



**RE-IMAGINE**  
**glass**

**FOR A  
SUSTAINABLE  
FUTURE**

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# EDITORIAL

**Michel Giannuzzi**

Chairman and Chief Executive Officer, Verallia Group

In a world that is moving towards a carbon-neutral society, Verallia aims to be a driving force in the transformation of the glass packaging sector. That is why, in 2020, we formally set out our purpose as "Re-imagine glass for a sustainable future". Developed in close collaboration with all our stakeholders, this purpose reflects the Group's ambitions.

This purpose is the bedrock of our strategy. It is in line with our core business, our values and our mission, but is also ambitious because it places the circular economy and our contribution towards a carbon neutral society at the heart of our strategy and our actions. It involves stepping up the pace of innovation within our value chain, making re-use a winning solution for the planet and glass packaging, and lastly encouraging the entire industry to use more recycled glass.

Our sustainable development strategy is the natural continuation of our purpose, attesting to our desire to transform the glass packaging sector. 2020 was an opportunity for us to formulate our

new commitments between now and 2025 in terms of sustainable development. These commitments are a crucial step in addressing the challenges our planet is facing.

In response to the climate emergency, we have decided to align our CO<sub>2</sub> emission reduction targets by following the Science Based Targets initiative (SBTi) and joining the well-below 2°C trajectory, which aims to limit the rise in temperatures to less than 2 degrees Celsius above pre-industrial temperatures. Our new target is therefore to reduce our CO<sub>2</sub> emissions by 27,5% by 2030<sup>(1)</sup>.

Fulfilling the commitments we have set ourselves would not be possible without the involvement and engagement of our staff, despite the COVID-19 pandemic. Demonstrating their agility and responsiveness, they have been involved in each stage of our value chain and stepped up the pace of innovation in all plans, whether in terms of energy consumption, the efficiency of our production facilities, introducing renewable energies in the long term and even designing our products and transportation.

I would like to thank all our employees who have helped us to achieve our sustainable development targets and make our purpose of "Re-imagine glass for a sustainable future" a reality.



<sup>(1)</sup> (Scopes 1 and 2), in absolute terms, using 2019 as the baseline year. The validation by SBTi in early 2021 of this ambitious goal is a fundamental achievement for the Group.

# SOMMAIRE

## OUR RESOURCES

### EMPLOYEES WHO MAKE VERALLIA SUCCESSFUL

- Nearly 10,000 employees
- **4 shared values:** care for customers, respect for individuals, law and the environment, empowerment and accountability, teamwork
- **177 professions<sup>(1)</sup>**
- **475 employees hired in 2020** including **150 women**
- **10% managers and senior executives**

### OCCUPATIONAL SAFETY

- Frequency rate of TF2 workplace accidents: **4,6<sup>(2)</sup>**

### PARTNERS WHO SHARE OUR VALUES

- FEVE (European Container Glass Federation)
- Ellen MacArthur Foundation
- ABIVIDRO Associação Brasileira das Indústrias de Vidro
- BPI France

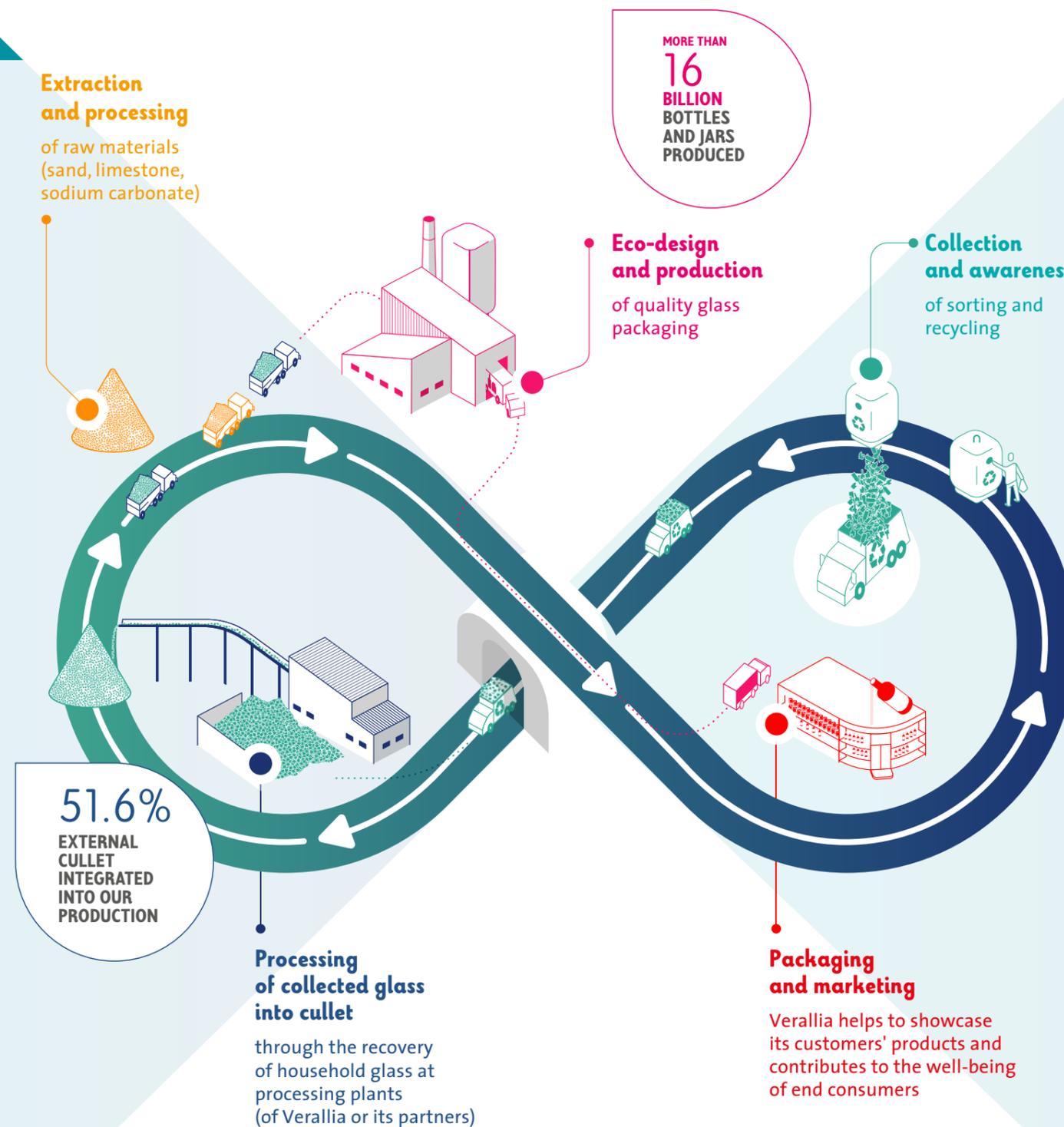
### AN INTERNATIONAL INDUSTRIAL PRESENCE IN 11 COUNTRIES

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

### A LOCAL PLAYER

- **More than 280 employees** in the sales teams<sup>(3)</sup>

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



## RESULTS FOR SHARED GROWTH

### A HEALTHY FINANCIAL SITUATION

- Net profit of **€210 million**
- Equity of **€578 million**
- Cash and cash equivalents of **€476 million**
- Operating cash flow of **€442 million**

### CLIENTS

- **€2.5 billion** in revenue
- **16.2 billion** bottles and jars produced
- **15.6%** of sales from the Ecova range<sup>(4)</sup>

### SALARIES

- **€492 million** in wages paid (incl. social security contributions)<sup>(5)</sup>
- Associated costs: **approx. €124m or around 25%**
- An average of **25 hours** of training per employee

### SUPPLIERS

- **€1.6 billion** in purchases
- **€250 million** in capital expenditure

### INVESTORS

- **€101 million** of dividends paid<sup>(6)</sup>
- (**€0,85** per share)

### SPECIAL ATTENTION PAID TO THE ENVIRONMENT

- Water consumption: **0.587 m<sup>3</sup>/tpg** (-4.4% vs 2019)<sup>(7)</sup>
- Energy consumption: **1.89 MWh/tpg**
- Percentage of recycled waste at glass plants: **60%<sup>(8)</sup>**
- CO<sub>2</sub> emissions: **0.523 tons/tpg scope 1 and 2** (-1.5% vs 2019)<sup>(9)</sup>

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

<sup>(2)</sup> TF2 refers to the ratio of the number of accidents with and without time off work per million hours worked.

<sup>(3)</sup> Functions identified in the sales and marketing channels.

<sup>(4)</sup> Proportion of total sales from the Ecova and EGO ranges.

<sup>(5)</sup> €492m including employee benefits (profit sharing) excluding temporary staff.

<sup>(6)</sup> Dividends paid in 2020 for 2019 financial year. € 101 million of dividends : € 87,490,361.32 in newly issued shares and € 13,144,489.38 in cash contribution.

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

<sup>(8)</sup> Including waste from furnace reconstructions.

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

## OUR PURPOSE

In October 2020, Verallia unveiled its purpose:

### RE-IMAGINE GLASS FOR A SUSTAINABLE FUTURE

In response to the environmental challenges facing the planet, as well as changes in consumption, this approach marks the Group's desire to be a driving force in the transformation of the packaging sector and to go even further, even more quickly, by enhancing the circular and positive aspect of glass packaging.

By means of its purpose, the Group is hoping to re-define how glass is produced, reused and recycled in order to make it one of the most sustainable packaging materials.

Glass, an ancestral material made by man, is obtained using a manufacturing process that has remained more or less unchanged over the centuries. The Group is therefore not looking to reinvent the modern definition of glass. However, to turn it into one of the most sustainable materials, it is necessary to rethink the entire value chain. This transformational process requires us to be open to new ideas and models in terms of production, reusing and recycling of glass packaging. Innovation and creation in particular will play a decisive role. This is how the Group, with its partners, will re-imagine glass for a sustainable future.

#### CREATING OUR PURPOSE

In December 2019, the teams at Verallia started to think about the company's purpose. All the Group's stakeholders were then consulted and involved in this process. Several dozen clients from different countries, a large number of suppliers, local authorities, professional associations, NGOs, shareholders and investors that Verallia works with on a day-to-day basis took part. In addition to round table sessions organised in each region, more than 1,500 Verallia employees responded to the online consultation in February 2020 to help to jointly develop the Group's purpose.

In order to implement its purpose, Verallia intends to:

- **Step up the pace of innovation in its value chain:** the Group is committed to using ever more innovative solutions to reduce carbon emissions from the design to the transportation of its products and thereby helping its customers to reduce their own impact on the environment.

- **Making re-use a winning solution for the planet and glass packaging:** the Group wants to support and ensure the continuation of initiatives aiming to re-use glass packaging in order to address the growing expectations of its customers and consumers.

- **Taking action to increase the use of recycled glass:** the Group wants to collaborate with its partners to improve collection and recycling systems in all its markets.

These three areas are looked at in more detail in our sustainable development strategy in chapter 2.2.

## OUR VALUES



#### Care for customers

We try to anticipate our customers' needs and uphold the promise we make to them: design, quality and logistics service. Each of our employees is actively involved in doing their best, under any circumstances, to meet the commitments made.



#### Respect for people, laws and the environment

Respect for individuals forms the basis of the relationship between members of our Group. This involves in particular listening and open dialogue, as well as protecting the health and safety of our employees. All our companies are committed to applying the law and regulations that apply in the countries in which they operate and all adhere to an active policy of protecting and respecting the environment.



#### Empowerment and accountability

We encourage all our employees to take initiative, and support the expression, sharing and respect of everyone's opinions as part of an overall policy of responsibility.

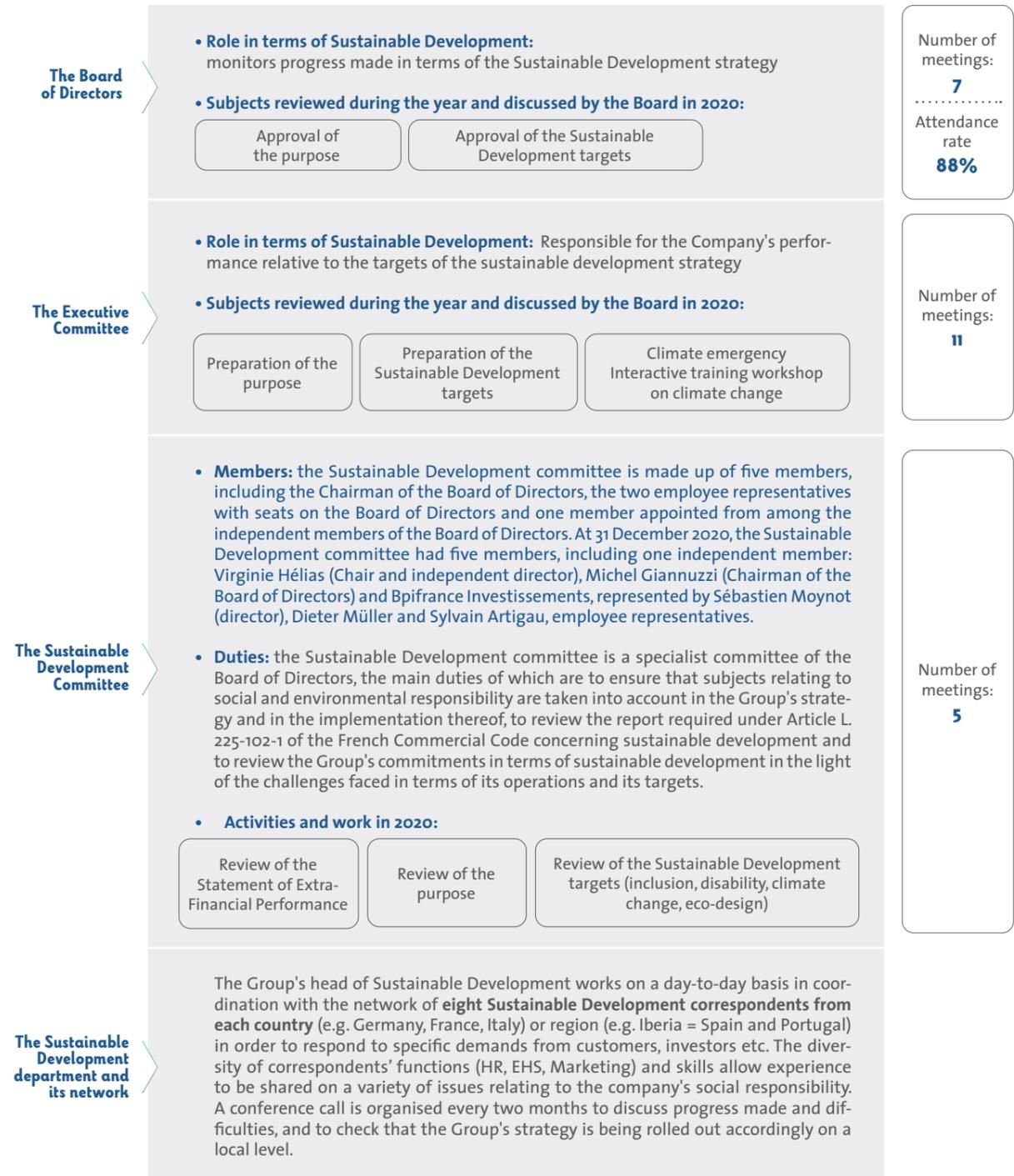


#### Teamwork

We believe in teamwork as a way of ensuring the collective success of the Group. Helping each other, courtesy and teamwork are encouraged and valued.

## OUR SUSTAINABLE DEVELOPMENT GOVERNANCE

Verallia's Sustainable Development strategy is ensured at Group level in accordance with the following governance framework:



### NOTE

20% of variable compensation paid to the Chairman and Chief Executive Officer includes sustainable development criteria. For 2020, these criteria relate to safety and sustainable development targets, with a safety criterion relating to a frequency rate of workplace accidents with or without time off work (known as TF2) below a predefined threshold making up one half, and sustainability criterion, namely reducing the Group's carbon dioxide emissions, making up the other half.

