particles) for glass manufacturing sites	kg/tg	Mass of atmospheric emissions (Nox, Sox or fine particles) in kg for glass manufacturing sites / t glass drawn
	Monthly	Water withdrawal per metric ton of glass	m <sup>3</sup> /tg	Total water extraction at the site for one ton of glass drawn Total quantity of water (m <sup>3</sup> ) / Quantity of glass drawn (ton)
	Monthly	Waste recycling rate	%	Percentage of recycled, reused or recovered waste [Quantity of recycled, reused or recovered waste (t) / Total quantity of waste (t)]*100
	Monthly	Total quantity of waste per ton of glass drawn	kg/tg	Sum of hazardous waste and non-hazardous waste (kg) / Quantity of glass drawn (t)

# CSR INITIATIVES 2020-2021



**Our continuous improvement approach is based on implementing the Verescence CSR policy at each site and sharing best practices.**

**The initiatives listed are not exhaustive and are constantly changing. Period from 01/01/2020 to 30/04/2021.**

## PEOPLE FIRST

**2020-2021 initiatives standardized at group level and applied at all sites**

### OBJECTIVES



### Health & Safety

#### MANAGEMENT

- Occupational Health and Safety objectives have been set for the Group and applied at all sites. They form part of the individual objectives set for all executives.
- Establishment of a specific crisis unit made up of EHS and medical teams with weekly points to develop our "Covid-19" plan.
- Analysis of the risk of a pandemic according to the level of traffic in the territories for all the sites and proposals for common prevention methods both at organizational, technical and human levels:
  - Establishment and updating of internal procedures
  - Psychological and social support for employees
  - Management of suitable equipment (mask, hydroalcoholic gel, etc.)
  - Update of the single document (DU) facing the crisis
  - Modification of pedestrian flows
  - Establishment of collective protections
  - Management of contact and positive cases
  - Increased frequency of disinfection for common premises
  - Reorganization through the implementation of teleworking
  - Continuity of activity on the sites with volunteer staff
  - Partial unemployment for the rest of the employees with recurring social contact via newsletters and SMS
  - Implementation of regular "Covid-19"

audits on the GoAudits platform with review of weekly discrepancies.

### Well-being at work

#### MANAGEMENT

- Organization of generalized expression groups at all sites. They allow to define and implement actions to improve working conditions and organization of the activity within the unit.
- Sharing of all our CSR initiatives carried out by each site on a collaborative platform structured around our CSR strategy.
- A performance bonus (including safety criteria) is allocated each year to involve all operators in improving results.
- Implementation of latest generation digital tools to enable our employees to carry out their teleworking activities (generalization of Teams, collaborative tools, etc.) and for the sites to continue to communicate with each other, and with our partners via smart glasses.

#### PERFORMANCE RECOGNITION

- Process for evaluating executive performance via "People Success": 2 reviews throughout the year (objective setting and year-end review).

#### INTERNAL COMMUNICATION

- CSR e-learning (2nd edition): worldwide diffusion of e-learning among connected teams so as to share Verescence's strategic sustainability approach.
- Talent pages: highlighting 10 career paths representing our career dynamics and diversity on our internal and external communication tools.
- Preparation of a global CSR day (face-to-face and digital event) across all sites for 2021 to present and share CSR issues and impacts with employees within Verescence.
- HR Intranet site in each region and for all sites: communication of policies, company agreements (collective agreements) and public policies, staff movements (recruitment and

departures), job offers and practical information (medical expenses, health insurance).

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

### Skills and careers

#### HUMAN RESOURCES AND CAREER MANAGEMENT

- An HR policy is defined within the Verescence Group and implemented at all sites responsible for hiring their employees and managing their personnel.
- Internal and international mobility is encouraged when meeting new hiring needs.
- Launch of training dedicated to the Verescence Sustainable Performance System with different levels: white, yellow, green, black.

#### EMPLOYEE TRAINING

- Management training for strategic managers in responsibility at Group level and management committees in each region.
- Training for all operational managers in the regions by 2022 in respect for the values of the Group.
- All new arrivals (temporary and permanent employees, interns) receive Health, Safety and Environment training, which must be validated before they start work.
- Development of e-learning solutions in different fields (Good Manufacturing Practices, CSR and anti-corruption).

### Diversity

#### MANAGEMENT

- HR policy is consistent with the Ethics Charter, which is included Group-wide in the common provisions (notably internal rules in France).
- Encouragement of the feminization of technical and managerial fields in the recruitment and promotion phases.■

## INITIATIVES 2020-2021 BY SITE

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

#### Health & Safety

##### IMPROVEMENT IN INFRASTRUCTURE/PPE

- Improvement of the tools and materials used for glass forming machines (IS machines), securing of our employees during at-risk operations:
  - Standardization of the lengths of greasing tools, standardization of practices for safe machine control
  - Improvement for guiding glass bottles on the conveyors exiting the IS machine
  - New, more ergonomic greasing technique
  - Implementation of hot end communication headsets used for setting the IS machines at the start of manufacturing.
  - Improvement of working conditions: refreshing bandanas, nonflammable sweatshirts, polar wool (cold end), installation of fans at all workstations (cold end and hot end), provision of saline water (hot and cold plan).
  - Compulsory wearing of safety hats in the hot end.

##### EMPLOYEE TRAINING

- Training of all on-site firefighters on real fire simulator, operational technique and “breathing apparatus”.
- Training of steering committee and CU/works council in IOP exercises : 4 firefighter exercises per team for our 65 internal firefighters.

- Training of 100% of staff on barrier measures.

##### MONITORING

- Dust level measurements (crystalline silica) on the entire site.
- Impact study following analysis on soil and subsurface water pollution.

#### Well-being at work

- The mold shop, mold change and maintenance services are integrated in the middle of production.
- Specific working group on the IS / SGP service on the heavy load port.
- Working group on musculoskeletal disorders (MSDs) with the cold end.

#### Skills and careers

##### CAREER MANAGEMENT

- Multi-skills table for production personnel to promote career progression.
- Development of partnerships with grandes écoles (Chemistry School of Lille, Limoges Ceramics School, INSA, etc.) for internship programs.

#### Diversity

- Professional Equality Index W / M 2020 (Verescence France: headquarters and factory in Mers-les-Bains): 76/100.
- Raising managers' awareness of the risks of discrimination and harassment.
- Workstation adjustments and discussions with company doctor for temporarily or permanently disabled employees: provision of an electric cart for an employee experiencing mobility difficulties.■

### Verescence Orne (France)

#### Health & Safety

##### MANAGEMENT

- Deployment of stretching exercises for all workstations, in particular for sorters.
- Psychosocial risk management plan (PSR).
- Presence of an ergonomist to analyze movements and postures.

##### IMPROVEMENT IN INFRASTRUCTURE/PPE

- Ergonomic study at the Gluing workshop to reduce clutter and improve safety conditions around workstations (study carried out by ATHANALYS).
- Study of technical noise reduction solutions at the Lacquering workshop.
- Improved working conditions for sorting stations, lighting control and height adjustment of tables.
- Improved management and monitoring of the consumption of personal protective equipment (PPE).

##### EMPLOYEE TRAINING

- Movements and Postures training.
- Training of employees on the Internal Operation Plan (IOP).
- Creation of a Covid-19 training module and training of all staff and temporary workers.

