



## PRESS RELEASE

La Défense, 21 January 2021

### Verallia presents its ESG<sup>1</sup> roadmap and ambitions

Verallia, the leading European and the third largest producer globally of glass containers for food and beverages, wishes to announce that Michel Giannuzzi, Chairman and CEO of the Group, together with members of the management team, will this morning present Verallia's ESG roadmap and ambitions up to 2025.

Responding to the environmental challenges facing the planet and changing consumption patterns, Verallia unveiled at the end of October 2020 its purpose to "re-imagine glass for a sustainable future". In order to play a leading role in the transformation of the packaging sector, and to go even further and progress even faster, the Group is today presenting its **CSR** roadmap, which focuses on three pillars:

- **Enhancing the circularity of glass packaging** by maximising the integration of cullet into its production processes. This will involve implementing actions aimed at increasing the amount of cullet collected in partnership with FEVE (*Fédération Européenne du Verre d'Emballage* - Federation of European manufacturers of glass containers), national associations such as the CSVMF<sup>2</sup> in France, or directly with local authorities in Russia or Chile, for instance. To improve recycling capacity and efficiency, Verallia will invest directly in its cullet treatment centers and make use of direct partnerships with external suppliers. Finally, the Group would like to increase the use of cullet in its production process by continuing to improve its glass recipes and by introducing incentives for all Group employees.

- ▶ Verallia is therefore aiming to increase the rate of use of external cullet in production to 59% by 2025, compared to the 49% used today.

Finally, Verallia would like to promote the viable reuse of glass bottles and jars where it makes sense, as is already the case in Germany, for example.

- ▶ Verallia will therefore launch an initial pilot study in France by 2025.

- **Significantly reducing CO<sub>2</sub> emissions across all Group operations by 2030** through three main levers: changes in the mix of raw materials intended for glass production with an increased use of cullet and a shift away from carbonated raw materials; a reduction in the energy required for melting glass and other production processes; and an increase in

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<sup>1</sup> Environmental, Social and Governance criteria.

<sup>2</sup> *Chambre syndicale des Verreries Mécaniques de France* - Trade union for automated glass manufacturing in France.

the use of green energy. This will be achieved through **investments of around 220 million euro by 2030, specifically aimed at reducing CO<sub>2</sub> emissions.**

- ▶ By 2025, Verallia intends **to reduce the average weight** of its standard, non-returnable bottles and jars **by 3% and plant 100,000 trees per year**, with the aim of planting 500,000 in total,
  - ▶ **All of these actions, which are part of the Science Based Targets initiative, should enable Verallia to reduce its CO<sub>2</sub> emissions by 27.5% by 2030<sup>3</sup>.**
- **Providing Verallia employees with a safe and inclusive place of work** by implementing additional regulations in line with EHS (Environment, Health and Safety) standards.
- ▶ The Group reaffirms its objective of achieving **zero accident** across its sites,
  - ▶ It aims to **double the ratio of employees with disabilities** working in the Group to 6% by 2025,
  - ▶ Verallia also aims to increase the **gender equality** index by 15 points, so as to reach 75 points **in all countries where the Group is present**,
  - ▶ Finally, the Group is committed to continuing and further promoting its **employee shareholding ownership policy**, which began in 2016, so that Verallia employees will hold 5% of the capital by 2025. They currently hold 3.3%.

Moreover, in addition to the measures implemented as a result of COVID-19, the Group intends to continue **to support local communities** by dedicating 1.5 million euro to local projects every year from 2021 onwards, in line with its Purpose.

Verallia has been consistently improving its **governance** for several years and complies with all applicable recommendations, including those set out in the AFEP-MEDEF Code<sup>4</sup>. In terms of CSR, the Group has set up a Sustainable Development Committee, which includes two employee representatives. The main purpose of this Committee is to ensure that issues relating to social and environmental responsibility are considered in the Group's strategy and the implementation thereof. As part of the intensification of its CSR approach, the Verallia Group has also strengthened its "responsible purchasing" method for all subsidiaries since 2019, based on the following three approaches:

- Identification of CSR risk (AFNOR and ECOVADIS tools) in the suppliers' panel,
- Mobilisation of suppliers around an ethical CSR dynamic,
- Internal actions with Group purchasing departments.