## OUR CERTIFICATIONS, RATINGS AND PARTNERSHIPS



SINCE 2016



SINCE 2020



"COMMITTED" STATUS



TOP 5% SCORE 67/100

SINCE 2013



SINCE 2016



SINCE 2020



SITES CERTIFICATIONS	ENVIRONMENT	HEALTH AND SAFETY	ENERGY	QUALITY	FOOD SAFETY
	ISO 14001	OHAS 18001 ISO 45001	ISO 50001	ISO 9001	ISO 22000 FSSC 22000
<b>GERMANY</b>					
ESSEN	●	●	●	●	●
NEUBURG	●	●	●	●	●
WIRGES	●	●	●	●	●
BAD WURZACH	●	●	●	●	●
<b>ARGENTINA</b>					
MENDOZA	●	●	●	●	●
<b>BRAZIL</b>					
CAMPO BON	●	●	●	●	●
PORTO FERREIRA	●	●	●	●	●
JACUTINGA	●	●	●	●	●
<b>CHILE</b>					
ROSARIO	●	●	●	●	●
<b>SPAIN</b>					
SEVILLA	●	●	●	●	●
AZUQUECA DE HENARES	●	●	●	●	●
BURGOS	●	●	●	●	●
LAS PALMAS GRAN CANARIA	●	●	●	●	●
MONTBLANC	●	●	●	●	●
ZARAGOZA	●	●	●	●	●

SITES CERTIFICATIONS	ENVIRONMENT	HEALTH AND SAFETY	ENERGY	QUALITY	FOOD SAFETY
	ISO 14001	OHAS 18001 ISO 45001	ISO 50001	ISO 9001	ISO 22000 FSSC 22000
<b>FRANCE</b>					
ALBI	●	●	●	●	●
CHALON SUR SAÔNE	●	●	●	●	●
COGNAC	●	●	●	●	●
LAGNIEU	●	●	●	●	●
OIRY	●	●	●	●	●
SAINT ROMAIN LE PUY	●	●	●	●	●
VAUXROT	●	●	●	●	●
<b>ITALY</b>					
CARCARE	●	●	●	●	●
DEGO	●	●	●	●	●
GAZZO VERONESE	●	●	●	●	●
LONIGO	●	●	●	●	●
PESCIA	●	●	●	●	●
VILLA POMA	●	●	●	●	●
<b>PORTUGAL</b>					
FIGUERA DA FOZ	●	●	●	●	●
<b>RUSSIA</b>					
KAMYSHIN	●	●	●	●	●
KMS-STRAVOPOL	●	●	●	●	●
<b>UKRAINE</b>					
ZORYA	●	●	●	●	●

## OUR STRATEGY: BE A DRIVING FORCE IN THE CIRCULAR ECONOMY

### OUR MAIN SUSTAINABLE DEVELOPMENT RISKS AND OPPORTUNITIES

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

- Identification of priority issues**  
 based on the analysis of the available documentation and interviews of the main stakeholders in the Group (analysis of Group activities and environment), supplemented by an industry benchmark conducted by a consulting firm – sector risk bases (MSCI and SASB) and working with the Risk department at Verallia Group level.
- Sharing of these issues**  
 with the main stakeholders.
- Prioritisation of these issues**  
 by comparing the expectations of stakeholders and the vision of the Group's management. A rating scale was defined by criteria, in conjunction with the Risk department. Different components were taken into account to determine the priority risks and opportunities. The impact on people, operations, the environment, the image/reputation of the Group was discussed and factored in. A consensus was reached by using the results of an electronic vote carried out during a joint workshop led by a consultancy firm, where the participants included the members of the Group's Executive Committee as well as the main support and operational functions of the French and Spanish entities.

In order to make them easier to read, the issues identified were grouped and summarised in 2018, then updated in 2020 based on the three pillars of long-term commitment associated with Sustainable Development:

- Enhance the circularity**  
 of glass packaging
- Significantly reduce our CO<sub>2</sub> emissions**  
 across our operations
- Provide a safe and inclusive place**  
 to work

The materiality matrix reflects the Group's identity as well as the specific issues relating to its activities and local presence. It also made it possible to highlight seven key sustainable development risks and opportunities for the Group within these priority issues – see table opposite. Indicators for monitoring these risks have been defined in order to measure their development and the achievement of the improvement targets set by Group management.

The materiality matrix will be updated in 2021 to take account of changes in the expectations of our various stakeholders and changes in the environment, factoring in climate change, declining resources and the impact on biodiversity.

#### PILLAR OF THE SUSTAINABLE DEVELOPMENT STRATEGY

#### KEY RISKS AND OPPORTUNITIES

<b>ENHANCE THE CIRCULARITY OF GLASS PACKAGING</b>	<ul style="list-style-type: none"> <li>Making the circular economy a more significant part of our value chain</li> <li>Optimising water use and reducing waste</li> </ul>
<b>SIGNIFICANTLY REDUCE OUR CO<sub>2</sub> EMISSIONS ACROSS OUR OPERATIONS</b>	<ul style="list-style-type: none"> <li>Energy efficiency and carbon footprint of our operations</li> <li>Quality of our products</li> <li>Eco-design of our products</li> </ul>
<b>PROVIDE A SAFE AND INCLUSIVE PLACE TO WORK</b>	<ul style="list-style-type: none"> <li>Occupational health and safety</li> <li>Employee commitment</li> </ul>

Our Group's sustainability is inconceivable without flawless ethics. In accordance with the regulatory expectations for the Statement of Extra-Financial Performance, the section entitled *Ensure that applicable regulations are respected in our activities and value chain* (pages 14 to 17) takes into account our main risks and opportunities in terms of combatting corruption and tax evasion, and respecting human rights.

Note that more detail on combatting corruption and tax evasion can be found in Chapter 3.4.1 of our URD: Risks related to environmental regulation, compliance and tax.

### OUR SUSTAINABLE DEVELOPMENT STRATEGY AND SCORECARD

2020 marked a turning point for Verallia with the redefinition of its Sustainable Development strategy.

Verallia's strategy has been adjusted as the natural continuation of our purpose:

#### "RE-IMAGINE GLASS FOR A SUSTAINABLE FUTURE."

Glass, a material with exceptional qualities, 100% and infinitely recyclable, with no alteration regardless of the number of times it is recycled, is one of the most sustainable materials. Our priority at present is therefore to produce healthy and sustainable packaging while also having a positive impact on the environment.

This strategy is based on quantified targets that aim to reduce our impact as well as that of the glass industry. Centred around three core pillars, this will guide our internal transformation over the next five years:

**1**  **ENHANCE THE CIRCULARITY OF GLASS PACKAGING**

We firmly believe that glass is one of the most sustainable materials. The circular economy is central to our strategy and in the light of this our work is centred around three main priorities: increasing glass recycling, optimising the use of cullet and developing the re-use of our packaging.

**Our targets for between now and 2025 are as follows:**

- Contributing actively to the plan to **increase the glass recycling rate in the EU to achieve the target of 90% in 2030.**
- Increase the use of external cullet** in our worldwide production by 10 points compared to 2019.
- Trialling at least **one pilot bottle re-use project** in France.

**2**  **SIGNIFICANTLY REDUCE OUR CO<sub>2</sub> EMISSIONS ACROSS OUR OPERATIONS**

Aware of the climate emergency, we have decided to make reducing our carbon footprint a key focus of our Sustainable Development strategy.

Our bottle and jar production process entails a high level of energy consumption and CO<sub>2</sub> emissions. We therefore involve all our staff in a process of constant innovation in order to reduce these at each stage of our value chain, from using raw materials like cullet, to optimising the efficiency of our furnaces and recycling our waste.

We have also decided to commit ourselves to a carbon trajectory that consists of limiting the increase in temperatures to 2 degrees above pre-industrial levels.

- Between now and 2030, we are committed to **reducing our CO<sub>2</sub> emissions (scopes 1 and 2) by 27.5%** in absolute terms, using 2019 as the baseline year.
- As regards our products, we want to **reduce the weight of our standard and non-returnable bottles and jars by 3%** between now and 2025.

**3**  **PROVIDE A SAFE AND INCLUSIVE PLACE TO WORK**

We want to offer our staff a safe and inclusive working environment. Making safety a constant concern for all employees, so that they protect themselves and their colleagues, is one of the Group's priority objectives. The same applies to inclusion, which is key. This involves in particular pursuing our goal of equality between men and women and promoting diversity in terms of education, experience and nationality, which enrich the Group on a day-to-day basis. It also involves encouraging as much as possible the recruitment and well-being of disabled workers.

**Between now and 2025, our goals are as follows:**

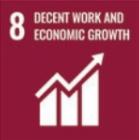
- Aiming for a **zero accident rate and a TF2 rate of less than 2.**
- Increasing the gender equality index by 15 points** at Group level (vs. 60 in 2019).
- Encouraging the integration of disabled workers** by doubling the rate of disabled employees (vs. 3% in 2019).
- Doubling the level of employee share ownership** (vs. 2.6% in 2019)



"In a world that is moving towards a carbon-neutral society, we want to be a driving force in the transformation of the packaging sector. By going even further and even more quickly, we are enhancing the circular and positive aspect of glass packaging."

**Michel Giannuzzi,**  
Chairman and Chief Executive Officer

**SUSTAINABLE DEVELOPMENT SCORECARD**

Key risks and opportunities	Pillars of the strategy	United Nations Global Compact Sustainable Development Goals (SDGs)	Commitments	Goals	Performance indicators	Values 2020	Values 2019	Values 2018	Change
 Incorporate the circular economy into our value chain	<b>ENHANCE THE CIRCULARITY OF GLASS PACKAGING</b>	  	Promote the circular economy by being a driving force in the collection and use of cullet	Increase the use of external cullet in our worldwide production by 10 points between 2019 and 2025	Rate of use of external cullet in production (at our 32 glassmaking plants)	51.6%	49%	47%	↗
				Contribute actively to the plan to increase the glass recycling rate in the EU to achieve the target of 90% in 2030	Proportion of used domestic glass recycled in the European Union	N/A	N/A	76%	
				Develop re-use as a viable business model	Trial at least one pilot project in France between now and 2025 to validate the business model	NEW	-	-	
 Energy efficiency and carbon footprint of our operations	<b>SIGNIFICANTLY REDUCE OUR CO<sub>2</sub> EMISSIONS ACROSS OUR OPERATIONS</b>	  	Improve energy efficiency and reduce our CO <sub>2</sub> emissions	Reduce our CO <sub>2</sub> emissions (scope 1 & 2) by 27.5% by 2030 compared to 2019	Scope 1 & 2 CO <sub>2</sub> emissions (tons)	2.941k <sup>(1)</sup>	3.090k <sup>(1)</sup>	3.045k	↘
 Eco-design of our products			Promote the eco-design of our products	Reduce the weight of our standard and non-returnable bottles and jars by 3% between now and 2025 (Alpha index)	Alpha index (= weight / volume <sup>0.8</sup> in accordance with standard NF-H35077)	16	16	15.9	==
 Preservation of the ecosystem			Help to preserve forests and offset our business trips	Plant 100,000 trees a year and offset emissions caused by our business trips	Number of trees planted Number of certified carbon credits	100,000 30910t <sup>**</sup>	100,000 30910t <sup>(2)</sup>	-	==
 Occupational health and safety	<b>PROVIDE A SAFE AND INCLUSIVE PLACE TO WORK</b>	  	Ensuring the health and safety of all	Move towards "zero accidents" Achieve a TF <sub>2</sub> rate of less than 2 by 2025	TF <sub>2</sub>	4.6	5.5	4.8	↘
 Employee commitment			Encourage gender equality	Increase the gender equality index at Group level by 15 points, applying the obligations of French law to all companies (vs. 60 in 2019)	Gender equality index (as defined by French law)	70	60	N/A	↗
			Encourage the integration of disabled workers	Double the level of disabled workers (vs. 3% in 2019)	Proportion of disabled workers	3.3%	3%	N/A	↗
			Encourage employee share ownership	Double employee share ownership by 2025 (vs. 2.6% in 2019)	Proportion of employees owning Verallia shares (directly or via the corporate mutual fund)	3.3%	2.6%	N/A	↗

**NOTE**

We are committed to reporting each year on the progress made in these three areas using indicators that are summarised in the scorecard below. This scorecard will be reviewed on a quarterly basis by the Executive Committee.

<sup>(1)</sup> For scope 2 CO<sub>2</sub> emissions, "Market-based" will be the calculation method to follow our commitments. Definitions from GHG standard protocol. Market-based method = based on GHG emissions emitted by the generators from which Verallia contractually purchases electricity bundled with contractual instruments, or contractual instruments on their own. Location-based method was used until 2019 = based on average energy generation emission factors for defined geographic locations, including local, subnational, or national boundaries. 2019 scope 2 location based = 487 825, market-based = 610.653  
<sup>(2)</sup> 1% of our total scope 1 and 2 emissions N-1.

## COMPLIANCE WITH REGULATIONS AND RESPONSIBLE PROCUREMENT FOR VERALLIA

### 1. ENSURING COMPLIANCE WITH APPLICABLE REGULATIONS IN OUR ACTIVITIES AND OUR VALUE CHAIN

#### Complying with applicable regulations and anti-corruption measures

Verallia's sustainability is inconceivable without sharing values common to the entire Group. In 2017, Verallia reasserted the principles that have guided all its companies and teams since 2000 by means of the four core values that form the basis of the Code of Conduct: care for customers, respect for individuals, law and the environment, empowerment and accountability, and teamwork.

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

with laws and regulations as well as the policies and values of the Group.

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

Finally, the Group is acting in accordance with the tax rules in the countries in which it operates and fulfilling its reporting obligations on time. The Verallia Group does not use any complex financial packages or tax havens with the aim of obtaining unfair tax benefits (see chapter 3, risks).

#### Governance

The implementation of the Group compliance programme is based on adopting policies drawn up at Group level in the various regions and countries in which it operates by means of a network of compliance correspondents:

<b>Group legal department</b>	<b>Role:</b> Prepares and validates policies.		
<b>Regional and country legal departments</b>	<b>Role:</b> Propose and implement policies.		
<b>Group risk committee</b> <table border="1"> <tr> <td> <b>Members:</b> <ul style="list-style-type: none"> <li>Chairman and Chief Executive Officer,</li> <li>Chief Financial Officer,</li> <li>General Secretary,</li> <li>Industrial Director,</li> <li>Legal Director (Executive Committee),</li> <li>Group Head of Compliance,</li> <li>Head of Internal Control,</li> <li>Head of Risk.</li> </ul> </td> <td> <b>Role:</b> <ul style="list-style-type: none"> <li>Carries out regular compliance reviews.</li> <li>Follows up on measures taken.</li> <li>Validates the themes to be pursued and future action plans.</li> <li>Proposes additional measures to ensure the effectiveness of the implementation of the Code of Conduct and to comply with applicable laws and policies in the areas of, among others, competition law, prevention of corruption and financial embargoes and sanctions.</li> </ul> </td> </tr> </table>		<b>Members:</b> <ul style="list-style-type: none"> <li>Chairman and Chief Executive Officer,</li> <li>Chief Financial Officer,</li> <li>General Secretary,</li> <li>Industrial Director,</li> <li>Legal Director (Executive Committee),</li> <li>Group Head of Compliance,</li> <li>Head of Internal Control,</li> <li>Head of Risk.</li> </ul>	<b>Role:</b> <ul style="list-style-type: none"> <li>Carries out regular compliance reviews.</li> <li>Follows up on measures taken.</li> <li>Validates the themes to be pursued and future action plans.</li> <li>Proposes additional measures to ensure the effectiveness of the implementation of the Code of Conduct and to comply with applicable laws and policies in the areas of, among others, competition law, prevention of corruption and financial embargoes and sanctions.</li> </ul>
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<b>50 compliance correspondents</b> <p><b>Role:</b></p> <ul style="list-style-type: none"> <li>Ensure policies are disseminated and lead operational teams on compliance issues.</li> <li>Coordinate compliance actions.</li> </ul>			

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

#### A compliance programme, the basis of the Group's policies

All Group compliance policies are disseminated through the regions and subsidiaries.

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

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

#### Prevention of corruption

A first action programme to prevent corruption was implemented in the early 2010s. It has recently been expanded based on French law on transparency, anti-corruption and influence peddling and modernisation of economic life. This programme is based on the eight priorities set out in the table below:

<b>RISK MAPPING</b>	An initial corruption risk mapping exercise was carried out in 2017. This was then updated in 2018 and 2020 with the help of a specialist external firm. Risk mapping is based on interviews with key functions (finance, accounting, sales, internal control, tax, risk, procurement, IT) and by means of a questionnaire sent to all Group subsidiaries.
<b>CODE OF CONDUCT AND POLICIES</b>	A number of policies have been drawn up to control corruption risks: the anti-corruption and anti-influence peddling policy (2018) plus the conflicts of interest policy (2016, last updated in 2018), the agents and intermediaries policy (2016, last updated in 2020), the gifts and invitations policy (2016, last updated in 2018). These policies are sent to all newly hired employees. They are also made available to all employees on the Verallia Compliance internal platform. In order to make it easier to access these documents, email communications are sent out regularly by HR teams to remind employees where to find these policies.
<b>TRAINING</b>	Regular training programmes are offered to employees. In 2020, a face-to-face training programme was run in all countries for employees exposed to corruption risks. In addition, an e-learning module has been offered to all employees exposed to this risk since 2017 (updated in 2020) in all of the Group's languages via the UNIVERA training platform, where all e-learning programmes are installed. This platform, open to all countries in which the Group operates, makes it possible to see the percentage of registered employees who completed the training and the success rate.
<b>INTERNAL CONTROL</b>	Control processes are included in the Group's Internal Control Manual.
<b>AUDITS</b>	Internal audit programmes regularly include a number of audits in order to ensure the correct implementation of the Group's anti-corruption processes and policies. Specific audits are also performed. These specific audits related to compliance with the sales agents/intermediaries policy in 2019 and to sponsorship and patronage in 2020. On the basis of the results of these audits, action plans have been adopted at the Group's companies.
<b>THIRD PARTY VETTING</b>	Procedures to vet suppliers were implemented by the Procurement Department in the second half of 2020 on the basis of supplier ethics with the help of questionnaires managed and evaluated by external providers.
<b>WHISTLEBLOWING HOTLINE</b>	A whistleblowing hotline is available in all countries in the relevant local language via the internet. This allows employees to report any compliance breaches observed.
<b>DISCIPLINARY PROCEDURE</b>	Failure to comply with procedures can result in sanctions, as set out in the Rules of Procedure or the applicable collective bargaining agreement.