##### COMMUNICATION

- Regular CSR awareness-raising: twice-monthly safety and environment

message.

- Revision of the safety welcome booklet for newcomers including temporary workers.

#### Well-being at work

- Presence of a social worker twice a month and an osteopath two days a month to provide relief for employees exposed to repetitive movements.
- Modernization of the work space for the new hot stamping line (lighting).
- Installation of an air cooling system for the workstations in the Frosting workshop.
- Installation of new shelters and outdoor tables.

#### Skills and careers

##### CAREER MANAGEMENT

- Establishment of a career plan and personal goals for all employees

#### Diversity

- Professional Equality Index W / M 2020: 75/100.
- Raising managers' awareness of the risks of discrimination and harassment.
- Production management is run by a woman.
- The management of an autonomous production unit is run by a woman.
- Partnership with ADAPEI for destruction of waste for glass recycling.■

### Verescence Somme (France)

#### Health & Safety

##### IMPROVEMENT IN INFRASTRUCTURE/PPE

- Annual performance of ergonomics analyses on the various stations (ergonomist on a work-study contract).
- Noise assessment measures : personnel exposed to noise equipped with ear muffs and exposed staff equipped with molded protections in 2019.
- Installation of lifting platforms on a number of lines.
- Installation of 2 pallet distributors.
- Connection of water fountains to the city water network.
- Installation of an industrial press for laquer sludges.
- Construction of social premises.
- Additional LED lighting.
- Rehabilitation of the pedestrian flow.

##### EMPLOYEE TRAINING

- Establishment of a Movement and Postures training by the ergonomist.

##### COMMUNICATION

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

#### Well-being at work

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

- Presence of a social worker twice a month.

#### Skills and careers

##### CAREER MANAGEMENT

- Management of Workers' skills through the career paths and associated multi-skills table.
- Development of partnerships with grandes écoles (Chemistry School of Lille, INSA, UTC, etc.) for internship programs.

##### EMPLOYEE TRAINING

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

#### Diversity

- Professional Equality Index W / M 2020: 75/100.
- 40% of women on the management committee.
- The person responsible for hiring has taken “Hiring without discrimination” training.
- Psychosocial risks prevention (RPS) for all managers.
- Partnership with a vocational rehabilitation center for general maintenance work.
- Collaboration with Humando to promote professional integration.■

## PEOPLE FIRST

### Verescence Somme (France)

#### Health & Safety

##### IMPROVEMENT IN INFRASTRUCTURE/PPE

- Annual performance of ergonomics analyses on the various stations (ergonomist on a work-study contract).
- Noise assessment measures : personnel exposed to noise equipped with ear muffs and exposed staff equipped with molded protections in 2019.
- Installation of lifting platforms on a number of lines.
- Installation of 2 pallet distributors.
- Connection of water fountains to the city water network.
- Installation of an industrial press for laquer sludges.
- Construction of social premises.
- Additional LED lighting.
- Rehabilitation of the pedestrian flow.

##### EMPLOYEE TRAINING

- Establishment of a Movement and Postures training by the ergonomist.

##### COMMUNICATION

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

#### Well-being at work

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

## Verescence La Granja (Spain)

### Health & Safety

#### MANAGEMENT

- Stretching exercises for the decoration workshop.
- Benchmarking program with other plants of the Group and other companies.
- Information campaign on the Safety Golden Rules to be observed on the site.
- Representation of personal protective equipment (PPE) on a mannequin by site of the lesions.
- Integration of the Safety team in the Gemba Walks (factory tours) regularly scheduled on the site.

#### IMPROVEMENT IN INFRASTRUCTURE/PPE

- Continuous improvement actions relating to workstation ergonomics.
- New method of greasing the IS machines with less risk associated with ergonomics extended to all machinery.
- Compulsory wearing of a safety cap at the Hot End.
- New handling robot on the insulator flocking line to improve the ergonomics of the workstation.
- Pilot site for the use of collaborative robots (cobots) in the decor workshop.
- Improved safety of Cold End packaging machines.
- Update of the accident risk assessment of the natural gas pipeline network.
- Modification of the gas pipes to avoid any risk of collision with forklifts.
- Improved storage:

- New signage in the various storage areas
- Reorganization of the storage of refractory plates
- Reorganization of the storage of insulators near the plant to reduce transport.

#### COMMUNICATION

- Weekly safety messages.
- Accident alert information panel.

### Well-being at work

- Monthly general information meeting with all employees by Teams.
- Health campaign: once a week the company distributes fruits to workers to encourage them to adapt healthy food habits.
- Specific action plan following the 2018 engagement survey.

### Skills and careers

#### CAREER MANAGEMENT

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

#### EMPLOYEE TRAINING

- Official professional diploma for 8 employees.
- Specific training on the use of new automatic machines in the finishing plant.
- Training in logistics / Supply Chain.
- Training in the new mold design software (NX).
- Language training.

### Diversity

- Introduction of a gender and ethnicity equality plan.■

## Verescence Covington (USA)

### Health & Safety

#### MANAGEMENT

- Safety observation cards for "near misses", to indicate potential safety problems.
- Safety-related efforts were also rewarded through the "Pride Incentive".
- Introduction of a new EHS audit program.
- Integration of the Safety team in the Gemba Walks (factory tour) scheduled twice a week on the site.

#### IMPROVEMENT IN INFRASTRUCTURE/PPE

- New maintenance workorder system in Teams.
- Safety caps in Hot End.
- Securing the conveying of cullet.
- Repair of the insulation of the gas valve in the maintenance workshop.

#### EMPLOYEE TRAINING

- Quarterly safety footwear check.
- Dedicated training person for on boarding new hires.

#### MONITORING

- Gemba Walks was added to GoAudit system.

#### COMMUNICATION

- Weekly update of employee information screens at employee entrance.
- Accident alert information panel.
- Weekly EHS topics distributed to all employees.

### Well-being at work

- Organization of a "Health" information day and meetings with a doctor.
- Monthly general information meeting with all employees by Teams.
- Payroll notes to communicate key events attached to paychecks.

### Skills and careers

#### CAREER MANAGEMENT

- Management of Workers' skills through the career programs and associated multi-skills table.
- Post career opportunities on all employee information boards.

#### EMPLOYEE TRAINING

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

### Diversity

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

## Verescence Sparta (USA)

### Health & Safety

#### IMPROVEMENT IN INFRASTRUCTURE/PPE

- Preventive maintenance program.
- Renovation of access doors.
- Improved cooling of the bottles at the exit of the lacquering lehrs.

#### EMPLOYEE TRAINING

- Weekly EHS topics distributed to all employees.
- Renew Emergency Response Team (ERT) training and increase membership.
- Enhance ERT / CSC (Central Safety Committee) organization following new skills matrix (ERT or CSC mandatory for level 3 and above).

#### COMMUNICATION

- Floor marking enhancement.

### Well-being at work

- Interactive communication session with employees relating to working conditions.
- Healthier food options in the cafeteria.
- New employee breakroom.
- Improvement of HVAC in breakroom and chiller to reduce the heat in the building.
- Prevention communication and actions for healthy mindset.
- Roof repairs.