**Michel Giannuzzi, Chairman and CEO of Verallia, said, "Industry has a major role to play in meeting the challenges faced by the modern world, especially the challenge posed by climate change. This is why we have massively transformed our company over the last several years, positioning sustainable development at the very heart of our strategy. Nevertheless, in view of the growing challenges we face, accelerating our efforts to enable everyone to live in a safe and inclusive environment is essential. With the launch of our Purpose last year, and the implementation of these ambitious new commitments, we are entering a phase of unprecedented acceleration in our ESG strategy, which will form the framework for all our activities in the coming years".**

Based on this roadmap, Verallia has identified the following long-term objectives:

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<sup>3</sup> CO<sub>2</sub> emissions from Scopes 1 and 2.

<sup>4</sup> Except for Directors' mandate terms related to Verallia's recent IPO.

Our Purpose	Our Commitments	Alignment with the UN SDGs	Our Goals	Performance indicators	2019	2025 Targets
Re-imagine glass for a sustainable future	Enhance the circularity of glass packaging	  	<ul style="list-style-type: none"> <li>Enable the increase cullet collection by 7 pts</li> </ul>	<ul style="list-style-type: none"> <li>% of domestic used glass collected in Verallia's countries in Europe</li> </ul>	76% (2018 figure)	83%
			<ul style="list-style-type: none"> <li>Increase the rate of use of external cullet by 10 pts</li> </ul>	<ul style="list-style-type: none"> <li>Rate of external cullet usage in our glass production sites</li> </ul>	49%	59%
			<ul style="list-style-type: none"> <li>Expand viable Reuse business models</li> </ul>	<ul style="list-style-type: none"> <li>Test a pilot to validate the business model</li> </ul>	N/A	At least 1 pilot in France
	Significantly reduce our CO <sub>2</sub> emissions across our operations	  	<ul style="list-style-type: none"> <li>Reduce our absolute CO<sub>2</sub> emissions (scopes 1 &amp; 2) by 27.5% by 2030 vs 2019, in line with Science Based Targets</li> </ul>	<ul style="list-style-type: none"> <li>Tons of CO<sub>2</sub> emitted (scopes 1 &amp; 2)</li> </ul>	3,090 k	2,626 k
			<ul style="list-style-type: none"> <li>Revert the trend by reducing average weight of our standard and non returnable bottles and jars by 3%</li> </ul>	<ul style="list-style-type: none"> <li>Alpha index (= weight / volume<sup>0.8</sup> as per NF-H35077 norm)</li> </ul>	16	15.5
			<ul style="list-style-type: none"> <li>Plant 100,000 trees per year</li> <li>and offset all professional travels emissions every year</li> </ul>	<ul style="list-style-type: none"> <li>100,000 trees planted</li> <li>Number of certified carbon credits</li> </ul>	100,000 30,910	700,000 TBD > total CO <sub>2</sub> emissions linked to professional travels
	Provide a safe and inclusive place to work	  	<ul style="list-style-type: none"> <li>Aim for "zero accident" every year</li> </ul>	<ul style="list-style-type: none"> <li>TF2 (= all accidents / million hours worked)</li> </ul>	5.5	< 2
			<ul style="list-style-type: none"> <li>Increase gender equality in all Verallia countries by 15 pts</li> </ul>	<ul style="list-style-type: none"> <li>Gender equality index (as defined by French law)</li> </ul>	60	75
			<ul style="list-style-type: none"> <li>Favour insertion of disabled people by doubling the ratio of disabled employees</li> <li>Encourage employees shareholding ownership</li> </ul>	<ul style="list-style-type: none"> <li>% of disabled people (according to national definitions)</li> <li>% of Verallia share capital held by employees (directly or through FCPE)</li> </ul>	3% 2.6%	6% 5%

*Note: UN SDGs stands for "United Nations Sustainable Development Goals".*

**About Verallia** - Verallia is the leading European and the third largest producer globally of glass containers for food and beverages, and offers innovative, customized and environmentally-friendly solutions. The Group posted €2.6 billion in revenue and produced 16 billion bottles and jars in 2019. Verallia employs around 10,000 people and comprises 32 glass production facilities in 11 countries. Verallia is listed on compartment A of the regulated market of Euronext Paris (Ticker: VRLA – ISIN: FR0013447729) and is included in the following indices: SBF 120, CAC Mid 60, CAC Mid & Small et CAC All-Tradable. For more information: [www.verallia.com](http://www.verallia.com)

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