#### OUR KEY TARGETS

##### TRAIN 100% :

of employees exposed to competition risk, in the training programme: competition law (COMPLY)

of new employees exposed to corruption risk to anti-corruption measures in their first year of working with the Group (ABC)

### Compliance with competition law

The action plan concerning compliance with competition law is based on the six principles presented in the table below:

<b>RISK MAPPING</b>	Competition-related risks are included in the Group's risk map (see chapter 3, risks).
<b>POLICY</b>	To control risks relating to competition, an anti-competition guide and a Professional Associations policy have been compiled. These documents are sent to all newly hired employees. They are also made available to all employees on the Verallia Compliance internal platform, and employees are regularly reminded of where they can be found via emails, as with anti-corruption policies.
<b>TRAINING</b>	Training is offered to all managers as well as employees identified as belonging to a population exposed to risk. The COMPLY competition law training programme is continuing to be rolled out across this population in all of the Group's languages via the UNIVERA training platform. In addition, a new training module covering sales representatives' relationships with their distribution circuit was developed in 2020 in all of the Group's languages on the UNIVERA platform and rolled out across sales teams in all countries. A specific training programme on managing information relating to competition is in the process of being developed internally and will be rolled out on the UNIVERA platform in all of the Group's languages in the first half of 2021.
<b>INTERNAL CONTROL</b>	Control processes are included in the Group's Internal Control Manual.
<b>AUDITS</b>	Internal audit programmes regularly include a number of audits in order to ensure the correct implementation of the Group's competition law policies. External audits can also be performed by specialist firms to ensure that these rules are implemented within Verallia.
<b>WHISTLEBLOWING HOTLINE</b>	The whistleblowing hotline used within the framework of anti-corruption procedures is also used for reporting anti-competitive behaviours.

### Compliance with rules on economic sanctions and embargoes

The action plan concerning compliance with rules relating to economic sanctions and embargoes is based on the five principles presented in the table below:

<b>RISK MAPPING</b>	Risks relating to embargoes are included in the Group's risk map (see chapter 3, risk).
<b>POLICY</b>	A policy on compliance with rules on economic sanctions and embargoes was established in 2016 and updated in 2020. This is sent to all newly hired employees and is also available for all employees on the Verallia Compliance internal platform.
<b>TRAINING</b>	Face-to-face training sessions have already been held in all countries for employees in past years using training materials provided by Verallia. A new training module on compliance with rules on economic sanctions and embargoes was offered on the UNIVERA platform in 2020. It has been translated into all of the Group's languages in order to facilitate dissemination in all countries. In addition, a global training programme intended for all positions that are most exposed to this risk (finance, accounting, sales, procurement) was launched on 15 December 2020 and will continue in the first half of 2021.
<b>INTERNAL CONTROL</b>	Control processes are included in the Group's Internal Control Manual.
<b>AUDITS</b>	Internal audit programmes regularly include a number of audits in order to ensure the correct implementation of the Group's processes and policies in terms of economic sanctions and embargoes. The AEB screening tool has been made available to the populations most exposed to embargo and sanction risks at all Group subsidiaries. This tool can be used within the framework of audits of new suppliers and new customers. This tool also allowed for the launch of an audit of all supplier and customer databases in 2020 at all Group subsidiaries.



### 2021 TRAINING TARGETS

**TRAIN 100% OF EMPLOYEES EXPOSED :**

to the risk of violation of economic sanctions and embargoes

to the risk of corruption

**TRAIN 100% OF NEW EMPLOYEES EXPOSED :**

to competition law in their first year of working with the Group

### OUR RESULTS

	Target 2021	2020	2019	2018
% of the defined population <sup>(1)</sup> trained in our competition programme (COMPLY)	100 %	98.3%	56 %	73 %
% of the defined population <sup>(2)</sup> hired during the year trained in our anti-corruption programme (ABC)	100 %	98.7%	57 %	77 %

### ANALYSIS OF OUR RESULTS

On the basis of the 2019 results, the training targets for newly hired managers have been maintained and reinforced: training 100% of exposed employees in competition law programmes (Comply) and 100% of newly hired managers in the anti-corruption programme (ABC) in the first year of working with the Group. It was also decided that a programme would be relaunched for targeted managers in 2019 who had not taken the online training.

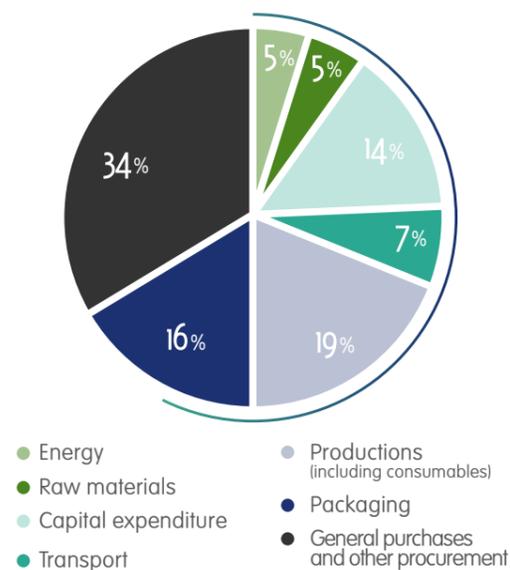
<sup>(1)</sup> Employees exposed to risk (managers and employees of the procurement, marketing, communications, sales and customer service departments).

<sup>(2)</sup> New hires exposed to risk.

## 2. HAVING RESPONSIBLE PROCUREMENT PRACTICES

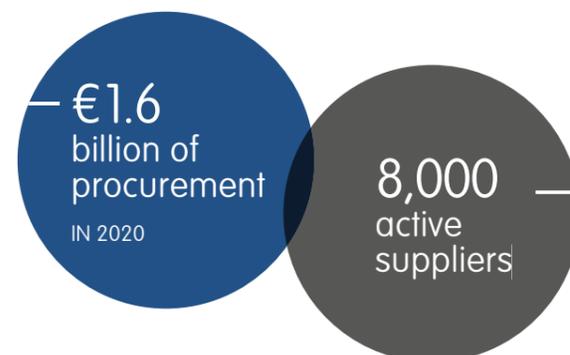
Although responsible procurement management was not identified in Verallia's risk analysis, this nonetheless represents a major issue due to the volumes and diversity of the Group's procurement. Procurement represents annual spending of €1.6 billion and 8,000 active suppliers, mainly located in the countries in which the Group operates (Europe, Latin America, Russia). Half of procurement spending relates to energy and raw materials. Most of these suppliers are local, except for suppliers of soda ash or certain chemicals. The other main spending segments are capital expenditure, transport, production including consumables, packaging and general purchases, and low-value procurement (see chart below).

Breakdown of 2019 CO<sub>2</sub> emissions by scope



Having established the Group Responsible Procurement policy in 2019, the roll-out of this process and the associated tools was stepped up in 2020. The supplier CSR risk mapping exercise initiated in 2019 allowed for supplier assessments and audits to be launched in 2020 and the identification of corrective measures to be taken in 2021. The Group has also carried out work to reduce its supplier base with the aim of improving control over its supply chain and ensuring better monitoring of suppliers

### Our Procurement Department governance



In 2020, a network of 11 Responsible Procurement correspondents covering all Verallia entities worldwide was set up. In addition, the Group Supplier Quality team in charge of Responsible Procurement was strengthened further with the arrival of a dedicated person to coordinate the Responsible Procurement network and associated actions.

### Our procurement risk map

In 2019, Verallia acquired a supplier risk mapping tool developed by AFNOR. Tested conclusively in 2019, the tool was rolled out in 2020 at all Group countries at the same time as the implementation of the supplier CSR performance assessment process using the EcoVadis and ACESIA tools.

The risk map is based on external data and allows for the identification of a level of CSR risk for each procurement category and country in which suppliers are located.

It is made available to the community of procurement officers, who refer to it regularly to determine suppliers for which a performance assessment is necessary, which may result in an audit.

In 2020, during the first wave, 260 suppliers were identified worldwide as presenting a potential CSR risk to be addressed as a priority. These suppliers mainly cover three procurement categories: raw materials, chemicals and civil engineering/construction.

The AFNOR CSR risk map crosses "country" risk and "procurement family" risk, broken down into three areas: ethics, environment and social. This allows for assessments to be oriented towards suppliers concerned by the categories/countries most at risk.

### Regular supplier assessment process

Our entire supplier base is checked systematically using the mapping tool described above. When a new supplier joins, their level of CSR risk is determined.

The results of this mapping are then used to target more specifically suppliers presenting a high risk and requiring an assessment of their CSR performance.

In order to calibrate assessments as best possible, we have chosen to use two different tools depending on the size of the targeted entities:

- **EcoVadis** for suppliers with **more than 250 employees**.
- **ACESIA** for those with **fewer than 250 employees**.

In 2020, assessment programmes were launched concerning 260 suppliers within the most at-risk suppliers category. At the end of 2020, 151 assessments had been finalised and 91 assessments were still in progress. In order to go even further in the assessment of its suppliers, Verallia plans to extend the EcoVadis and ACESIA assessments in 2021 to suppliers presenting a lower level of risk according to the risk mapping tool.

**EcoVadis and ACESIA (AFNOR)** are two service providers specialising in responsible procurement. Their assessments are based on criteria grouped into four themes:

- Environment
- Labour and Human Rights
- Ethics
- Responsible Procurement.



## Measures to mitigate and prevent severe violations and monitoring procedure

### Risk management process

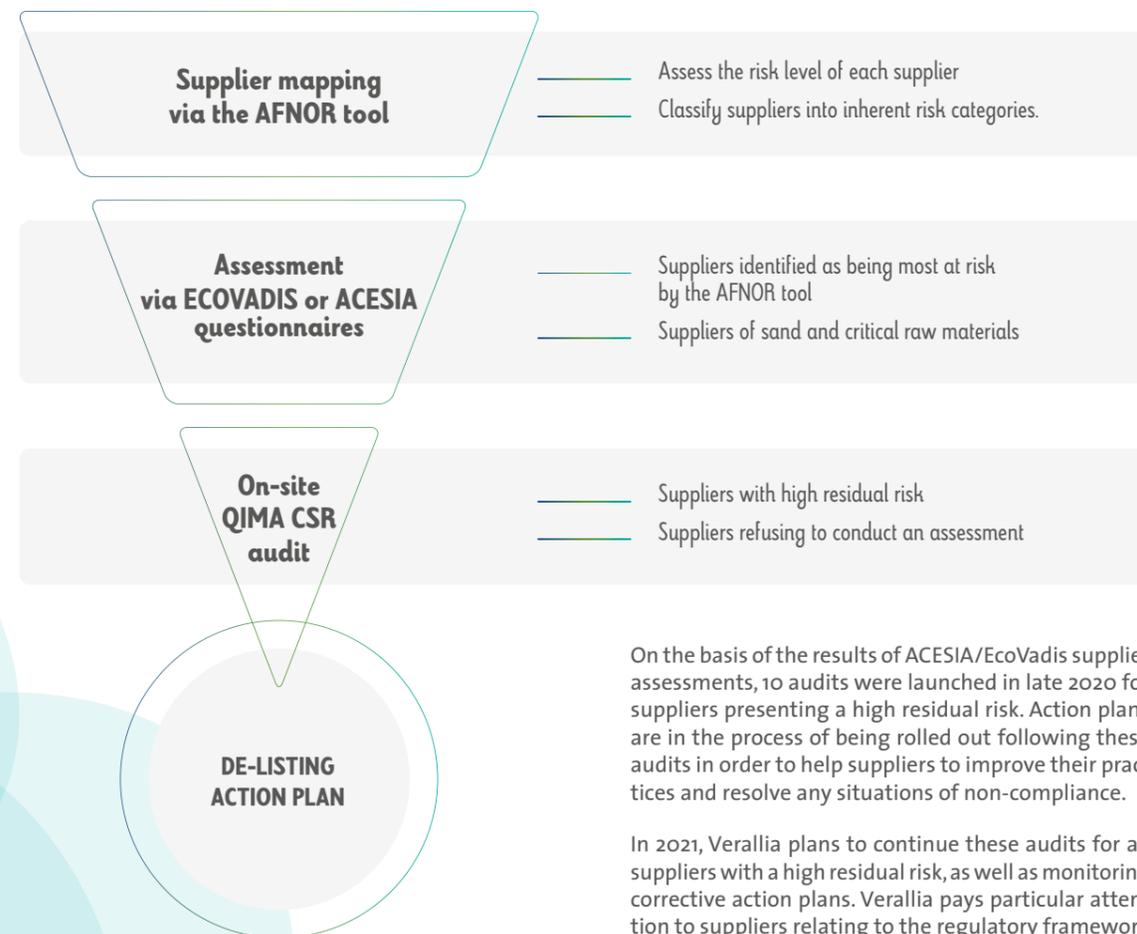
Verallia endeavours to ensure that its values are respected and to convey its values and commitments to its suppliers. To do this, in 2018, the Group formally set out its requirements with regard to its suppliers in terms of compliance with international norms and standards in its Supplier Charter. This charter, which is disseminated to all Verallia suppliers and which must be signed above a certain threshold set by each Verallia entity, requires suppliers to adhere to the following principles unconditionally: respecting the right to development, respecting the right of employees, respecting health and safety, environmental commitment, respecting laws.

Verallia also wishes to make suppliers aware of this from the tender process onwards.

To do this, CSR criteria are included in procurement procedures relating to conducting calls for tenders in order to take account of suppliers' CSR approach in the selection process. These CSR criteria are then set out formally in CSR clauses in contracts signed with suppliers. For example, waste recycling and recovery criteria are included in calls for tenders and procurement contracts concerning IT equipment.

In order to target and address the most significant CSR risks of its existing suppliers, Verallia has created a risk management process.

This comprises risk mapping, assessment of suppliers (EcoVadis/ACESIA), external on-site CSR audits based on SMETA international standards, corrective action plans in the event of proven non-compliance and a de-listing process in the event of major non-compliance or failure to comply with corrective action plans. This approach is described in the following chart:



On the basis of the results of ACESIA/EcoVadis supplier assessments, 10 audits were launched in late 2020 for suppliers presenting a high residual risk. Action plans are in the process of being rolled out following these audits in order to help suppliers to improve their practices and resolve any situations of non-compliance.

In 2021, Verallia plans to continue these audits for all suppliers with a high residual risk, as well as monitoring corrective action plans. Verallia pays particular attention to suppliers relating to the regulatory framework for conflict materials. The assessment campaign launched in 2019 was finalised in 2020 (example: *sourcing monitoring for tin-containing surface treatment solutions to ensure that our suppliers are not sourcing from conflict areas*).

## Supplier training

In order to ensure the successful roll-out of the CSR risk management process, all Procurement staff at our subsidiaries have been trained.

This training was rolled out via the network of Responsible Procurement correspondents and targeted the approach and tools used, i.e. use of the AFNOR risk mapping matrix and use of the ECOVADIS and ACESIA assessment platforms. A shared documentation base provides buyers with all the support and reference documents concerning responsible procurement.

In addition, all buyers, newcomers and employers exposed to relations with suppliers are made aware of CSR issues. In particular, they must complete a "Purchasing for All" training module, which has a CSR section, and sign the "supplier relations" charter at the end of the module. This also includes a chapter dedicated to CSR issues.

## OUR RESULTS

	Target 2021	2020	2019	2018
% of amount of procurement covered by signature of the Supplier Charter <sup>(1)</sup>	80 %	73%	N/A	N/A
Percentage of suppliers currently identified as at priority risk according to the AFNOR matrix in the assessment process (ECOVADIS or ACESIA assessment initiated or completed)	100 %	91 %	23 %	N/A
Number of on-site audits	10	8	N/A	N/A



### ANALYSIS OF OUR RESULTS

With 73% of procurement covered, our main suppliers worldwide have signed the charter.

By deploying our methodology in all countries (as outlined above), 91% of suppliers have been assessed or are being assessed (238 suppliers)

We have a dynamic approach, and the remaining 9% are suppliers identified in Q4 2020 that have yet to accept the invitations sent via our ACESIA and ECOVADIS platforms.

The fact that the target was not met can be attributed primarily to delays in audits (postponed to January 2021) owing to the health situation (COVID-19) in India.