### Skills and careers

#### CAREER MANAGEMENT

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

#### EMPLOYEE TRAINING

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

### Diversity

- All managers and supervisors have received training on equal employment opportunities, discrimination and harassment.
- Partnership with association to help people with disabilities.
- Partnership with local schools to integrate youth.■

# ACT FOR SOCIETY

**2020-2021 initiatives standardized at group level and applied at all sites**

## OBJECTIVES



## Local presence, global strength

### MANAGEMENT

- Review of all Verescence key processes by their owner at the level of the Executive Committee, Regional Management Committees, and Site Management Committees, taking into account CSR criteria, with SWOT analysis and improvement plan.
- Creation of a CSR Roadmap for each theme included in the 3 pillars of our CSR strategy. For each theme, a leader is appointed and is in charge of

evaluating CSR progress.

- Participation of Verescence in ETIs (Movement of mid-size companies).

### EQUIPMENT

- Use of 3D printers making it possible to produce most of our tools. This system makes it possible to reduce tool transportation flows, while considerably improving our agility through a significant reduction in lead time.

## Sustainable procurement

### MANAGEMENT

- Continuous training of all buyers in CSR principles and Verescence's CSR strategy.
- Deployment of various CSR actions in partnership with our suppliers.

### SUPPLIER SELECTION

- Deployment and updating of mapping of our ecosystems including CSR aspects.
- Integration of a CSR dimension in the supplier risk analysis.
- Extension of heavily-weighted CSR criteria in invitations to tender, specifications and purchasers'

individual goals.

- Deployment of the Purchasing Policy, CSR Policy and Supplier CSR Charter set out by the Group.
- Environmental and social audits on suppliers' sites.

### SUSTAINABLE PROCUREMENT

- The finishing plants use gold for some types of decoration. The plants have restricted the number of suppliers to two trusted companies. Their sources are certified and declared through official declarations.
- Verescence maintains a "gold mapping" document that is used to trace the origin of the gold for all of the finishing plants.
- Introduction of a tool allowing mold needs to be anticipated, which enabled us to buy a greater proportion of our molds locally.
- Implementation of a multi-year action plan with our CSRI suppliers and various Verescence departments:
  - Systematic review of the 3 CSR pillars with our Suppliers
  - Assessment of their maturity by Pillar
  - Definition of the actions necessary for the progression
  - Inventory of CSRI EcoVadis

suppliers or other recognized organizations.

## Business Ethics

### COMMON PROVISIONS FOR ALL SITES

- An "FCPA policy" that covers the following subjects: anti-corruption, conflicts of interest, fraud, anticompetitive practices.
- Ethics Code and Code of Conduct for all employees.
- "Cyber security policy and measures": committee, ISS (Information Security System) policies, internal audits.
- "Whistleblower procedure" accessible on the Intranet and on [www.verescence.com](http://www.verescence.com).
- The Compliance Committee, supervised by the CEO, meets every 2 months and/or when needed to discuss topics related to business ethics, including anti-corruption, conflict of interest (through the deployment of tools such as the whistleblower procedure, the third-party verification procedure, the training of employees, etc.), limitation of authority (limit

- for the value of business gifts and donations, etc.), GDPR, or securing computer access, on a group scale.
- Deployment of an anti-corruption training program 100% created by employees considered "at risk" for 3 consecutive years, as well as for any newly hired employees.
- Standard ethical and anti-corruption clause imposed on all Verescence partners (suppliers, customers, service providers, agents, distributors, etc.)
- Procedure for checking third parties via the "World-Check" database to guarantee the absence of any act of corruption of a potential partner.
- GDPR (General Data Protection Regulation) data processing registry at group level.
- Safety of information systems & cyber security:
  - (i) Internal / external intrusion tests (08/2019): assessment of the robustness of the infrastructure to internal and external attacks
  - (ii) DRP (Disaster Recovery Plan)/ BRP (Business Recovery Plan): shutdown and recovery tests in the event of the loss of Data Center 2 in order to complete the exercises and simulations carried out in 2018

- corresponding to the loss of Data Center 1 (November 2019)
- (iii) Strengthening of network policies and introduction of network segregation (France/Spain)
- (iv) Strengthening of backup strategies: cross-site backups
- (v) Introduction of a group Cyber insurance policy (April 2021)
- Digitization of business processes in line with the "zero paper" strategy and strengthening of compliance control within the Group (eValid, etc.).
- Introduction of a "sensitive positions" recruitment procedure (Finance, Payroll, Purchasing, HR, INPD departments).
- Review of banking powers and delegations of powers and signature.
- Implementation of a global "eValid Gifts & Donations" workflow to control gifts and donations in accordance with the Group's LoA policy.■

## INITIATIVES 2020-2021 BY SITE

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

#### Local presence, global strength

##### LOCAL OPERATION THROUGH THE CREATION OF CLUSTERS

→ Extension of “door to door” blank bottle sorting subcontractors.

##### LOCAL SECTORAL COLLABORATION

→ Active participation in “Glass Valley” and “Cosmetic Valley”, which bring together all local players in the sector, i.e. glassmakers, decorators, toolmakers, layout artists, sorters, etc.

##### COLLABORATION WITH LOCAL AUTHORITIES

→ Regular collaborative work with the local authorities under environmental protection measures (limiting emissions into the air and water).  
→ Sending a monthly communication with the DREAL of Seine Maritime on our progress on environmental, energy and / or security subjects.  
→ Visit by the French Minister Delegate for Industry on the occasion of the launch of the “France Relance” recovery plan.  
→ Donation of bottles of hydroalcoholic gel to the local crisis unit, firefighters, EU hospital and masks and gowns to ambulance workers in Vimeu, EHPAD and liberal nurses.

#### Preserving employment at our sites

##### PRESERVING THE SECTOR'S TRADES

→ Verescence Mers-les-Bains is certified as a training organization enabling tailor-made training adapted to the needs of our staff.  
→ Participation in the creation of a CQP “Maintenance Agent”.  
→ Implementation of the CléA diploma system.  
→ Continuation of the CQPI for “Hot End” mechanic drivers.■

### Verescence Orne (France)

#### Local presence, global strength

##### LOCAL OPERATION THROUGH THE CREATION OF CLUSTERS

→ Insourcing of all decorated bottle sorting activities on site.

##### LOCAL PRESENCE AND SOCIAL COMMITMENT

→ Blood donation campaign.  
→ EHS assessment of subcontractors / suppliers having an impact on QSE aspects.

## ACT FOR SOCIETY

##### LOCAL SECTORAL COLLABORATION

→ Active participation in “Glass Valley” and “Cosmetic Valley”, which brings together all local players in the sector, i.e. glassmakers, decorators, toolmakers, layout artists, sorters, etc.

##### COLLABORATION WITH LOCAL AUTHORITIES

→ Visit of the Prefect as part of the “France Relance” recovery plan.  
→ Donations of masks, mob caps, gowns, gloves and overshoes to the University Hospital of Flers, to private nurses and the local public institution (DREETS).■

### Verescence Somme (France)

#### Local presence, global strength

##### LOCAL OPERATION THROUGH THE CREATION OF CLUSTERS

→ Insourcing of all decorated bottle sorting activities on site.