<sup>(1)</sup> Obtaining a signed supplier charter is a way of formally securing our suppliers' adherence to our CSR commitments. Should suppliers refuse to sign, Verallia will endeavour to change suppliers. With regard to public companies or state monopolies (for energy in particular), there are no possible alternatives, so signing our charter can no longer be a condition for us to do business with these organisations. For this reason, we chose to exempt them from this obligation. In addition, so we do not post misleading figures, we chose to consider these organisations as signatories. They will be separated in 2021.

1

# ENHANCE THE CIRCULARITY OF GLASS PACKAGING



# BEING A KEY PLAYER IN THE CIRCULAR ECONOMY

The circular economy is an economic model that aims to produce in a sustainable manner, limiting consumption and waste of resources (raw materials, water, energy), as well as waste production. This therefore means breaking away from the linear economy model (extract, manufacture, consume, throw away).

Glass is an inert material that is 100% and infinitely recyclable into new packaging, making Verallia a key player in the circular economy. **External cullet, a key link in the glass industry circular chain,** is made from glass obtained from selective collection: individuals, cafés, hotels and restaurants. Use of **external cullet** in our production is therefore a major way of reducing Verallia's carbon footprint.



**CULLET** reduces the consumption of natural raw materials such as sand, or synthetic materials such as sodium carbonate. There is a direct impact on protecting natural resources but also on reducing carbon dioxide emissions on two levels. It reduces the energy consumption required for melting and therefore the carbon dioxide it emits; it also reduces the use of raw materials, the melting of which also emits carbon dioxide. As a result, the increase in the level of cullet in raw materials saves energy and mainly natural raw materials, leading to **a reduction of 2.5% in a furnace's energy consumption and 5% in carbon dioxide emissions for each additional 10% of cullet<sup>(1)</sup>.**

## SAVINGS

**+10 points**  
of cullet



**-5%**  
of CO<sub>2</sub> emissions

**-2.5%**  
of energy consumption<sup>(1)</sup>

For Verallia, playing a part in increasing the rate of collection will enable us to increase the rate of recycled glass used in our production. Our aim is to increase the percentage of external cullet as much as possible for all colours of glass.

In 2020,  
**51.6%**  
of external cullet  
in our yields, all colours  
and all models combined

### RATE OF EXTERNAL CULLET USED BY GROUPS OF VERALLIA GLASS COLOURS WORLDWIDE IN 2020:



When referring to the rate of cullet used, we mean only the use of external cullet, excluding internal cullet. A high percentage of internal cullet would not be positive in terms of the environmental impact as this involves bottles that have already been produced being reintroduced into a second production process without having been used by consumers.

### BUT WHERE DOES GLASS RECYCLING CURRENTLY STAND?

In 2019, Europe had 160 glass manufacturing plants and now has the highest glass recycling rate in the world:

- The rate of **collection** for recycling in Europe (collection by individuals and CHR: Cafés Hotels Restaurants) was **76%** in 2018<sup>(2)</sup>.
- The glass **recycling** rate at European level was **52%**<sup>(3)</sup>.

The challenge is therefore to raise the collection rate in order to raise the recycling rate.

The EU directive on packaging and packaging waste sets demanding targets. : for glass packaging, **the recycling target for Europe is 70% in 2025 and 75% in 2030 for member states.**

In order to reach this recycling target at European level, the quality and quantity of glass collected must increase significantly. To this end, FEVE, the European Container Glass Federation, created the "Close the Glass Loop" programme, an ambitious effort to boost glass collection and recycling<sup>(3)</sup>. This initiative brings together different stakeholders in the glass value chain through a shared platform and two main targets: reducing disparity in terms of collection and improving the quality of recycled glass (cullet). The end goal is to guarantee the availability and quality of recycled glass resources as part of a system of closed loop production.

#### The targets set for 2030 are:

- **90%** of the EU's container glass collection rate (compared to the current **76%**<sup>(2)</sup>);
- **Improved quality of recycled glass**, which would allow for the use of more cullet in the production loop.



"We are very proud to have been able to lay the foundations of such an ambitious programme, which benefits from considerable support from members of our organisation and fully responds to the United Nations' sustainable development goals and the European Commission's European Green Deal."

**Adeline Farrelly,**  
General Secretary of FEVE

<sup>(1)</sup> Press release from the European Container Glass Federation (FEVE) on 29/10/2019.

<sup>(2)</sup> 76% corresponds to 2018 data which is the most recent available data -online on the FEVE website.

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

**GOVERNANCE**

The Group's Executive Committee defines the "cullet" strategy with the purchasing and industrial departments, which then deploy it locally. The industrial department is in charge of investments concerning cullet processing sites.

The Raw Materials Procurement Director coordinates the cullet purchases from different countries. Its aim is to implement and coordinate all local measures to help to maximise the use of external cullet worldwide. Achieving this target represents 25% of their individual variable compensation.

**THE CIRCULAR ECONOMY AT THE HEART OF OUR EHS POLICY**

Verallia's EHS policy includes a chapter dedicated to the circular economy with the target of reducing the Group's environmental footprint.

This policy is based on **four core principles**:

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

**OUR KEY TARGETS**

**INCREASE USE OF EXTERNAL CULLET BY 10 POINTS**

in our production worldwide between 2019 and 2025.

**CONTINUE INVESTING IN CULLET PROCESSING CENTRES**

by leveraging the best technologies available on the market.

**HELP IMPROVE THE COLLECTION RATE**

to achieve the target set at European level by FEVE: 90% of bottles and jars collected for recycling by 2030.

**HELP IMPROVE THE QUALITY OF THE GLASS COLLECTED**

through awareness-raising activities through the collection agencies, local authorities and the Group's employees (interventions in schools, at our sites).

**OUR ACTION PLANS**

**INVEST IN CULLET PROCESSING CENTRES**

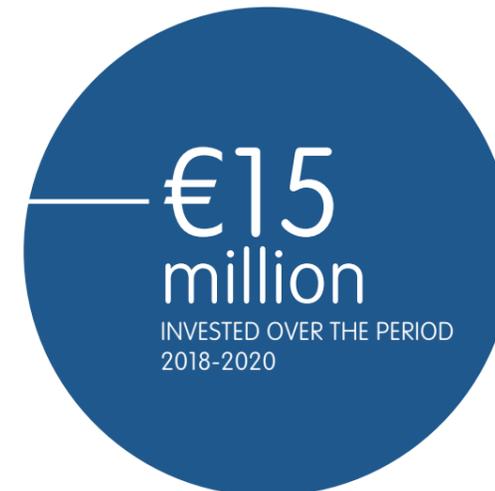
Verallia is recognised for its expertise in recycling cullet. The Group currently operates eight household glass processing centres located in Europe (two in France, three in Italy, one in Germany and two in Spain), where collected glass is transformed into cullet.

Verallia makes a long-term investment in its cullet processing centres in order to improve cullet processing (better quality, better yield, minimum waste) and thereby increase its use in production.



**SHARING BEST PRACTICES BETWEEN SITES**

Verallia relies on the expertise of its sites around the world to share best practices and knowledge and to optimise the sorting, processing and the integration of cullet into its production.



**+10% OF EXTERNAL CULLET IN ITALY**

For example, in 2020, Verallia increased its external cullet use rate in Italy by 10% compared to 2018. This was thanks to investment in its cullet processing centres with the aim of improving productivity and the quality of processed cullet. A number of measures are taken to limit undesirables as much as possible (primarily ceramic). The aim is to limit the creation of waste during processing and thereby increase the proportion of usable glass in its furnaces.



## ✓ EDUCATE CUSTOMERS AND END USERS ABOUT THE IMPORTANCE OF GLASS RECYCLING

Consumers choose glass as packaging for their food products. This is the result of an independent survey conducted in January 2020 of more than 10,000 consumers in 13 European countries, at the request of Friends of Glass and FEVE. In 2020, more than half of consumers bought more products in glass packaging than in 2016 and nine out of ten recommend glass as the best packaging, an increase of 11 points in 10 years.

European consumers are increasingly aware of recyclability and environmental considerations when buying products:

- buy glass for its recyclability compared with other packaging materials.
- 33% buy glass for the guarantee that it will preserve and not contaminate food products.
- 31% choose glass for their health as well as for the planet.

Continuing to raise awareness about recycling is therefore a priority for the Group.

The industry has also decided to move forward by creating a symbol that reminds consumers of the advantages of glass when making a purchase. A new logo – the Glass Hallmark – is offered to brands and retail chains as a means of communicating the infinite recyclability of glass. It will also be targeted by an information campaign for consumers.

In addition, Verallia takes advantage of all events (fairs, inaugurations, customer events and training, talks at schools, student designers, etc.) to encourage sorting and recruit new recycling ambassadors.



Verallia works in partnership with glass industry associations (FEVE in Europe, ABIVIDRO in Brazil), local authorities, glass eco-organisations (CITEO in France, ECOVIDRIO in Spain, COREVE in Italy, etc.) and cullet processing companies. In the absence of a household glass collection system, such as in Chile or Argentina, Verallia acts on its own behalf by launching collection campaigns in partnership with cities close to plants.

In 2020, the Friends of Glass consumer platform launched various national campaigns, such as "Vote for Glass" in France and "Grandi Stazioni" in Italy - coordinated on a European level by FEVE with the aim of playing an active role in the debate on environmental impact and health, and the choice of packaging.

## Friends of Glass – French Initiative #Votezverre

Via the Friends of Glass community, on 15 September 2020 Verallia launched its engaged and quirky #Votezverre campaign on social media. Comprising eight videos, the campaign reminds wine lovers of the advantages of glass; such as its composition, its infinite recyclability, its preservation qualities, and its variety of shapes, colours and capacities. This campaign received more views<sup>(5)</sup> and people on social media (192 K via Facebook<sup>(5)</sup>, 294 K via Instagram and 17 K via Twitter).



## Friends of Glass – Spanish Initiative via Anfevi

In Spain via the Friends of Glass - Anfevi - community, the CHIN campaign was launched on social media from June to September 2020. Thanks to a YouTube video and posts on Instagram and TikTok, the campaign registered more than 5.6 million views.



## ✓ ENCOURAGING THE RE-USE OF GLASS PACKAGING AND DEVELOPING RETURN SCHEMES

Aware that re-use is one of the major components of the circular economy, Verallia wants to be a driving force in developing the return scheme for glass packaging. Return schemes have existed for a long time in CHR (Cafés, Hotels and Restaurants) in France and are being increasingly developed for end consumers in some of the Group's regions such as Germany and Brazil. Verallia's desire to play a part in developing re-use and returns is conveyed by its Chairman and Chief Executive Officer: "Re-use and returns are one of the major components of the circular economy and a huge social trend. Re-use and returns are being developed more in some of our markets, such as Germany, than in others. This trend is inevitable regardless of the market and we need to contribute to this and promote it by working with our local partners in particular."

## ENCOURAGING RETURNS AT GEROLSTEINER IN GERMANY

The design of the 0.75l new mineral water bottle for Gerolsteiner Brunnen is sustainable because it can be returned and its weight has been optimised. This means that it is as light as is possible for a reusable bottle. The bottle weighs 6% less than the standard returnable bottle. Furthermore, the bottle's modern design makes it highly ergonomic.



<sup>(1)</sup> <https://www.friendsofglass.com/fr/ecology-fr/soucieux-de-lenvironnement-les-consommateurs-europeens-achètent-de-plus-en-plus-demballages-en-verre/>

<sup>(2)</sup> Source FEVE : enquête indépendante InSites a été menée fin 2019 et finalisée en 2020 par la société d'études de consommation InSites Consulting, ciblant les consommateurs âgés de 25 à 65 ans dans 13 pays européens.

<sup>(5)</sup> more than 15 seconds.



**KEY FIGURES**

**51.6%**  
external cullet integrated  
into our production<sup>(1)</sup>

**76%**  
In 2018, the household glass  
collection rate was 76% in the EU-  
28, making it the most recycled  
goods packaging in Europe (FEVE)

**2.9  
MILLION TONS**  
of external cullet used  
by our sites in 2020

**OUR RESULTS**

	Target in 2025	2020	2019	2018
<b>External cullet usage rate in production</b> (at our 32 glassmaking sites, all plants, all colours and all models)	59 %	51.6%	49 %	47 %
<b>Household glass collection rate</b> in Europe	90 % <sup>(2)</sup>	N/A	N/A	76 %
<b>Tons of external cullet</b> reused by sites	N/A	2.9 Mt	2.9 Mt	2.8 Mt

**ANALYSIS OF OUR RESULTS**

As a reminder, the availability of cullet in each country varies depending on the volume collected, its quality and local processing capacity.

Note, the rate of use of external cullet worldwide has increased by 5.3% (51.6% in 2020 versus 49% in 2019).

**Signature of a partnership agreement focusing on the circular economy**

Verallia's collaboration with the Ellen MacArthur Foundation was announced on 16 October 2020. The Foundation's inspirational leadership and expertise in the circular economy will help it to step up the rate of progress in the three areas in which it works: accelerating innovation in the glass value chain, encouraging re-use and taking action to use more recycled glass.

This collaboration is an excellent opportunity for Verallia to work with leading thinkers and even more closely with all partners in the value chain, to lead the transition towards the glass circular economy. Joining the Ellen MacArthur Foundation constitutes an exciting new step forward in making glass the most sustainable material.



<sup>(1)</sup> All colors, all plants.

<sup>(2)</sup> Target in 2030. <https://feve.org/about-glass/introducing-close-the-glass-loop/>

## OPTIMISING WATER USE AND REDUCING WASTE

Protecting water resources is one of the most important environmental issues for Verallia. Although consumption has been optimised and reduced, use of water is an essential part of the glassmaking process, primarily for cooling glass during melting and for equipment.

### OUR KEY TARGETS

#### REDUCE BY 5 % WATER CONSUMPTION PER TPG

in glassmaking plants worldwide between 2015-2020 et 2020-2025

### GOVERNANCE

EHS officials manage water and waste governance. Executive management is the decision-maker on investment (see *EHS simplified organisation chart in the chapter "Ensuring the health and safety of all"*).

### A POLICY TO REDUCE USE OF WATER

Verallia's policy with regard to preserving water resources aims to take action on both the quantitative and qualitative aspects. This should allow it to reduce its consumption, avoid disruption caused by spills and respect its emission limits. Redefined in 2018, this has allowed for the alignment of action plans for all Verallia sites around shared targets.



## OUR ACTION PLANS

### WATER

#### REDUCE WATER USE FOR PRODUCTION

To cool cullet or equipment and thereby save water resources, Verallia's water circuits operate as semi-closed loops. At most of its plants, water is treated and then recycled for numerous cooling uses. Some of the water used is evaporated, thereby concentrating the impurities. In order to ensure that the glass produced is of satisfactory quality, external supplies of water are needed.

The largest use of water is for the cooling of production waste. If part of the production does not have the expected level of quality, the glass considered as waste is cooled before it is transported and then recycled in the furnace. The cooling water is cleaned of oil and particle residues and then reused to cool new production waste. This process of reuse can be carried out several times using concentration control; losses are offset by additions.

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

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

The "Water standard" comprises 17 golden rules for preserving water resources. They describe how sites should reduce their consumption in particular by means of:

- **maintaining their network:** precise monitoring of consumption, periodical searches for leaks and connection problems.
- **reducing losses and consumption:** recovering rainwater from roofs and reducing losses in water cooling circuits. Production procedures are also optimised to reduce water consumption. Cooling of the blades used to cut molten glass to create the glass gobs intended to become bottles has been optimised so as to reduce water consumption by 80%.
- **re-use:** for example deconcentration water from cooling towers is used to cool production waste. The quality demands of cooling water for equipment are higher than for cooling water for production waste. This water can therefore be cooled using equipment cooling effluents.

#### ENSURING THE QUALITY OF OUR WASTEWATER

The quality of wastewater is ensured thanks to measurement of the quality of effluents by independent laboratories. Sites need to ensure that their used wastewater complies with their regulatory limits.

The "Water Standard" also includes requirements for protecting the natural environment. To avoid pollution accidents, sites need to ensure:

- correct labelling of all products stored,
- provision of containment tanks and verification of their condition
- the quality of runoff water.

#### DEPLOYMENT OF THE WATER STANDARD AND ONGOING IMPROVEMENT

Using the same approach as that applied to safety and quality issues, the "Water" standard is rolled out on a site-by-site basis. This is reinforced by coaching of local teams by experts from each region, or by experts from the group, as part of shared monitoring of environment, health and safety issues.

Any major incident is the subject of a root cause analysis, which will then make it possible to adjust the implementation of standards, or even the standards themselves if necessary, following the continuous improvement approach used by Verallia.