##### LOCAL PRESENCE AND SOCIAL COMMITMENT

→ Participation in the Employment and Training Forum (Amiens and Abbeville).  
→ Blood donation campaign.  
→ Organization of an open day on the occasion of International Women's Rights Day, in partnership with the HUMANDO agency and Passerelle vers l'Emploi 80.

→ As part of the European Mobility Week and the Enterprise Mobility Plan, participation in the “Cycling” operation in partnership with LACTINOV.  
→ Collaboration with the local mission and EPIDE to welcome the public in reintegration.

##### LOCAL SECTORAL COLLABORATION

→ Active participation in “Glass Valley” and “Cosmetic Valley”, which brings together all local players in the sector, i.e. glassmakers, decorators, toolmakers, layout artists, sorters, etc.

##### COLLABORATION WITH LOCAL AUTHORITIES

→ Regular collaborative work with the local authorities under environmental protection measures (limiting emissions into the air).  
→ Donations of masks, mob caps, gowns, gloves and overshoes to the University Hospital of Amiens and Abbeville.

#### Preserving employment at our sites

##### PRESERVING THE SECTOR'S TRADES

→ Verescence Somme is certified as a training organization that can deliver customized training to suit the requirements of our personnel.  
→ Continuation of the CQP “industrial equipment operator” system for lacquering line operators.  
→ Continuation of the CléA diploma system.■

### Verescence La Granja (Spain)

#### Local presence, global strength

##### LOCAL OPERATION THROUGH THE CREATION OF CLUSTERS

→ Insourcing of all bare or decorated bottle sorting activities on site.  
→ Implementation of the “door to door” bottle sorting subcontractor.  
→ Improvement of the S&OP and PIC (Industrial and Commercial Plan) to promote the internalization of decoration.

##### LOCAL PRESENCE AND SOCIAL COMMITMENT

→ Sponsorship of several sports (local soccer teams) and cultural activities (Noches Mágicas, Mercado Barroco, Christmas season, etc.).  
→ Collaboration with the Valladolid University Foundation and the University of Madrid.  
→ Collaboration with the public authorities for employment of local people.  
→ Opening of the company restaurant to local populations.  
→ Sponsorship of a drawing competition for students on the theme of ecology.  
→ Visit of Alberto Burgos, industrial director of ALBERTO BURGOS.  
→ Participation in a television program in “La Sexta Noticias” highlighting our CSR approach.

##### LOCAL SECTORAL COLLABORATION

→ Collaboration with the Royal Glass Museum for training and the exchange of good practices on glass.

##### COLLABORATION WITH LOCAL AUTHORITIES

→ Donation of glass bottles for conditioning hydroalcoholic gel, disposable protective equipment (masks, gowns, splash goggles) for local hospitals.  
→ Provision of the 3D printer in order to produce the components necessary for the production of protective masks offered to local authorities.  
→ Member of several local associations (AMEC, FES and VIDRIO ESPAÑA).

#### Preserving employment at our sites

##### PRESERVING THE SECTOR'S TRADES

→ Government-certified training center authorized to deliver training leading to qualifications of glass trades (Certificado Profesionalidad).  
→ Sponsorship of the Academia del Perfume Awards 2020.■

## Verescence Covington (USA)

### Local presence, global strength

#### LOCAL OPERATION THROUGH THE CREATION OF CLUSTERS

- Insourcing of 80% of blank bottle sorting activities.
- Development of relationships with local suppliers for packaging.

#### LOCAL PRESENCE AND SOCIAL COMMITMENT

- Cancer prevention event.
- “Nutrition” advisory campaign.
- “Adopt a mile” partnership with the city of Covington to clean the roadside leading to the plant.
- Toy collection campaign for the “Toys for Tots” association.
- Supporter of various community events (Fun Run, Family Fun Day, YMCA race, etc.).
- Increasing our responsible purchasing by prioritizing local purchases and suppliers.
- Participation in an event in honor of veterans.
- Sponsorship of a community run to support the local police.
- Mask donations for the families of employees.

#### COLLABORATION WITH LOCAL AUTHORITIES

- Member of the local industrial committee.
- Member of the Local Emergency Planning Committee (LEPC).
- Collaboration with the Newton

County Chamber of Commerce to donate meals to employees of Piedmont Newton Hospital for National Hospital Week.  
→ Collaboration with Action Ministries to provide meals to children in Newton County during lockdown.

### Preserving employment at our sites

#### PRESERVING THE SECTOR'S TRADES

- Improvement in the ratio of hiring temporary workers on permanent contracts.
- A 30-60-90 day plan is defined for new employees.■

## Verescence Sparta (USA)

### Local presence, global strength

#### LOCAL OPERATION THROUGH THE CREATION OF CLUSTERS

- Partnership with a lacquer supplier to locally develop a new manufacturing activity.
- Development of a partnership with a second local lacquer supplier.
- Local tooling supplier.

#### LOCAL PRESENCE AND SOCIAL COMMITMENT

- Cancer prevention event extended to include other types of cancer.

- “Nutrition” advisory campaign.
- Participation in an event in honor of veterans.
- Mask donations for the families of employees.

### Preserving employment at our sites

#### PRESERVING THE SECTOR'S TRADES

- Recruitment of 10% of additional temporary workers to permanent contracts.
- Career paths deployed to promote retention, skills development and attractiveness.■





# ECO SOLUTIONS

**2020-2021 initiatives standardized at group level and applied at all sites**

## OBJECTIVES



## Quality of service and competitiveness

### MANAGEMENT AND ORGANIZATION

→ Strengthening of "One Verescence" by deploying the Verescence Sustainable Performance System (VSPS) throughout the Group based on a strong approach of continuous improvement.

→ Management of performance at monthly committee meetings by site and by business line, enabling rapid deployment of best practices.

→ All sites are subject to CSR objectives covering the three pillars. Included in their respective budgets, these objectives are the subject of a report and are reviewed during monthly "Business Reviews". All sites thus actively work to reduce their energy and water consumption, and emissions into the air (CO<sub>2</sub>, NO<sub>x</sub>, SO<sub>x</sub>, VOC, etc.), and are committed to recovering as much of their waste

as possible by examining all local recycling solutions. All of this data is collected each month within the EHS network, and consolidated on a non-financial reporting platform administered by TENNAXIA.

→ Monitoring of waste by type and disposal method at all sites: standardization of declarations on all sites.

→ Insourcing of bottle sorting activities on our sites in order to optimize our processes, reduce our delivery times and reduce transportation.

→ All Verescence sites are certified in accordance with all of the following standards: ISO 9001, ISO 45001, ISO 14001, ISO 22716 (Cosmetics GMP).

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

→ Assessment of the Quality population for the entire Group.

→ All COMEX members have individual CSR objectives that they deploy within their teams.

## Optimizing the environmental impact of our processes

→ Each year, Verescence and all of its sites evaluate their performance in terms of climate impacts and water management according to the "CDP

Climate Change" and "CDP Water Security" programs. In 2020, Verescence confirms the improvement of its score for the third year running by receiving the "B" rating.

→ Verescence joined the Science Based Targets (SBTi) initiative and committed to the "Well-Below 2 ° C" scenario.

→ Verescence validates its 2019-2034 decarbonisation plan for all the Group's factories.

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

→ Deployment of a common water management standard and mapping of water supply and discharge for 100% of the processes.