**OUR RESULTS**

	Target in 2025	2020	2019	2018
<b>Water consumption</b> (m <sup>3</sup> /ton of packed glass)	<b>-5 %</b> vs 2020	<b>0.582</b> (-7.6% vs 2019)	0.630 (+8.1% vs 2018)	0.583 (+2.5% vs 2017)
<b>Total water extractions</b> (m <sup>3</sup> )	<b>N/A</b>	<b>3,273,730</b>	3,671,417	3,389,114

**ANALYSIS OF OUR RESULTS**

In 2020 the water consumption of Verallia group reached 0.582 m<sup>3</sup> per ton of packed glass. This is a reduction of 7.6% vs. 2019, and 5.5% vs. 2015 level. Verallia has thus reached its objective of 5% of reduction vs. 2015 for 2020.

In addition, a specific effort has been done in the areas of high hydric stress (South of Europe and Latin America) where water consumption in 2020 was reduced by more than 10% vs. 2019.

**WASTE RECYCLING AT VERALLIA**

**CONTINUE TO RECYCLE OUR WASTE**

Glassmaking plants generate little waste, insofar as 100% of raw materials are transformed into glass, which is recycled if there are any faults. In addition to this limited waste, however, at regular intervals there is waste from furnace reconstructions. Verallia endeavours to maximise recycling of all this waste.

In 2020, the recycling rate was 60%, including reconstruction waste, and the group's target is to increase it by 1% a year between now and 2025. Each of the group's sites has adopted indicators and monitoring of recycling rates, and is working on local solutions to recover waste.

**OUR KEY TARGETS**

**INCREASE OUR RECYCLING RATE BY 1 POINT EACH YEAR**



2

# SIGNIFICANTLY REDUCE OUR CO<sub>2</sub> EMISSIONS ACROSS OUR OPERATIONS



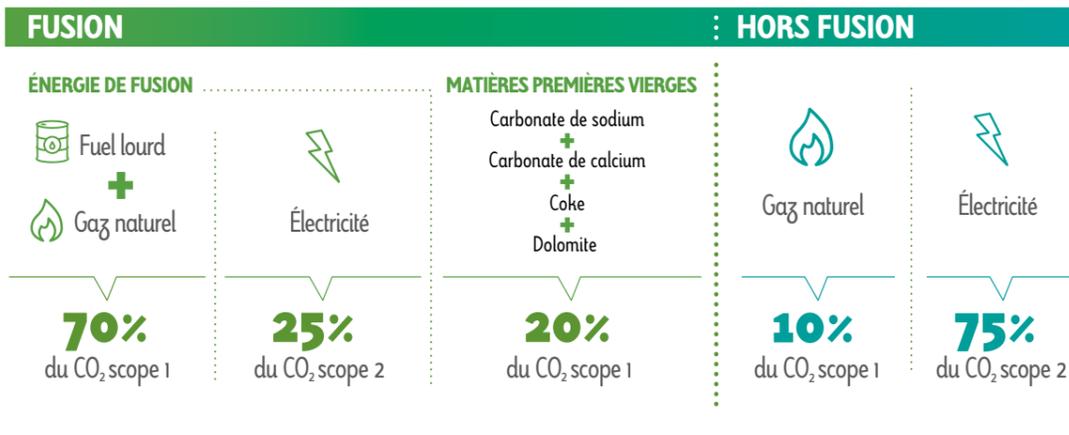
Verallia site in Gazzo Veronese, Italy

## OUR COMMITMENT CONCERNING THE SCIENCE BASED TARGETS INITIATIVE

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

Glass is a healthy, infinitely recyclable material with no loss of value, which has the primary role of packing, protecting and transporting food and beverages. However, its manufacture currently entails a significant carbon footprint. In 2020, each ton of packed glass represented emissions of 0.5 tCO<sub>2</sub>. It is therefore essential for current production facilities to evolve with a view to reducing CO<sub>2</sub> emissions<sup>(1)</sup>.

Our highest emission station in our plants is the glass melting station (as melting entails raising the temperature of solids – sand, cullet, soda ash, calcium carbonate – to achieve a homogeneous vitrified mixture). The simplified diagram below shows the distribution of our carbon emissions; percentages are for information purposes and may change. The percentages for scopes 1 and 2 are provided with respect to the total (fusion and non-fusion).



<sup>(1)</sup> Emissions related to extraction, production and transportation of fuels used by Verallia.

In 2020, the Group wanted to strengthen its commitment to combatting climate change and define a carbon trajectory compatible with the Paris Agreement's target of keeping the rise in the average temperature of the planet well below 2°C above pre-industrial levels. This desire is reflected by Verallia joining the Science Based Targets initiative. Verallia has therefore made a commitment to reduce its scope 1 and 2 carbon emissions by 27.5% by 2030 compared to 2019, representing a reduction of 2.5% a year in greenhouse gas emissions (GHG) compared to the baseline year.

### OUR TARGET



**-27.5%**  
REDUCTION IN SCOPE 1 & 2 EMISSIONS  
between 2019 and 2030.

Verallia defined this trajectory based on the assessment of its carbon footprint in 2019, which allowed it to identify the main emission items, as well as on a roadmap combining improvement in industrial facilities in order to make them more energy efficient, eradicating energy losses, factoring climate concerns into the design of its products and carbon offsetting.

This reduction target is in addition to the climate programme proposed by the Chairman and Chief Executive Officer and validated by the Sustainable Development committee in 2019, which set targets for reducing GHG emissions by 2030. These targets cover all Verallia's activities, with the exception of emissions from offices, decoration plants and cullet processing plants, which represent less than 5% of total scope 1 and 2 GHG emissions.

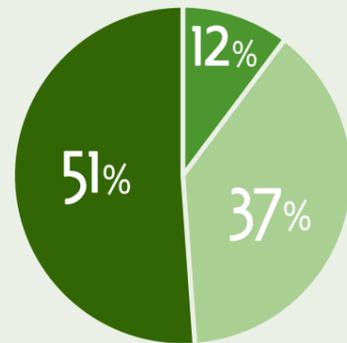


**NOTE: A-**

This year, the Group also confirmed its commitment to combatting climate change and its desire to go even further in identifying ways of mitigating climate risk. This is reflected in particular by Verallia taking part in the CDP Climate Change report for the first time, obtaining a score of A-.

**2019 VERALLIA CARBON FOOTPRINT**

In 2020, the Group completed the assessment of its overall carbon footprint on a 2019 year base, by estimating its scope 3 emissions in order to understand emission items across its entire value chain and target its actions with the aim of reducing its carbon footprint. Verallia's CO<sub>2</sub> emissions break down as follows:



**SCOPE 1** : 2.479.512

**SCOPE 2** : 610.653

**SCOPE 3** : 1.809.918  
(estimées)

The estimate of our scope 3 emissions showed that these are mainly due to the following:

- 
**Purchases of products and services**  
*(45% of scope 3 emissions)*
- 
**Emissions related to energy not included in scopes 1 and 2<sup>(1)</sup>**  
*(21% of scope 3 emissions)*
- 
**Transport and distribution<sup>(2)</sup>**  
*(14% of scope 3 emissions)*

This initial estimation of scope 3 emissions has therefore made it possible to identify the main areas of emissions outside Verallia's operations and begin to think about the action plans to be implemented in order to further reduce the Group's carbon footprint.



<sup>(1)</sup> Emissions related to extraction, production and transportation of fuels used by Verallia.

<sup>(2)</sup> Upstream, internal and downstream transportation and distribution.

# REDUCING OUR CARBON FOOTPRINT

## GOVERNANCE

In order to align its targets and action all of the various ways of reducing its carbon footprint, Verallia has adopted a robust governance structure based on a special #Climate energy commitment organisation to ensure that climate issues are taken into account in the Group's strategy. This governance structure is shown in the chart below:

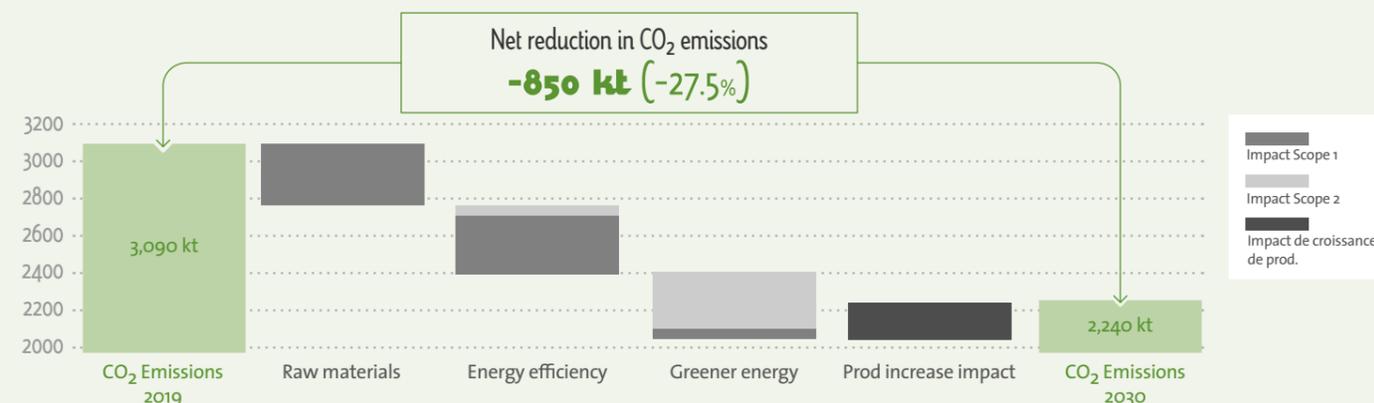
<b>Chairman and Chief Executive Officer</b>	>	<b>Role:</b> Determines the overall climate strategy.
<b>Board of Director</b>	>	<b>Role:</b> Reviews the climate strategy, policies, action plans and targets proposed with the Sustainable Development committee, validates them and ensures that they are monitored by CSR correspondents for each region.
<b>Sustainable Development committee</b>	>	<b>Role:</b> Reports quarterly to the Board of Directors on the main climate challenges and targets and their alignment with the group's overall strategy.
<b>#Climate energy commitment steering committee</b>		
<b>Members:</b>		<b>Frequency of meetings:</b> at least once per quarter.
<ul style="list-style-type: none"> <li>Chairman and Chief Executive Officer,</li> <li>Chief Industrial Officer,</li> <li>Chief Technical Officer,</li> <li>Plan Director,</li> <li>Head of Sustainable Development,</li> <li>six project managers in charge of different action plans</li> </ul>		<b>Role:</b> ensures operational monitoring of the roll-out of climate projects.
<b>Industrial Excellence Director</b>	>	<b>Role:</b> Leads monthly reviews of the different action plans and ensures sharing of best practices and innovations tested locally with a view to rolling them out across the group as a whole.
<b>Regional managers</b>	>	<b>Role:</b> Ensure that the targets of regional teams are monitored.
<b>Plant coordinators</b>	>	<b>Role:</b> Oversee the application of action plans and the achievement of targets.

## OUR POLICIES AND ACTION PLANS

Verallia's plan to reduce its CO<sub>2</sub> emissions is based on three key priorities:

- 1 Raw materials**  
Reduce emissions related to **raw materials** that go into the composition of glass
- 2 Industrial sites**  
Make **industrial sites** more energy efficient
- 3 Renewable energy**  
Use **renewable or low-carbon energy**

Verallia's aim is to achieve a reduction of 34.5% in scope 1 and 2 emissions in 2030 compared to 2019 by means of these key priorities, which will allow it to absorb a 7% increase in volumes over the same period, with a reduction in absolute terms of 27,5%.



## ACTION PLAN IN PLACE TO REACH SBT 27.5% REDUCTION TARGET

Investments of nearly 220 million euros until 2030

### 1 ACTION PLANS RAW MATERIALS (SCOPE 1)

#### MAXIMISING THE USE OF RECYCLED GLASS

The first lever involves increasing the use of recycled glass (cullet) in the creation of glass at Verallia. Cullet helps to reduce CO<sub>2</sub> emissions in two ways: Its energy requirement for melting is lower, which means it can reduce the energy consumption of the melting process, and it does not emit CO<sub>2</sub> during melting, unlike limestone and calcium carbonate.

Verallia therefore aims to achieve a cullet use rate of 66% in 2030, compared to 49% in 2019, generating a reduction in CO<sub>2</sub> emissions of around 8%. To achieve this target, Verallia invests in all stages of recycling: promoting collection, in collaboration with local authorities or glass associations, improving the recycling process at its own recycling plants or in close collaboration with recycling suppliers, optimising the melting process at its plants in order to maximise the use of recycled glass without impacting the quality of the finished products.

#### USING LOW-CARBON RAW MATERIALS

The second way of reducing the carbon footprint is to develop alternatives to carbon-bearing raw materials used in addition to cullet in the composition of glass, in particular calcium carbonate and sodium carbonate.

To do this, Verallia's R&D teams are going to test different potential alternatives that are either low-carbon or renewable, and Verallia is investing in particular in a trial laboratory at the Chalon-sur-Saône technical centre in France.

Verallia's aim is to achieve a 3% reduction in its CO<sub>2</sub> emissions by using these alternative materials.

## 2 ACTION PLAN FOR INDUSTRIAL SITES (SCOPE 1 AND 2)

The reduction in emissions relating to production facilities is directly connected to energy efficiency and consists of a number of factors, with the aim of improving both fusion and non-fusion. All these improvements should allow for a reduction of around 11% in the Group's CO<sub>2</sub> emissions between 2019 and 2030.

### REDUCTION IN MELTING EMISSIONS BY DECREASING FUEL OIL CONSUMPTION

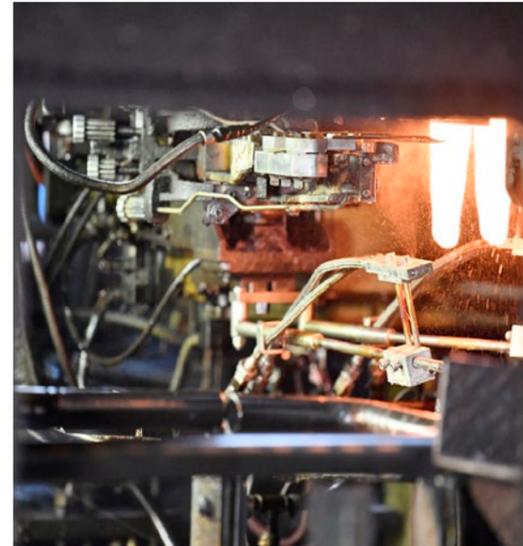
In the past, glass furnaces burned fuel oil to heat the elements making up the glass and to enable them to melt. In the last few years, natural gas has replaced fuel oil, allowing for a reduction in CO<sub>2</sub> for the same quantity of energy, but requiring changes in how furnaces are managed.

At present, all plants operate with 84% gas, 10% fuel oil and 6% electricity on the fusion side, and five countries have finished their complete conversion with furnaces operated with 95% gas and 5% electricity (Germany, Ukraine, Russia, Spain - excluding the Canary Islands - and Portugal).

Verallia's aim is to completely eliminate the use of fuel oil and continue to reduce emissions by increasing the proportion of electricity or including hydrogen in natural gas. These changes result in various development trials at the Group's sites, with the management of furnaces having to be redefined each time and validated across all industrial performances.

### IMPROVING EXISTING INDUSTRIAL FACILITIES

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



### ERADICATING ALL ENERGY LOSSES

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

The next step made it possible to define projects to eradicate the identified losses, at each site, which entails defining targets, putting together a team, a work schedule and industrial performance indicators.

Performance is measured every month. Since each site faces different problems, this local approach makes it possible to identify improvements across all production facilities, which are then swiftly implemented at all sites.

In order to reduce the amount of cooling air getting into furnaces, Verallia has developed deflectors that protect the parts of furnaces that are most sensitive to cold air getting in, a source of energy loss. This new equipment is installed in all the Group's new furnaces (starting to operate between 2019 and 2021), and when repairing existing furnaces.

### USE OF INDUSTRY 4.0 FACILITIES TO OPTIMISE ENERGY CONSUMPTION

As energy is consumed primarily when melting glass, investment in industry 4.0 represents a key way of limiting the Group's impact on the environment. It is therefore changing its plants by incorporating Augmented Intelligence (AI) into its production facilities in order to achieve industrial excellence by using as few resources as possible, while also increasing customer satisfaction.

This modernisation of production facilities responds to an overall aim of controlling the manufacturing process at each stage: productivity, energy gains, quality, maintaining and reducing operational risk. This entails two major changes:

- **Digitisation of production facilities:** by installing connected instruments throughout the production chain, the Group collects real time data that allows it to regulate, stabilise and improve the manufacturing process automatically, improve the quality of its glass packaging and above all optimise energy consumption and consumption of raw materials.
- **Management of furnaces assisted by Augmented Intelligence software:** this advanced control system in place at all sites is based on connected instruments, data analysis, machine learning and smelters' experience to provide semi-automatic management of furnaces. The majority (53%) of furnaces are now equipped and the first year of operation showed gains in energy consumption of up to 2%.