→ Verescence is a partner of the European "Furnace for The Future" project, which should lead to the creation of a high-capacity hybrid electric furnace using breakthrough technology making it possible to reduce the CO<sub>2</sub> emissions of the furnaces by 60 to 80%.

→ Verescence joined the "VERCANE" R&D project (VERre CARboNEutre), the objective of which is to decarbonize the glass manufacturing process by providing energy solutions capable of supplying production sites in a sustainable manner.

## Innovation and eco-design

### PRODUCT INNOVATION

→ The Verescence R&D teams, positioned at Group level, work to

systematically improve the ecological impact of the products manufactured at all of our sites:

- Growth of Verre Infini® 40: 40% PCR (Post Consumer Recycled = used glass collected for recycling)
- Development of a new composition of recycled glass with 20% PCR
- Use of 100% water-soluble lacquers instead of solvent-based lacquers
- Use of organic inks instead of enamels or precious metals
- Development of lightweight glass
- Development of the "safety glass"
- Glassification: replacement of plastic by glass for many projects (Capture Totale line by Dior, Advanced Night Repair bottle and jar by Estée Lauder, glass cap for Bvlgari Allegra and development of a glass mascara for a French cosmetics brand)
- Growth in the production of bottles with screw rings allowing the separability of the different components of the primary packaging in order to facilitate recycling

### MEASURE OF ENVIRONMENTAL IMPACT

→ Evolution of Verescence Life Cycle Analysis (LCA) tool with the inclusion of Verre Infini® 20 and Verre Infini® 40. All of the data specific to Verescence has been updated to take into account our latest improvements impacting the life cycle of our products.

→ All sites contribute through their performance to enhancing the environmental impact model that we have developed using a unique life cycle analysis tool. This tool makes it possible to compare two bottles

and give our customers an objective opinion for a more environmentally responsible selection process based on eight impact indicators: Global Warming (CO<sub>2</sub>), Acidification, Photochemical Oxidation, Eutrophication, Ecotoxicity, Exhaustion of Mineral Resources, Non-renewable energy consumption and Water consumption.

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

### EXTERNAL COMMUNICATION

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

→ Solicitation of Verescence to act as an expert on eco-design in partnership with our clients during conferences, training sessions and individual presentations:

- Training of Estée Lauder teams during a "Glass School"
- Participation in a Rochas video (Interparfums) intended for all of the brand's customers on the challenges of recycled glass in luxury perfumery
- Eco-design workshop with all LVMH houses
- Sectoral collaboration to highlight eco-design solutions:
  - Design of an advertising insert for regional and national distribution to promote the trades of luxury bottles in the Glass Valley
  - Participation in the definition of PCR glass in our sector at European level

under the authority of FEVE

- Participation in the CETIE Flaconnage Geometry working group to develop a new standard for screw rings allowing interchangeability with crimp necks (FEA), thus meeting market expectations (recyclable / refillable) while maintaining the aesthetic characteristics of luxury brands.■

## INITIATIVES 2020-2021 BY SITE

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

#### Optimizing the environmental impact of our processes

##### ENERGY CONSUMPTION AND REDUCTION OF CO<sub>2</sub> EMISSIONS

- Continuity of deployment of low-energy LEDs across the site.
- Maintaining ISO 50001 certification.
- Search for unnecessary air leaks on our compressed air network: establishment of a permanent monitoring system.
- Study on the installation of variable speed compressors to limit energy consumption.
- Installation of 16 gas meters out of 35 planned to optimize our gas consumption.
- Connection of all our electricity meters to our GTE (technical management of energy and water consumption) and monitoring on a dedicated software.
- Addition of 3% oxygen in furnace 6 to reduce our consumption of natural gas.

##### POLLUTION REDUCTION (AIR, WATER, EMISSIONS)

- Monthly measurements sent to the Regional Environment, Development and Housing Department (DREAL) to check our atmospheric emissions: dust, particles, SO<sub>x</sub>, NO<sub>x</sub>, etc.

- Monthly measurements of pollutants in wastewater and search for legionella (monthly reporting to DREAL).
- Change of legionella treatment to limit the consumption of biocidal product and limit the impact on our water discharge.
- Deployment of a GTE project (technical management of energy and water consumption) in order to precisely monitor and analyze the consumption of all equipment (water, gas and electricity).

##### WASTE AND END OF LIFE

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

##### IMPACT ON WATER

- Monitoring of the consumption of cooling towers and improvement of treatment via an automatic biocide supply system.
- Installation of 32 water meters to optimize our consumption.

##### COMMUNICATION

- Explanation of selective sorting in the future training on the golden rules.
- Installation of a poster on each waste sorting station presenting the right waste to put in the right bin.■

## ECO SOLUTIONS

### Verescence Orne (France)

#### Optimizing the environmental impact of our processes

##### ENERGY CONSUMPTION AND REDUCTION OF CO<sub>2</sub> EMISSIONS

- Gradual installation of low energy consumption LEDs across the entire site; the whole lacquering workshop has LED lighting.
- Start-up of a variable speed compressor.
- Study for the implementation of a GTE (technical management of energy and water consumption) on the site.

##### POLLUTION REDUCTION (AIR, WATER, EMISSIONS)

- Deployment of actions aimed at reducing water consumption.

##### WASTE AND END OF LIFE

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

##### IMPACT ON WATER

- Reuse and recycling of effluent wherever possible.■

### Verescence Somme (France)

#### Optimizing the environmental impact of our processes

##### ENERGY CONSUMPTION AND REDUCTION OF CO<sub>2</sub> EMISSIONS

- Use of variable speed compressors.
- Installation of low energy consumption LEDs in the maintenance workshops.
- Installation of electric lehrs on new projects.

##### POLLUTION REDUCTION (AIR, WATER, EMISSIONS)

- Renewal of the prefectural decree approved in March 2019 relating to the rate of VOC emissions into the atmosphere.

##### WASTE AND END OF LIFE

- Installation of a double sludge press planned for 2021.
- Recycling: cardboard, transparent PE, Akilux plastics, thermoformed and merchant pallets.

##### IMPACT ON WATER

- Reuse and recycling of effluent on highly water-consuming process (lacquering lines, etc.).
- Installation of 2 water meters to monitor and optimize our consumption.
- Implementation of subdivisional meters on our processes for 2021.

##### COMMUNICATION

- Employee awareness-raising on ecogestures (waste sorting, energy, etc.).
- Creation of a new display for all waste.

##### MANAGEMENT

- Reorganization of the EHS department with the hiring on a permanent basis of an EHS coordinator responsible for the environment and property safety.■

### Verescence La Granja (Spain)

#### Optimizing the environmental impact of our processes

##### ENERGY CONSUMPTION AND REDUCTION OF CO<sub>2</sub> EMISSIONS

- Reduction in CO<sub>2</sub> emissions (Scope 3): reduction of the impact of employee travel (new canteen, bicycle parking, etc.).
- Removed external warehouses to reduce transport of finished products.
- Implementation of the sorting of bottles "door to door" to reduce the internal logistics chain.
- The majority of scraps from bottles decorated with water-based lacquers, organic inks and hot stamping are recycled in the furnace, which

- generates significant savings in natural gas, CO<sub>2</sub> emissions and transport.
- Renewable energy PPA project aimed at carbon neutrality of our electricity consumption on the site.