### "THE FURNACE OF THE FUTURE": AIMING FOR A 50% REDUCTION IN CO<sub>2</sub> EMISSIONS RELATING TO GLASS PACKAGING PRODUCTION

Verallia has joined forces with 19 other European glass packaging producers to develop and finance a pilot project to build the first large-capacity hybrid electric furnace running on 80% green electricity. Extensive use of low-carbon electricity as a replacement for fossil fuels will help to reduce CO<sub>2</sub> emissions associated with producing glass packaging by 50%.

Furthermore, with this new hybrid technology, the industry will be able to produce more than 300 tons of glass packaging per day in different colours using high levels of recycled glass. The first furnace is due to be built in Germany in 2022 and an assessment of the initial operating results is planned for 2025.



### PATRICE SIATCHOUA AWARDED THE RH&M ARTIFICIAL INTELLIGENCE TROPHY

On 24 September, Patrice Siatchoua, Data Scientist at Verallia, was awarded the Artificial Intelligence and Enterprise Trophy on behalf of the Group. This award, organised by the RH&M Group, highlights the transformational role of Augmented Intelligence within organisations. It attests to the advances made by Verallia in terms of transforming its production facilities and using Augmented Intelligence to achieve industrial excellence.

— (1) A feeder is a long channel that brings molten glass from the furnace basin to the forming machines.

## ✓ STRIVING FOR EXCELLENCE IN THE QUALITY OF OUR PRODUCTS

The quality of products is an essential part of Verallia's efforts to combat climate change. A poor quality product that cannot be sold represents unnecessary energy expenditure and a waste of production. To address this issue, a quality improvement plan initiated in 2019 has been rolled out at Group level. Taking account of the lessons learned concerning the problems encountered, this plan is reviewed each year. It is based on the following two principles:

### 1 Detecting faults in finished products

In order to improve detection of situations that may result in manufacturing faults and thereby poor quality glass packaging, Verallia has reassessed its glass jar and bottle control machinery. These machines can be used to check the quality of products according to their technical specifications and customers' aesthetic demands. This plan concerns more than 1,200 machines and will be completed in 2021.

### 2 Control of the production process

Anticipating glass faults involves working on production processes in order to make them more rapidly operational and stable following production changes in particular. To do this, Verallia has developed a software package allowing it to act on production parameters in order to avoid risky situations that could affect product quality. This software is used to set the parameters of the production process (sequencing of micro-operations when forming bottles and jars) upstream of the start of production. The software is able to anticipate potential risky situations relating to the parameters set and therefore correct and optimise them upstream of the start of production to prevent these situations from arising. At the end of 2020, the use rate of this programme by Verallia sites was 90%.

### AUGMENTED INTELLIGENCE TO IMPROVE THE QUALITY OF GLASS

In 2020, an augmented intelligence tool was developed to allow for faster detection and identification of inclusions in glass. Inclusions are due to the presence of a material that did not melt during the melting process and have the appearance of a stone. By means of a microscopic image of the inclusion, the tool is able to determine the type of inclusion observed (type of stone contained in the glass) and thereby help operators to identify the source of the inclusion in order to correct it. This tool needs to be rolled out at all of Verallia's glassmaking plants.



Due to the growing use of cullet and the Group's desire to optimise the inclusion of external cullet and glass sand in production, the Group has decided to launch a project to align quality demands between glassmaking plants and cullet processing plants in France. The launch of an external cullet and glass sand quality plan aiming to control these resources is therefore planned for 2021.

## ✓ WASTE HEAT RECOVERY

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

### USING HEAT FROM FUMES FOR ENERGY PURPOSES | MAHOU-SAN MIGUEL & VERALLIA ESPAÑA

The installation of a heat recovery boiler allows for fumes from the Burgos furnace to be used to generate dry saturated steam that is used for the production lines of customer and neighbour Mahou-San Miguel. This represents a 60% reduction in the customer's natural gas consumption and CO<sub>2</sub> emissions, and for Verallia, a 40% reduction in the residual temperature resulting from the melting process.

This project makes it possible to:

- Generate steam for Mahou-San Miguel's production lines.
- Reduce San Miguel's natural gas consumption and therefore its CO<sub>2</sub> emissions.
- Establish a synergy between the two plants to optimise resources and the environmental benefits for the town.



Mariano NAVARRO - Mahou San Miguel and Paolo PINTO TAVARES

**3 ACTION PLAN USING RENEWABLE OR LOW-CARBON ENERGY**

The third main aspect of the plan to reduce Verallia's emissions focuses on using renewable energies. The Group's aim is to reduce its emissions by around 12% by 2030 thanks to these actions compared to 2019.

**TOWARDS "GREENER" ELECTRICITY**

The electricity consumption of glassmaking and non-glassmaking sites represents the Group's biggest source of scope 2 CO<sub>2</sub> emissions.

Sustainable access to competitive renewable energy sources therefore represents an important means of achieving the goal of reducing CO<sub>2</sub> emissions. Thus, reducing the carbon content of the electricity mix will complement the virtuous effect of improving the energy efficiency of production units.

That is why in 2020 the Group established a supply strategy favouring renewable electricity. Its implementation will depend on what is available in each country. Verallia's aim is to attain 40% certified renewable electricity in its overall mix by 2025.

**ELECTRICITY OF CERTIFIED RENEWABLE ORIGIN: A STRATEGY ALREADY IN PLACE**

Wherever possible, Verallia favours buying certified renewable energy. By applying this strategy, a number of countries have already been able to benefit from this possibility. In Brazil, the electricity bought by the Group is 100% hydroelectric.

For sites in Spain and Portugal, the Group has managed to secure 100% certified renewable supplies for all of 2021.

Lastly, the Mendoza site in Argentina covers 50% of its needs using wind power.

**USING BIOGAS AS AN ALTERNATIVE TO NATURAL GAS**

Natural gas burned in furnaces is still by far the main source of CO<sub>2</sub> generation from Verallia's plants. Replacing it with biogases like methane would make this combustion neutral in terms of CO<sub>2</sub> thanks to this renewable means of production.

Two projects are being reviewed in France and Germany to validate the technical and economic aspects of this type of fuel. Once validated, using methane will only be viable if the methane is produced close to glassmaking plants.

Finally, this methane production will require raw material, for example waste that will need to be supplied. An entire ecosystem needs to be put in place that is fully in keeping with the Group's circular economy logic. **Verallia's aim is to fuel the equivalent of three furnaces with 100% biogas in 2030.**

**ELECTRICITY GENERATION AT THE GROUP'S PLANTS**

The Group is looking into the possibility of fitting some of its plants with solar panels in order to produce on-site some of the electricity needed for the plants to operate. An initial project has been launched at the Figueira da Foz plant in Portugal and other facilities are being considered, in particular at sites in southern Europe.

**SOLAR PANELS: INITIAL PROJECT IN PORTUGAL**

At the Figueira da Foz plant, solar panels will be fitted on warehouse roofs, as well as on some non-built areas of the site, representing a total surface area of 31,000m<sup>2</sup>. This should cover around 12% of the plant's needs and allow for a 1.5% reduction in the plant's CO<sub>2</sub> emissions. It is due to become operational at the end of 2021.

**KEY FIGURES**

- 27.5%** REDUCTION OF OUR SCOPE 1 & 2 CO<sub>2</sub> EMISSIONS in absolute terms between 2019 and 2030
- 38%** of the R&D budget invested in furnace energy efficiency
- 28%** of sites ISO 50001 certified
- 100%** of sites ISO 9001 certified
- CDP** DISCLOSURE INSIGHT ACTION
- A-** CDP score (rating on 8 December 2020)
- SCIENCE BASED TARGETS** DRIVING AMBITIOUS CORPORATE CLIMATE ACTION
- "committed"** STATUS
- ecovadis** 2020 Sustainability Rating
- GOLD MEDAL 67/100**

**OUR RESULTS**

	Target 2025	2020	2019	2018
<b>Direct CO<sub>2</sub> emissions</b> (scope 1)	—	<b>2,378,086</b>	2,479,512	2,548,698
<b>Indirect CO<sub>2</sub> emissions</b> (scope 2)	—	<b>562,108<sup>(1)</sup></b>	610,653 <sup>(1)</sup>	496,217
<b>Scope 1 and 2 emissions</b> absolute	<b>2.626k</b> in line with the well below 2°C trajectory <sup>(2)</sup> = -27.5% over 2019-2030	<b>2,940,194<sup>(1)</sup></b>	3,090,165 <sup>(1)</sup>	3,044,915
<b>tCO<sub>2</sub> emitted per ton of packed glass</b> (scope 1 & 2)	—	<b>0.523</b>	0.531	0.523
<b>% improvement in complaints</b>	<b>-50% in 2020</b> compared to 2017 <b>-35% in 2025</b> compared to 2020	<b>-53%</b> versus 2017	-46% versus 2018	-25% versus 2017
<b>Renewable or low carbon energy rate</b>	<b>Achieve 60%</b> in 2025	<b>34%</b>	N/A	N/A
<b>External cullet use rate</b>	<b>+10 points</b> compared to 2019	<b>51.6%</b>	49%	47%

**ANALYSIS OF OUR RESULTS**

In 2020, Verallia exceeded its target of reducing the quantity of CO<sub>2</sub> emissions, with a 4% reduction for scope 1 and 7.8% for scope 2, representing a total of 4.8% for scopes 1 and 2, compared to the target of 2.5% a year needed to achieve the SBT targets for 2030.

However, the reduction per ton of glass failed to achieve the target of 2.5% at just 1.5%. It should be noted that the target was achieved in all countries in which the Group operates apart from France. The impact of COVID-19 was more significant in France, resulting in forming lines being shut down (increasing CO<sub>2</sub> per ton of glass, since the furnace still needs to remain active), as well as industrial action that did not occur in other countries.

The Group's quality results continued to improve, with a further significant reduction in the number of complaints. The Group therefore achieved its target of a reduction of more than 50% compared to 2017, with complaints down 53% between 2017 and 2020. The Group will nevertheless continue with these efforts in order to significantly reduce losses on its production lines.

<sup>(1)</sup> To report on targets and results concerning scope 2 CO<sub>2</sub> emissions, the calculation method used shall be "market based" in accordance with the GHG standard protocol definition.

This "market-based" method takes account of greenhouse gas emissions from producers from which Verallia buys electricity under contract.

The "location-based" calculation method was used until 2019. This took account of average emission factors from energy by region. In 2019, the difference between the two calculation methods was: scope 2 "location based" = 487,825 tons of CO<sub>2</sub>, "market based" = 610,653 tons of CO<sub>2</sub>.

<sup>(2)</sup> Well below 2°C.

**DEVELOPING  
ECO-DESIGN  
FOR RESPONSIBLE  
PRODUCTS**

**BACKGROUND AND ACTION PLAN**

In the food and beverage sector, glass packaging is essential: it ensures containment, quality and safety and conveys product identity. The glass container – healthy and inert – is already in itself a model of circular economy because it is 100% and infinitely recyclable. However, the application of a rigorous eco-design approach reduces its environmental footprint, including its carbon impact.

Verallia aims to reduce its carbon footprint by improving the environmental performance of its products. This desire is shared and intensified by the expectations of its stakeholders.

This is reflected by the inclusion of recycled glass or "cullet", since the more recycled materials are added, the fewer raw materials are used and the lower the CO<sub>2</sub> emissions, as detailed in chapter *Being a key player in the circular economy*.

This is reflected by eco-design work with the aim in particular of optimising bottles and jars while also maintaining an equivalent level of value as perceived by the end consumer. Choices relating to a product's characteristics can therefore significantly improve its impact throughout its lifecycle, such as the shape or use which impact the weight, choice of colour, optimisation of palletisation and choosing of short circuits where possible. All of these factors are taken into account when developing products.

To continue to change the weight of standard bottles and jars in the catalogue, Verallia uses the development of the alpha coefficient<sup>(2)</sup>, which is commonly used by glass manufacturers, as an indicator. This can be used to standardise the weight compared to a certain capacity and thereby compare the degree of reduction in weight of the various containers in the catalogue.

**OUR KEY TARGET**

**REDUCE BY 3% THE WEIGHT OF STANDARD AND NON-RETURNABLE BOTTLES AND JARS**  
by 2025 (Alpha index)<sup>(1)</sup>

Lastly, Verallia's desire to improve the environmental performance of its products involves raising the awareness of all stakeholders. Our customers define their own specification (aesthetics, resistance, etc.) and thereby guide the development of the design of their new products. Some have a mature eco-design approach, while some need help. Raising awareness about eco-design principles is therefore key. Raising awareness about the challenges of sustainable development and eco-design continued in 2020 despite the unfavourable context relating to the COVID-19 pandemic, by means of targeted communications and talks in a variety of formats.

**GOVERNANCE**

The eco-design approach is decentralised and integrated within each subsidiary. Each country has its own organisation to roll this out. This is often carried out by 13 product development centres working on eco-designed products. R&D supports the design offices and provides design tools that are tailored to the challenges of eco-design such as resistance simulation tools.

The Sustainable Development team raises awareness among local representatives of the importance of the product in reducing the carbon footprint. Marketing is involved for standard products and sales are involved for customer specificities in order to help countries to devise action plans and thereby enable them to achieve their eco-design targets.

In 2020, the Group decided to set a target to reduce the average weight of its non-returnable standard products by 2025. A new indicator has therefore been defined in order to monitor Verallia's performance in terms of eco-design: the alpha index.

This indicator, which is monitored overall, allows for an assessment of the weight/capacity ratio of the Group's glass packaging. This provided the basis for defining the Group's target of reducing the weight of its standard non-returnable bottles and jars by 3% by 2025. 2021 will be devoted to defining action plans to achieve this target.

<sup>(1)</sup> Alpha index: the alpha coefficient is used by various glass production sites (cf NF H 35077). It determines the lightweight nature of an item independently of its capacity, and therefore allows the comparison of several items. Calculation formula: weight / volume \* 0.8 as per NF-H35077 norm.

**OUR POLICIES AND ACTION PLANS** ✓

✓ **ROLL OUT A RIGOROUS ECO-DESIGN APPROACH IN PARTNERSHIP WITH CUSTOMERS AND RAISE THEIR AWARENESS ABOUT ECO-DESIGN**

Verallia acts on environmental impact improvement levers, and in particular those related to its "standard" articles, developed internally and available to all customers.

Verallia has been a pioneer in its sector with the launch in 2009 of an eco-design approach selling eco-designed product ranges under the name **ECOVA**: "Eco" for eco-design and "Va" for value added.

The ECOVA range has been optimised and developed to maximise the number of articles per pallet. These eco-designed products reduce CO<sub>2</sub> emissions relating to production and transportation by an average of 15%<sup>(2)</sup>.

nearly **24 billion bottles** have been sold, since ECOVA range launch in 2009.

nearly **2.4 billion bottles** sold by Verallia in 2020

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

The EGO range is characterised by:

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

A premium eco-design range with sales up from 100,000 in 2015 to over 7.7 million bottles in 2020.

Verallia's room for manoeuvre is narrower for "specific" container glass, also known as "customer specialities," which are developed at the customer's request based on detailed specifications.

The development of eco-designed "customer specialities" therefore depends directly on customer choice. Verallia provides advice while developing these "specialities" and recommends, where relevant, including eco-design characteristics. In addition, customers are factoring more and more environmental performance criteria into their specifications.

Lastly, Verallia endeavours to involve its customers in making eco-designed products together. These collaborations give rise to products meeting the strict demands of Verallia's customers while also having a reduced impact on the environment.

ecova



**EGO**  
Enhanced Geometric Objects



**OUR RESULTS** ↻

	Target in 2025	2020	2019	2018
<b>Number of bottles and jars sold from the Ecova and EGO ranges (millions of bottles and jars)</b>	—	<b>2,386</b>	2,202	2,159
<b>Alpha index<sup>(1)</sup></b>	<b>15.5 in 2025</b>	<b>16</b>	16	15.9

Note: as regards the indicator "Number of bottles and jars sold from the ECOVA and EGO ranges: in this table, 2018 and 2019 figures have been adjusted compared to the figures provided in the 2019 statement of extra-financial performance as certain ECOVA items were not correctly named (ECV or ECO rather than ECOVA) and therefore were not counted. For 2018, the number was 1,876 million bottles and jars compared to 2,159 (including products that were not counted). The same applies to 2019, with 1,894 versus 2,202 including this number.

● **ANALYSIS OF OUR RESULTS**

Sales of Ecova products increased by 8% in 2020, primarily thanks to strong growth in sales of Ecova Standard products in the "Still Wines" category. The Alpha index for standard non-returnable products remained stable versus 2019.

**JOINT CREATION OF A LIGHTER BOTTLE WITH OUR CUSTOMER CONCHA Y TORO IN CHILE**

For the launch of its Casillero del Diablo wine, Chilean producer Concha y Toro wanted to develop an eco-designed "speciality" bottle based on the model of a bottle from the EGO range. The weight was reduced by 9% compared to the old bottle used by Concha y Toro (675g versus 745g).

This allows for a saving of 210 tons of glass per year and a reduction in the total weight of lorries of 2.7 tons. The bottle nevertheless maintains all the premium characteristics of its design and in particular a very deep push-up with an engraved devil.