##### POLLUTION REDUCTION (AIR, WATER, EMISSIONS)

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

##### WASTE AND END OF LIFE

- Better non-recyclable waste sorting and recyclability performance increase for specific waste categories: colored glass, cement, dirty cullet.
- Non-recyclable waste has decreased by 60%.
- In 2020, the recycling rate went up to 86,5%.
- Replacing plastic cups with paper cups to reduce plastic waste.

##### IMPACT ON WATER

- Closed cooling water system.
- Lacquering: collection of overspray by dry filter: no water consumption.
- Study to strengthen the number of water flow meters.

##### COMMUNICATION

- Communication concerning waste sorting.

##### MANAGEMENT

- Environmental risk assessment.■

## Verescence Covington (USA)

### Optimizing the environmental impact of our processes

#### ENERGY CONSUMPTION AND REDUCTION OF CO<sub>2</sub> EMISSIONS

→ Re-certification of CO<sub>2</sub> certification over first quarter 2020.

#### POLLUTION REDUCTION (AIR, WATER, EMISSIONS)

→ Improvement of the dust extraction system in the batch house and furnace fume treatment room.  
 → Reconstruction of dust collectors.  
 → Installation of access stairs to water withdrawal sites.  
 → Measures taken to remove excess vegetation in the two retention basins.

#### WASTE AND END OF LIFE

→ Reduction in the use of waste compactors through better recycling of cardboard and plastic.  
 → Recycling of all cardboard and metals.  
 → Recycling of precious metals.  
 → Recycling of printer cartridges and IT waste (Green IT).  
 → Reduction of packaging waste with a major customer by using returnable packaging.  
 → Recycling of all scrap glass.

→ The “Universal Waste Management Program” started with batteries and light bulbs. It effectively eliminates unnecessary waste.  
 → Recycling of all packaging from the sorting area.

#### IMPACT ON WATER

→ Water piping enabling the use of recycled water for cullet cooling.  
 → Installation of numerous water meters to have a monitored consumption balance.

#### COMMUNICATION

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

## Verescence Sparta (USA)

### Optimizing the environmental impact of our processes

#### ENERGY CONSUMPTION AND REDUCTION OF CO<sub>2</sub> EMISSIONS

→ Energy audit focused on the use of gas.

#### POLLUTION REDUCTION (AIR, WATER, EMISSIONS)

→ Renovation of the spray booths with improvement of the air

circulation system.

#### WASTE AND END OF LIFE

→ Use of waste compactors.  
 → Cardboard and metal recycling program.  
 → Reecycling of all undecorated scrap glass.  
 → The “Universal Waste Management Program” started with batteries and light bulbs. It effectively eliminates unnecessary waste.  
 → Reuse of decorated glass in the bottle manufacturing process.  
 → Plan to reduce our lacquer waste (sludge and over sprays).■



# GRI EQUIVALENCE TABLES

**Verescence has set out its strategy and reporting in accordance with the principles of the GRI (Global Reporting Initiative) in order to ensure the completeness of its approach. Below, you will find the equivalence table to assess the compliance of our CSR report with the Core criteria defined by the GRI (cf. Gri-G4).**

▼ Complete equivalence    ▾ Partial equivalence    ▽ No equivalence

NO.	GRI INDICATORS	EQUIV.	SECTION/COMMENTS
<b>102</b>	<b>General disclosures</b>		
102-1	Name of the organization	▼	Cover page
102-2	Activities, brands, products and services: description of the organization's activities, brands, products, and services	▼	About Verescence
102-3	Location of the organization's headquarters	▼	About Verescence
102-4	Location of operations: number of countries where the organization operates, names of countries where the organization has significant operations or operations that are specifically relevant to this report	▼	About Verescence
102-5	Nature of ownership and legal form	▽	-
102-6	Markets served: geographic location of markets, sectors served, and types of customers and users/consumers	▼	About Verescence
102-7	Scale of the organization: number of employees, information about operations, sales, capitalization and sales of products	▼	About Verescence Value chain
102-8	Information about employees and other workers: employees by type of employment contract (permanent/temporary), gender, region, full time/part time, and whether a substantial portion of the organization's work is performed by workers who are not employees of the organization	▼	About Verescence Value chain
102-9	Supply chain: including the organization's main structure for the activities, brands, products and services	▼	Value chain
102-10	Significant changes regarding the organization's size, structure, ownership, or its supply chain (change in the location of operations, main suppliers, or the share capital structure)	▼	Three-pillar CSR strategy and governance
102-11	Approach to the precautionary principle	▽	-
102-12	External initiatives (list of CSR charters, principles, or other initiatives that the organization endorses)	▼	Three-pillar CSR strategy and governance

NO.	GRI INDICATORS	CORRESP.	CHAPITRE/COMMENTAIRES
102-13	Membership of associations (list of memberships of international industry associations or organizations or other associations or organizations incorporating CSR issues)	▼	Three-pillar CSR strategy and governance
102-14	Statement from the most senior decision-maker of the organization (such as CEO, chair, or equivalent senior position) about the relevance of CSR to the organization and the strategy developed	▼	Editorial
102-16	Values, principles, standards, and norms of behavior	▼	Editorial
102-18	Governance structure of the organization, including committees of the highest governance body and their CSR responsibilities	▼	Governance & sustainable performance system
102-40	List of the Group's stakeholders	▼	Value chain
102-41	Collective bargaining agreements: percentage of employees covered by collective bargaining agreements	▽	100% of employees covered by collective bargaining agreements in all countries where the legal framework allows
102-42	Collective bargaining agreements: percentage of employees covered by collective bargaining agreements	▽	-
102-43	Approach to stakeholders: the organization's approach to stakeholders, including frequency of engagement and specific commitments made for each stakeholder group	▽	-
102-44	Key topics that have been raised through stakeholder engagement: including how the organization has responded to those key topics and the stakeholders concerned	▼	-
102-45	Entities included in the organization's consolidated financial statements: including reasons justifying exclusion	▼	-
102-46	Report content and boundaries: process for defining the report content and the Aspect Boundaries	▼	Value chain
102-47	List of material Aspects identified in the process for defining report content	▼	Value chain
102-48	Review of previous statements: the reasons for and effects of restatements of information provided in previous reports	▼	Clarification on the definition of our main key indicators (cf. Methodology Note): consistency with the values reported in 2019
102-49	Changes in reporting: significant changes from the previous year in the list of material Aspects and report content	▼	No significant changes in 2020
102-50	Reporting period	▼	2020 calendar year
102-51	Date of the most recent previous report (if any)	▼	July 2020
102-52	Reporting cycle	▼	Annual
102-53	Contact point for questions regarding the report or its contents	▼	Contact us
102-54	Reporting statements in accordance with GRI standards: this report has been prepared in accordance with GRI standards: Core or Comprehensive	▼	GRI Equivalence Table (Global Reporting Initiative) Core criteria (cf. GRI-G4)
102-55	GRI Equivalence Table	▼	GRI Equivalence Table (Global Reporting Initiative). Core criteria (cf. GRI-G4)
102-56	External assurance: description of the organization's approach with regard to seeking external assurance for the data in the report (if the report has been externally assured, and the External Assurance Report, if any)	▼	Reasonable assurance opinion issued by KPMG