**JOINT DESIGN OF ECO-DESIGNED SYRUP BOTTLES WITH VÉDRENNE**

In 2020, Verallia continued its collaboration with Védrenne syrups to develop eco-designed bottles. This joint design approach arose from the shared desire to reduce the impact of the syrups on the environment.

Verallia developed a bottle that is 10% lighter than the original model, allowing for a reduction in CO<sub>2</sub> emissions of around 10%.

The reduced diameter also allows for optimised packing. Each lorry now carries 11% more containers, which represents a significant reduction in the road impact of this product.

The bottle deliberately follows the principle of short production circuits: it is produced at Verallia's Chalon-sur-Saône plant, just 30 km from Védrenne's bottling plant. The ergonomic and aesthetic new design reflects the brand's authenticity and its sensitivity to environmental concerns.



<sup>(1)</sup> Alpha index: the alpha coefficient is used by various glass production sites (cf NF H 35077). It determines the lightweight nature of an item independently of its capacity, and therefore allows the comparison of several items. Calculation formula: weight / volume<sup>0.8</sup> as per NF-H35077 norm.

<sup>(2)</sup> compared to products of similar use and appearance on a given market.

## HELPING TO PRESERVE FORESTS AND OFFSETTING 1% OF OUR CO<sub>2</sub> EMISSIONS

For Verallia, combatting climate change is not a way of standing out but an obvious choice. In addition to its commitment to reducing CO<sub>2</sub> emissions, the Group finances tree planting projects close to its sites, as well as carbon capture projects by means of certified programmes.

### OUR KEY TARGETS

- ↳ FINANCE 100,000 TREES PER YEAR
- ↳ OFFSET 1%<sup>(1)</sup> OF CO<sub>2</sub> EMISSIONS EACH YEAR

Verallia has established a climate programme based on three aspects:

- **PLANTING TREES** in order to restore ecosystems and play an active role in combatting climate change while also supporting farming communities.
- **CARBON OFFSETTING PROJECTS** thanks to the support of agroforestry and reforestation programmes in Latin America, where the tropical climate means that trees grow quickly and therefore allows for effective carbon capture. This offsetting, which can be quantified in carbon credits, contributes to social projects supporting local communities.
- **A PROGRAMME TO INTEGRATE VERALLIA'S PRODUCTION PLANTS INTO THEIR LOCAL ENVIRONMENT** in order to preserve the local ecosystem and integrate sites as best possible thanks to landscaping projects that contribute to employee wellbeing.



This programme is conducted in collaboration with PUR Projet. The aim is to support and finance small producers, farmers, foresters and agricultural organisations in order to promote the conservation and restoration of ecosystems and areas in danger thanks to committed companies.



### TREE PLANTING PROJECTS

more than 200,000 TREES PLANTED SINCE 2019 IN SIX COUNTRIES

In order to step up its commitment to combatting climate change and support projects with a significant environmental and social impact, Verallia carries out tree planting projects primarily favouring countries where the Group has production operations.

Planting and growing a tree is one of the best ways of restoring the carbon balance on Earth. Agroforestry and reforestation are among the most effective means of combatting climate change.

In 2020, in partnership with PUR Projet, Verallia financed seven different reforestation and agroforestry projects in six countries for a budget of €215,625. These projects have been implemented in partnership with local communities and are designed to ensure a significant social and environmental impact.

Project	Country
La Fazenda (ONFI)	Brazil
Nordesta	Brazil
Organic Coffee for Peace	Colombia
Espana Organica	Spain
PUR Hexagone	France
Aprosacao	Honduras
Jubilación Segura - San Martin Ecosphere	Peru

In Brazil, Verallia supports the Nordeste project, which takes action to protect water resources, biodiversity and education in Minas Gerais, near its plant in Jacutinga. This consists of restoring forests next to the Rio São Francisco river, which are essential for maintaining the quantity and quality of the river's water.



Brazil, Minas Gerais  
Photo: young plants for the 2020 planting wave

Agroforestry projects also encourage farmers to change their farming models to include more sustainable practices. They allow them to make themselves more resilient to the effects of climate change and provide them with additional income.

<sup>(1)</sup> 1% of total scope 1 and 2 CO<sub>2</sub> emissions calculated compared to the previous year's emissions.

**CARBON OFFSETTING**

**61,820**  
CARBON CREDITS BOUGHT SINCE 2019

Carbon offsetting consists of buying carbon credits that can be used to finance projects to avoid<sup>(1)</sup> or capture greenhouse gas (GHG) emissions.

A carbon credit represents one ton of CO<sub>2</sub> equivalent not emitted or captured thanks to a certified environmental project.

Project certification ensures the positive impact as a result of financing and the permanence of the project over the long term. Certified projects operated by PUR Projet represent commitments over thirty years during which the teams work with local communities and farmers to encourage them to maintain and grow trees.

Buying carbon credits by means of projects certified by international frameworks such as Verified Carbon Standard (VCS) ensures that carbon is measured in accordance with a recognised system (GHG Protocol). Verallia therefore applies international standards relating to carbon offsetting.

**MULTI-SPECIES REFORESTATION PROJECT (LA FAZENDA)**

30 910 TONS of CO<sub>2</sub>eq

**CARBON CERTIFICATE**  
DELIVERED TO  
Verallia Packaging

This certificate issued by PUR Projet acknowledges that Verallia Packaging has taken action to offset its environmental impact through supporting the Multi-Species Reforestation Project (also known as La Fazenda) in Mato Grosso, Brazil.

Thank you for your contribution!

**PUR**

Offset volume: 30 910 VCUs (Verified Carbon Units) tCO<sub>2</sub>e purchased and retired from the official VCS registry.  
Date of retirement: 27/03/2020  
Vintage: 1999 - 2009  
VCUs Serial number: 8083-453628147-453659056-VCU-031-MER-BR-14-665-01111999-25042009-0  
Certification: Verified Carbon Standard  
Project type: Afforestation / Reforestation  
Project Operator: ONF International

As of 2021, Verallia will amend its initial offsetting target of "Offset 1% of total CO<sub>2</sub> emissions" to "Offset all CO<sub>2</sub> emissions relating to business trips". Since business trips are limited in the current context of the Covid-19 crisis, the Group is committed to keeping its CO<sub>2</sub> offsetting at least equivalent to 1% of emissions until travel picks up again.

**PROGRAMME TO INTEGRATE VERALLIA PRODUCTION PLANTS INTO THEIR LOCAL ENVIRONMENT**

AT PRESENT, **4** PROJECTS ARE IN PLACE IN THREE DIFFERENT COUNTRIES.

As part of its Climate programme, Verallia has implemented symbolic projects at its production plants in order to assert its local presence and take action as close as possible to its employees. Production plants face specific local challenges. Different types of projects are planned to provide a relevant response and as many benefits as possible for Verallia employees and local communities and ecosystems.

In collaboration with PUR Projet, Verallia has created a set of specifications to guide project development focusing on **the positive social and environmental impact**. Each year, a call for projects is opened up to the Group's 32 sites, which put forward projects suited to the local context and requirements. The projects are then assessed on the basis of their relevance to the specifications.

**In 2019, the Seville plant in Spain and the Cognac plant in France were selected.**

**In 2020, PUR Projet helped the Rosario plant in Chile and the Azuqueca de Henares plant in Spain on to design and implement these symbolic green projects.**

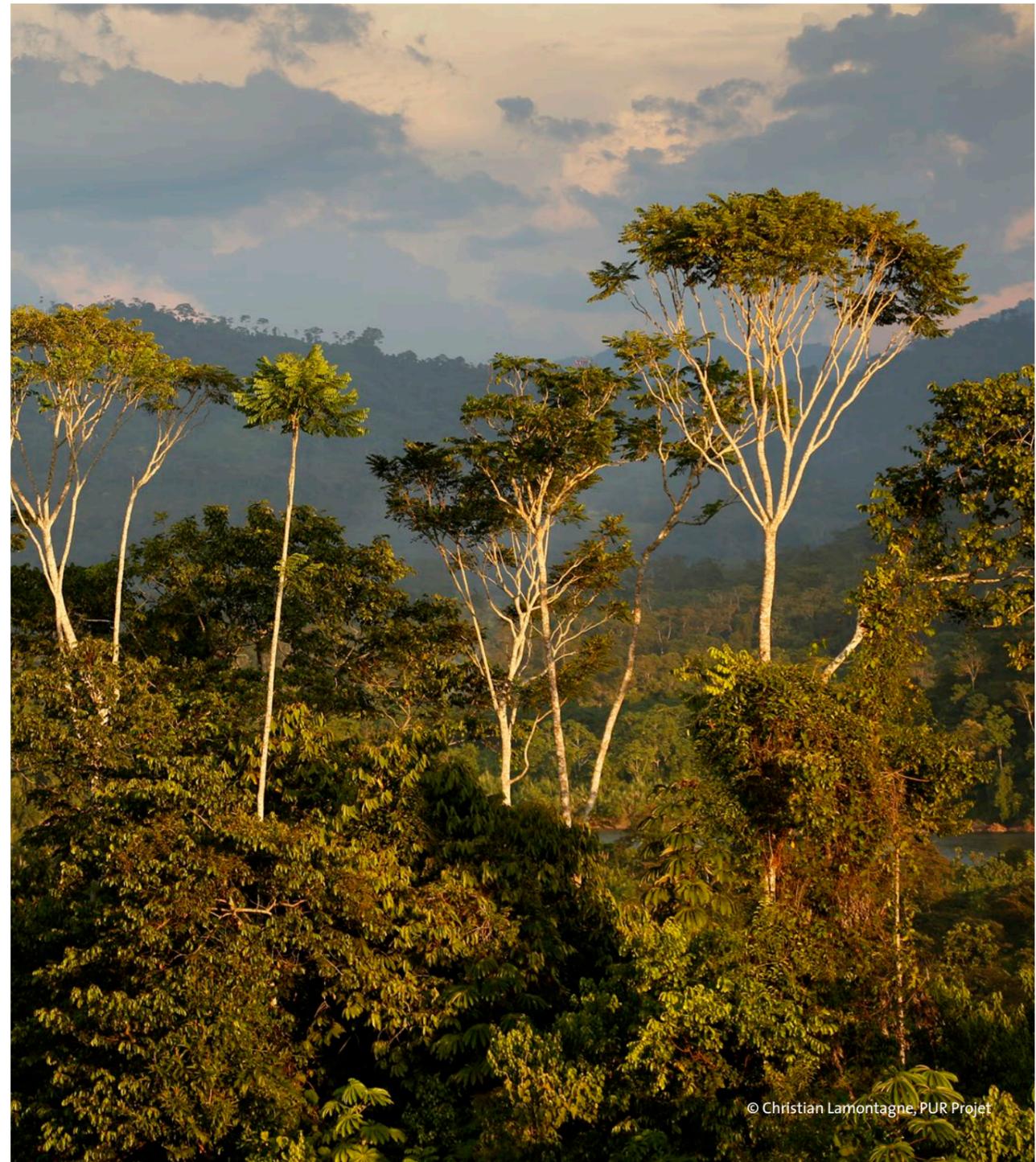
The two projects have selected suitable plant species that require little watering while also having a positive impact on local ecosystems.



**The Chilean site** has a large unused area around the plant. The project therefore aims to plant this area with various suitable plants in order to increase biodiversity, enhance the area and create a dedicated external space for employee wellbeing.

**OUR RESULTS**

	Target in 2025	2019 + 2020
Number of trees financed	700,000	+200,000
Certified carbon credits	To be defined according to emissions relating to business trips	61,820



© Christian Lamontagne, PUR Projet

<sup>(1)</sup> Avoided emissions are the difference in the level of emissions generated by an avoidance project (forest conservation, renewable energies, improved stoves etc.) and a counterfactual scenario that would have occurred without the project.

3

PROVIDE  
A SAFE AND  
INCLUSIVE PLACE  
TO WORK



# ENSURING THE HEALTH AND SAFETY OF ALL

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

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



### COVID-19

Against the specific backdrop of Covid-19, measures have been taken at all sites, with facilities and procedures adapted to avoid the virus spreading. Specific measures in each country were implemented at first, followed by the sharing of best practices allowing them to move beyond the recommendations defined in each country. For example, Verallia has provided its employees with the necessary equipment for barrier measures (hand sanitiser, face masks) and amended how work is organised (development of working from home, different organisation of duties to respect social distancing, etc.).

### GOVERNANCE

Group level

#### Chairman and Chief Executive Officer

**Role:** Takes part in the monthly industrial performance review for each region.

#### Group Operations Director

##### Member of the Executive Committee

**Role:** Takes part in the monthly industrial performance review for each region.

#### Group EHS officer

**Role:**

- Manages reporting,
- Leads EHS activities.

Regional level

#### 5 regional industrial directors

**Role:** Take part in the monthly industrial performance review for each region.

#### Regional Chief Executive Officers

**Role:** Take part in the monthly industrial performance review for each region.

#### 5 regional EHS officers

**Role:** Manage the implementation of EHS tools in their region.

#### Site EHS officers

**Role:** Manage the implementation of EHS tools at their site.

Occupational health and safety indicators are reviewed each month as part of each region's industrial performance review in the presence of the Chairman and Chief Executive Officer, the Group Operations Director and industrial and general directors for each region.

## OUR KEY TARGETS

### OUR AMBITION: MOVE TOWARDS "ZERO ACCIDENTS"

In our worldwide production by 2025 compared to 2019.

### 2025 TARGET: ACHIEVE A TF2 RATE OF LESS THAN 2

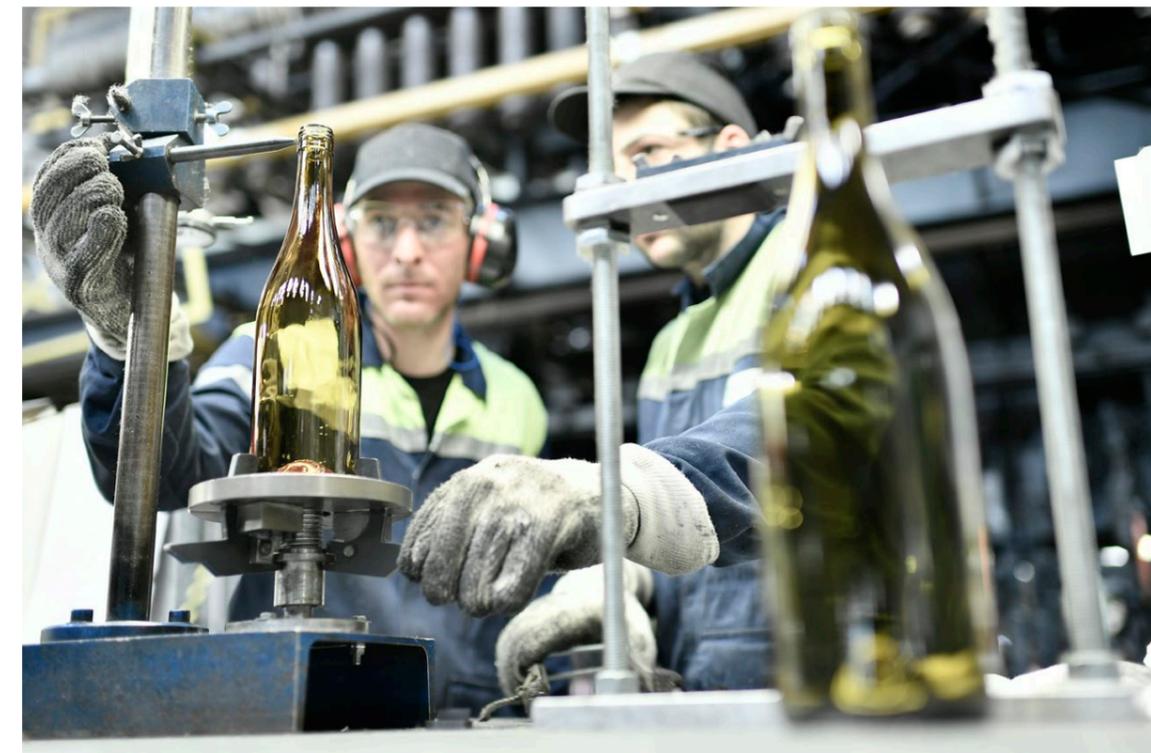
(reduction of 57% compared to 2020)

In 2020, Verallia reduced its TF2 by 17%, which is in line with the 2025 goal.

### AN EHS POLICY AIMING FOR "ZERO ACCIDENTS"

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

The Health and Safety policy is based on around 20 EHS standards, including 17 safety standards and one health standard defined by the Group. These standards cover machine safety, employee movement on sites, maintenance operations and risk management. They were updated in 2018 from a more operational perspective and translated into all languages spoken within the Group. They form the basis of the EHS framework for all our sites.