▼ Complete equivalence    ▼ Partial equivalence    ▼ No equivalence

NO.	GRI INDICATORS	EQUIV	SECTION/COMMENTS
	<b>Specific disclosures</b>		
<b>20</b>	<b>ECONOMIC</b>		
<b>201</b>	<b>Economic performance</b>		
201-1	Direct economic value generated and distributed	▼	Value chain: financial resources and impacts
<b>204</b>	<b>Procurement practices</b>		
204-1	Proportion of spending on local suppliers	▼	Act for Society: 2020 in key figures
<b>205</b>	<b>Anti-corruption</b>		
205-2	Communication and training on anti-corruption policies and procedures	▼	CSR dashboard and 2022 objectives: Act for Society – Business ethics
<b>30</b>	<b>ENVIRONMENT</b>		
<b>301</b>	<b>Materials</b>		
301-2	Recycled input materials	▼	Eco Solutions: 2020 in key figures
<b>302</b>	<b>Energy</b>		
302-3	Energy intensity	▼	Eco Solutions: optimizing the environmental impact of our processes Chaîne de valeur : capital environnement
302-4	Reduction of energy consumption	▼	Eco Solutions: optimizing the environmental impact of our processes Value chain: environmental assets
<b>303</b>	<b>Water</b>		
303-1	Total water withdrawal by source	▼	Value chain: environmental assets CSR dashboard and 2022 objectives Eco Solutions: optimizing the environmental impact of our processes
<b>305</b>	<b>Emissions</b>		
305-4	Greenhouse gas (GHG) emissions intensity	▼	Value chain: environmental assets CSR dashboard and 2022 objectives Eco Solutions: optimizing the environmental impact of our processes
305-5	Reduction of greenhouse gas (GHG) emissions	▼	Value chain: environmental assets CSR dashboard and 2022 objectives Eco Solutions: optimizing the environmental impact of our processes
<b>306</b>	<b>Effluents and waste</b>		
306-2	Waste by type and disposal method	▼	Value chain: environmental assets CSR dashboard and 2022 objectives Eco Solutions: optimizing the environmental impact of our processes

NO.	GRI INDICATORS	EQUIV	SECTION/COMMENTS
<b>40</b>	<b>SOCIAL</b>		
<b>401</b>	<b>Employment</b>		
401-1	New employee hires and employee turnover	▼	Value chain: intellectual assets
<b>403</b>	<b>Occupational health and safety</b>		
403-2	Type of injury and rates of injury, occupational diseases, absenteeism, and work-related fatalities	▼	People First: health and safety, Well-being at work and recognition – CSR dashboard and 2022 objectives
<b>404</b>	<b>Training and Education</b>		
404-1	Average hours of training per employee	▼	CSR dashboard and 2022 objectives - People First: skills and careers
404-2	Programs for skills management and programs that assist employees in managing career endings	▼	CSR dashboard and 2022 objectives - People First: skills and careers Act for Society: preserving employment at our sites
<b>405</b>	<b>Diversity and Equal Opportunity</b>		
405-1	Diversity of governance bodies and employees	▼	CSR dashboard and 2022 objectives: People First - Diversity
405-2	Ratio of basic salary and remuneration of women to men	▼	-
<b>407</b>	<b>Freedom of association and collective bargaining</b>		
407-1	Operations and suppliers identified in which the right to collective bargaining may be at risk	▼	CSR dashboard and 2022 objectives: Act for society - Responsible purchasing
<b>413</b>	<b>Local Communities</b>		
413-1	Local community engagement, impact assessments, and development programs	▼	Act for Society: preserving employment on our sites
<b>417</b>	<b>Product and Service Labeling</b>		
417-1	Product and service information and labeling requirements	▼	CSR dashboard and 2022 objectives: Eco Solutions - Innovation and eco-design

# GLOBAL COMPACT EQUIVALENCE TABLE

**Verescence has joined the global compact and is committed to the ten principles. Each year, the Group issues a COP (Communication On Progress), which is published on the global compact website. This report constitutes Verescence's 2021 COP (2020-2021 data).**

▼ Complete equivalence    ▼ Partial equivalence    ▼ No equivalence

NO.	TEN PRINCIPLES OF THE GLOBAL COMPACT	EQUIV.	PILLARS AND ASSOCIATED THEMES
	<b>HUMAN RIGHTS</b>		
1	Businesses should support and respect the protection of internationally proclaimed human rights.	▼	People First - Health and Safety
2	Businesses should make sure that they are not complicit in human rights abuses.	▼	Act For Society - Sustainable procurement
	<b>LABOR</b>		
3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	▼	People first - Well-being at work and recognition
4	Businesses should contribute to the elimination of all forms of forced and compulsory labor.	▼	Act For Society - Sustainable procurement
5	Businesses should contribute to the effective abolition of child labor.	▼	Act For Society - Sustainable procurement
6	Businesses should contribute to the elimination of discrimination in respect of employment and occupation.	▼	People First - Diversity
	<b>ENVIRONMENT</b>		
7	Businesses should support a precautionary approach to environmental challenges.	▼	Eco Solutions - Optimizing the environmental impact of our processes
8	Businesses should undertake initiatives to promote greater environmental responsibility.	▼	Eco Solutions - Optimizing the environmental impact of our processes
9	Businesses should encourage the development and diffusion of environmentally friendly technologies.	▼	Eco Solutions - Innovation and eco-design
	<b>ANTI-CORRUPTION</b>		
10	Businesses should work against corruption in all its forms, including extortion and bribery.	▼	Act For Society - Business ethics

# INDEPENDENT THIRD PARTY REPORT (KPMG)

## Report by the Statutory Auditor, appointed as independent third party, on the consolidated non-financial statement.

For the year ended 31 December 2020

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

To the Annual General Meeting, In our capacity as Statutory Auditor of your company (hereinafter the "entity") appointed as independent third party, and accredited by the French Accreditation Committee (Comité Français d'Accréditation or COFRAC) under number 3-1049<sup>1</sup>, we hereby report to you on the consolidated non-financial statement for the year ended 31 December 2020 (hereinafter the "Statement"), established on a voluntary basis by your group, while following the requirements of articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (Code de commerce).

## Responsibility of the entity

The Statement was drawn up under the responsibility of the CSR Management in accordance with legal

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

## Independence and quality control

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

## Responsibility of the Statutory Auditors appointed as independent third party

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

expressing a limited assurance conclusion on:  
 – The compliance of the Statement with the requirements of article R. 225-105 of the French Commercial Code;  
 – The fairness of the information provided in accordance with article R.225-105 I, 3° and II of the French Commercial Code, i.e., the outcomes, including key performance indicators, and the measures implemented considering the principal risks (hereinafter the "Information").

Our responsibility is also to provide a report expressing, at the request of the entity and outside of the scope of accreditation, a reasonable assurance conclusion that information selected by the entity, presented in Appendix and identified with the symbol √ in the Statement has been prepared, in all material respects, in accordance with the Guidelines.

However, it is not our responsibility to comment on the entity's compliance with other applicable legal and regulatory requirements, nor on the compliance of products and services with the applicable regulations.

## Nature and scope of our work

The work described below was performed in accordance with the provisions of Article A.225-1 et seq. of the French Commercial Code, as well as with the professional guidance of the French Institute of Statutory Auditors (Compagnie nationale des commissaires aux comptes or CNCC)

<sup>1</sup>Accreditation Cofrac Inspection, number 3-1049, scope available at [www.cofrac.fr](http://www.cofrac.fr).

applicable to such engagements and with ISAE 3000<sup>2</sup>:

- We obtained an understanding of all the consolidated entities’ activities, and the description of the principal risks associated;
- We assessed the suitability of the criteria of the Guidelines with respect to their relevance, completeness, reliability, neutrality and understandability, with due consideration of industry best practices, where appropriate;
- We verified that the Statement includes each category of social and environmental information set out in article L.225-102-1 III;
- We verified that the Statement provides the information required under article R. 225-105 II of the French Commercial Code, where relevant with respect to the principal risks, and includes, where applicable, an explanation for the absence of the information required under article L. 225-102-1 III, paragraph 2 of the French Commercial Code;
- We verified that the Statement presents the business model and a description of principal risks associated with all the consolidated entities’ activities, including where relevant and proportionate, the risks associated with their business relationships, their products or services, as well as their policies, measures and the outcomes thereof, including key performance indicators associated to the principal risks;
- We referred to documentary sources and conducted interviews to:
  - Assess the process used to identify and confirm the principal risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the principal risks and the policies presented;
  - Corroborate the qualitative information (measures and outcomes) that we considered to be the most important presented in Appendix. Concerning certain risk<sup>3</sup>, our work was carried out on the consolidating entity, for the other risks, our work was carried out on the consolidating entity and on a selection of entities<sup>4</sup>.
- [We verified that the Statement

covers the scope of consolidation, i.e. all the consolidated entities in accordance with article L. 233-16 of the French Commercial Code;

- We obtained an understanding of internal control and risk management procedures the entity has put in place and assessed the data collection process to ensure the completeness and fairness of the Information;
- For the key performance indicators and other quantitative outcomes that we considered to be the most important presented in Appendix, we implemented:

- Analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data;
  - Tests of details, using sampling techniques, in order to verify the proper application of the definitions and procedures and reconcile the data with the supporting documents. This work was carried out on a selection of contributing entities and covers between 42% and 100% of the consolidated data selected for these tests;
- We assessed the overall consistency of the Statement based on our knowledge of all the consolidated entities. We believe that the work carried out, based on our professional judgment, is sufficient to provide a basis for our limited assurance conclusion; a higher level of assurance would have required us to carry out more extensive procedures.

## Means and resources

Our work was carried out by a team of five people between April and July 2021 and took a total of four weeks. We were assisted in our work by our specialists in sustainable development and corporate social responsibility. We conducted about dozen interviews with the people responsible for preparing the Statement.

## Conclusion

Based on the procedures performed, nothing has come to our attention that

causes us to believe that the non-financial statement is not presented in accordance with the applicable regulatory requirements and that the Information, taken as a whole, is not presented fairly in accordance with the Guidelines, in all material respects.

### Reasonable assurance report on a selection of non-financial information.

## Nature and scope of our work

With regard to the information selected by the entity presented in Appendix and identified with the symbol √ in the Statement, we conducted the same procedures as those described in the paragraph “Nature and scope of our work” (for the most important non-financial information). However, these procedures were more in-depth, particularly regarding the number of tests. Consequently, the selected sample represents between 42% and 100% of the information identified with the symbol √. We believe that these procedures enable us to express reasonable assurance regarding the information selected by the entity and identified with the symbol √.

## Conclusion

In our opinion, the information selected by the entity and identified with the symbol √ in the Statement has been prepared, in all material respects, in accordance with the Guidelines. Paris-La Défense, le 22 juillet 2020 KPMG S.A.

Fanny Houlliot, Partner Sustainability Services

Alexandra Saastamoinen Partner

<sup>2</sup> ISAE 3000: international standard on assurance engagements other than audits or reviews of historical financial information.  
<sup>3</sup> Revitalization of the local industrial and economic fabric, CSR commitment of our partners, Integrity in business, Product quality optimization, Ensure and optimize the level of service to customers, Eco-design.  
<sup>4</sup> Verescence Mers-les-Bains (France), Verescence Orne (France), La Granja (Spain).

## Appendix

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

<ul style="list-style-type: none"> <li>— Audits related to the verification of the correct implementation of anti-Covid measures</li> <li>— Home office charter</li> <li>— Employee training and skills development actions</li> <li>— Inclusion and diversity policy</li> <li>— Initiatives in favour of territorial development</li> <li>— CSR commitments in supplier relationships</li> <li>— Deployment of digital tools to overcome travel restrictions</li> <li>— ISS (Information Security System) policies and internal audits</li> <li>— Actions taken and results in terms of improving product quality</li> <li>— Implementation of a Power Purchase Agreement (PPA) in Spain for the supply of renewable energy</li> <li>— Commitments and actions to reduce the environmental impact of activities</li> <li>— Measures to reduce waste generation</li> <li>— Process for calculating Scope 3 greenhouse gas emissions</li> </ul>
--

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

### LEVEL OF ASSURANCE

Key Performance Indicators & Safety	Level of Assurance
Lost time injury frequency rate (TFI)	Reasonable
Absenteeism rate	Reasonable
Investments allocated to improving working conditions and HSE initiatives vs. Total investments	Reasonable
Number of trained employees vs. Number of employees	Reasonable
Number of employees enrolled in training courses eligible to obtain a professional qualification certificate or to validate the foundation of professional know-how and skills	Reasonable
Rate of deployment of career mapping	Reasonable
Percentage of female managers	Reasonable
Percentage of female recruits	Reasonable
Societal indicators	
High-risk employees trained and qualified on corruption risks vs. Total workforce	Reasonable
Local purchases vs. purchasing volume	Reasonable
Number of suppliers that have signed the CSR Charter vs. Number of suppliers listed on the Verescence CSR 1 panel	Reasonable
Customer complaint rate	Reasonable
On Time In Full delivery rate (OTIF)	Reasonable
Environmental indicators	
Annual change in the number of bottles made from postconsumer recycled glass (PCR)	Reasonable
Number of commercial offers issued and accompanied by a LCA	Reasonable
Water withdrawal per metric ton of glass	Reasonable
Greenhouse gas emissions Scope 1 and Scope 2	Reasonable
Waste recycling rate	Reasonable
NOx emissions for glass manufacturing sites	Reasonable
SOx emissions for glass manufacturing sites	Reasonable
Fine particle emissions for glass manufacturing sites	Reasonable

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

**Alain Thorré**  
CSR Director  
alain.thorre@verescence.com

**Christophe Dhaene,**  
QHSE & Group Performance System  
Manager  
christophe.dhaene@verescence.com

**Verescence**  
Registered office  
14 bis, terrasse Bellini  
92807 Puteaux cedex  
France

**Follow Verescence on social media for our latest news.**



**© Photos**  
Verescence  
François Jorez  
Guillaume Crochez  
Shehan Hanwellage  
Rochas  
Studio Numériques

**Graphic design**  
Lili T. DESIGN

July 2021



MADE OF GLASS AND PASSION.



[verescence.com](http://verescence.com)