**THE ROLL-OUT OF THE EHS POLICY IS BASED ON THREE CORE PRINCIPLES**

- Risk analysis: this analysis is performed at each site and concerns all duties carried out by employees. Sites update this risk analysis once a risky situation is identified. In addition to this risk analysis, the "minute of reflection" is used by employees at the start of each task to be performed in order to take account the changing environment in which they operate when identifying the risks.
- Respect and application of the four golden rules, in order to limit the risk of the most common and most serious accidents:
  - › Do not disable or render ineffective safety devices
  - › Always wear suitable personal protection equipment
  - › Apply the LoTo (Lock out Tag out) procedure for all interventions
  - › Do not misuse equipment or tools
- Internal audits and the site evaluation system: internal audits are planned by the Group EHS manager and conducted by himself and the regional EHS managers. The purpose of the audits is to assess the application of the rules at the sites using the Group EHS audit framework and they also lead to the systematic implementation of an action plan.



In addition to the tools detailed above, the whole Safety management and improvement system will enable Verallia to achieve its target of zero accidents. The way in which this is organised is detailed in the Safety Roadmap launched in 2020, the implementation of which will help the Group to achieve its targets. This roadmap details the various tools (such as standards, risk analysis or the golden rules), as well as the associated management system, the various stages of instilling a safety culture in which each employee contributes to their own safety and the safety of their colleagues.



**OUR ACTION PLANS** ✓

The Group and regions give their support to sites to ensure the correct application of standards, make technical improvements thanks to R&D and launch communications and awareness-raising operations for employees on what to do to avoid any risky situations.

✓ **ACCIDENT MONITORING AND TRAINING OPERATORS**

Each accident that occurs at a Verallia site is analysed using the Root Causes Analysis methodology, whether it concerns a Verallia employee or a subcontractor. This analysis makes it possible to eliminate any risk of recurrence by eliminating the causes of the accident and also identifying why the risk was not identified and addressed prior to the accident.

These factors enhance training plans for operators and subcontractors, as well as risk prevention and analysis plans.

✓ **R&D ACTIONS FOR EMPLOYEE HEALTH**

A variety of projects have been led by Verallia's R&D teams to reduce or eliminate certain risks inherent to its production procedures:

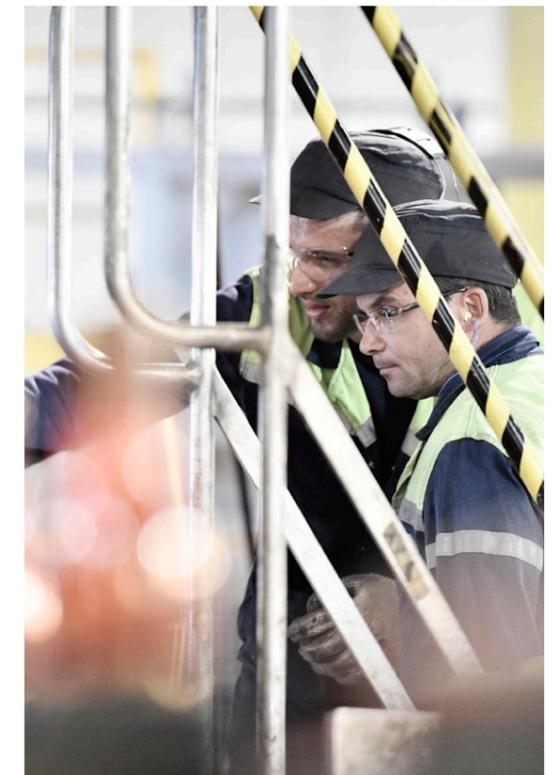
- Automatic mould lubrication, which is continuing to be rolled out at its sites. The aim of this is to reduce the frequency of mould lubrication by operators, thereby reducing the risk of accidents relating to this operation as well as exposure to noise, heat and oil vapours. It also reduces the risk of a large amount of grease accumulating on machines and thus the risk of fire.
- Mould cooling optimisation, which aims to reduce noise at the workstation.
- Optimisation of hot treatment tunnels, which limits operators' exposure to chemicals.

✓ **QUARTERLY COACHING OF MANAGERS**

Training and manager involvement are the main levers for improving our results, by ensuring that the rules are applied.

Following the update of health and safety standards in 2018, a phase of coaching site EHS managers focusing on analysing the root causes of accidents was rolled out throughout 2020.

In 2020, the EHS standard coaching schedule had to be amended due to the Covid-19 crisis and resulting travel restrictions. Each site, apart from three sites in Russia and Ukraine, nevertheless received at least one coaching session. Some non-glassmaking sites were also included. Some coaching sessions were held remotely and a total of around 50 sessions took place in 2020.





**"HEALTH AND SAFETY ROADMAP" AND "MINUTE OF REFLECTION"**

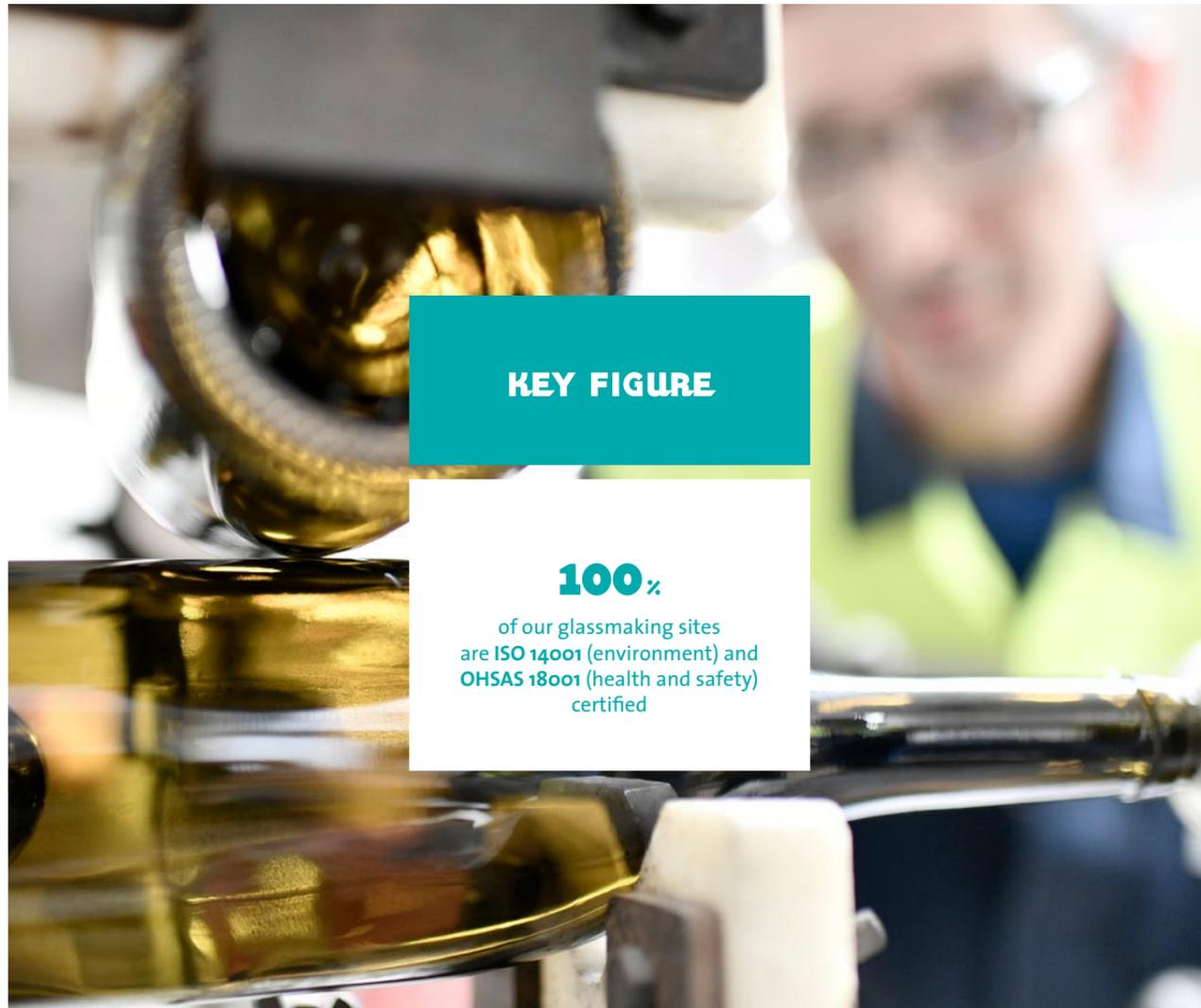
At the EHS Day on 8 October 2020, two films were shown internally: the first explains Verallia's "Health and safety roadmap", which is essential for achieving its accident reduction target.

The second film, "Minute of reflection", explains the principle of the "Minute of reflection" and states when and how this should be used.

**AWARENESS CAMPAIGNS**

Through these campaigns, the sites encourage their employees to ensure their own safety and that of their colleagues by reporting each EHS danger (to the department manager or the person concerned) and intervening immediately in the event of a situation or behaviour deemed to be hazardous. Since 2017, there has been a five-fold increase in the number of alerts, thereby eliminating a number of risks at production units.

In 2021, Verallia plans to focus its EHS action plans on securing unsafe situations, reinforcing the role of management and feedback given to employees if an accident occurs.



**KEY FIGURE**

**100%**

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

**OUR RESULTS**

	Target in 2025	2020	2019	2018
Frequency rate 1 (TF1)	N/A	4.4	5.2	4.4
Frequency rate 2 (TF2)	< 2 (en 2025)	4.6	5.5	4.8
% of certified glassmaking sites ISO 14001 and OHSAS 18001	100 %	100%	100%	100%

**ANALYSIS OF OUR RESULTS**

Following an increase in 2019, the frequency of accidents fell by 17% in 2020.

Analysis of accident areas and victims shows a significant improvement in furnace rehabilitation sites, non-glassmaking plants and subcontractors, with reductions of 83%, 50% and 43% in the number of accidents respectively. These improvements are in line with the specific points targeted in 2020.

However, there is no material improvement in the level of accidents related to forming machines (which have by far the most accidents) and bottle control lines (cold end). As a result, a specific action plan will be rolled out in 2021 in these two areas, which are also high potential accident areas.

Furthermore, analysis of the root causes of accidents shows three main factors on which the Group's efforts will be focused:

- Failure to apply rules in connection with the lack of monitoring of application by management is the most common root cause. The rules that are most frequently neglected are those related to forming machines (lubrication or intervention) and pedestrian/motorised vehicle traffic rules. To change this situation, expectations of management in terms of implementing the rules will be reiterated and reinforced, and the analysis of the root causes will include the analysis of this role in 2021.
- Insufficient or incomplete risk assessment, whether for routine or non-routine activities, is also a major cause. The "Minute of reflection" before each intervention was introduced in 2020 and it will be encouraged even more in 2021.
- Not fully taking account of issues relating to ergonomics, particularly during non-repetitive interventions, results in around 20% of accidents. To improve this situation, in 2021 the group will roll out an ergonomic risk analysis system and a series of best practices to be implemented when a risk is identified.

These factors form part of the health and safety roadmap for achieving the target of a TF2 rate of less than 2 in 2025.

## ENSURING AN INCLUSIVE WORKING ENVIRONMENT



The Group's "Glo-Cal" operating model is based on a combination of the strength of its international network, as illustrated by its industrial presence in 11 countries, with 32 glass production sites comprising 57 furnaces, 3 decoration plants, 5 technical centres, 13 product development centres and 8 cullet processing centres as at 31 December 2019 (two of which are a joint venture), and the local relationship maintained with customers by more than 10,000 employees, with strong sales teams of more than 300 employees.

The Group strives to develop diversity and talent among its staff and contributes actively to protecting the environment and community development.

The glassmaking sector requires permanent commitment and cutting edge technical expertise. The Group's staff are therefore key in its development and ensuring ongoing profitable growth. The Group makes their safety an essential priority and is also committed to supporting them in their professional development in order to develop a strong entrepreneurial culture.

The Group also endeavours to encourage taking responsibility, being able to act quickly and responsiveness among its staff, in particular helping those in charge of production plants to become real managers and developing communication within teams, by organising cross-functional workshops based on specific targets and in-depth comparative analysis. The Group also wants to continue with its training efforts, drawing in particular on passing on the expertise of its most experienced technical staff in order to improve the learning capacity of its teams and train them in project management in particular. Lastly, the Group may use external talent in order to further increase its know-how and diversity among its staff.

### OUR KEY TARGETS FOR 2025

INCREASE THE GENDER EQUALITY INDEX BY 15 POINTS AT GROUP LEVEL,

applying the obligations of French law to all companies (vs. 60 in 2019)

ENCOURAGE THE INTEGRATION OF DISABLED PEOPLE

by doubling the rate of disabled workers 6% disabled workers in 2025 versus 3% in 2019

### GOVERNANCE



In 2016, the Group established a European body, the Verallia European Works Council (CEEV), of 16 employee representatives from the six European Union member countries where Verallia is industrially based (Germany, Spain, France, Italy, Portugal, and Poland). The committee helps with establishing regular and respectful dialogue with employee representatives, sharing best practices regarding health and safety, anticipating probable changes in employment and discussing new working methods. It meets once a year unless there are exceptional circumstances. Its select committee, composed of five representatives from the four main countries, meets two to three times a year to discuss primarily issues relating to health, safety, the Group's structure and its financial position, capital expenditure and employment.

### AN HR POLICY AT THE HEART OF THE COMPANY'S STRATEGY

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

### PROMOTING INCLUSION AND DIVERSITY

The Group intends to assert itself as the glass packaging supplier of choice in the food and beverages production industry while also developing its teams, attaching particular importance to social matters including promoting diversity and integration into the local social fabric. Women made up close to 30% of management in 2020. In the same year, the proportion of people declared disabled in accordance with each country's definition was 3.3%.

Within this framework, the Group is a member of the United Nations Global Compact. Verallia is actively committed to gender equality as described in SDG 5, combatting discrimination and violence against women.

In 2020, the Group confirmed its desire to create an inclusive working environment at all levels, making this commitment part of its purpose.

**OUR POLICIES AND ACTION PLANS AIMING TO PROMOTE DIVERSITY IN RECRUITMENT AND OPERATIONS**



**PROMOTING GENDER DIVERSITY**

The Group's policy concerning gender equality in the workplace is based on a number of principles:

**1 Recruitment**

Verallia wants to ensure diversity of applications during the recruitment process. The process involves identical selection criteria that are based on initial training, professional experience, skills and potential for a given job description. If several applicants have skills that are considered identical, recruitment of the applicant whose gender is less represented in the desired role, whether male or female, is encouraged. Furthermore, communications and awareness-raising actions are implemented internally to encourage recruitment of women to roles that are traditionally male-dominated.

**2 Compensation**

Verallia supports the principle of equal pay with equal skills and work situation when hiring.

**3 Promotion**

The assessment and selection of talented employees must be based on identical and neutral criteria during preparation and the roll-out of career or succession plans. The Group supports female talent through training programmes, coaching and mentoring led by members of the Executive Committee and targeted actions to provide individual support to develop self-confidence and help them to assert their ambitions and take responsibility (theatrical training etc.). Particular attention is paid to this subject when choosing candidates for promotion during people reviews.

**4 Combatting stereotypes**

Job offers are non-discriminatory and written in a gender-neutral way, and do not convey any stereotypes relating to gender, age or any other discriminatory criteria.

In order to permanently move forward as regards professional equality, a "Women at Verallia" network has been created. This network has two aims: to advise and provide guidance for businesswomen in their career development goals by sharing their experiences, and to work on the theme of professional equality by suggesting improvements allowing for better inclusion of women in positions of responsibility.

In order to continue with its performance in terms of gender diversity, calculation of the gender equality index - which is mandatory in France - has been extended voluntarily to all countries in which the Group operates. In 2020, the Group's global gender equality index was 70/100, 10 points higher than in 2019.

**PATRONAGE OF THE MAISON DES FEMMES**

Since 2020, Verallia has been a patron of the Maison des Femmes (Saint-Denis hospital centre) with the aim of continuing with awareness-raising initiatives and supporting women in difficulty or who have been victims of violence.



**MEASURES AIMING TO PROMOTE THE INCLUSION OF DISABLED PEOPLE**

As regards promoting disability, the Group strives to raise awareness among all employees in order to avoid discrimination of any form and aims to go beyond its regulatory obligations in terms of hiring disabled people.

Diversity relating to disability is taken into account during the recruitment process and particular attention is paid to this subject when choosing candidates for promotion during twice-yearly "people reviews".

The Group also wants to raise employee awareness about disability. This is achieved through talks held throughout the year, in particular during disability

week, when awareness-raising activities and materials are offered to employees, such as visuals and participation in the inter-company challenge launched by Fédération Française Handisport, in which Verallia had the highest employee participation rate. In France, quiz modules on raising awareness about disability were made available to employees at the end of 2020. The aim of these initiatives at various levels of the company is to change people's view of disability, facilitate recruitment and declare forms of disability within Verallia.

Lastly, the Group takes part in various initiatives around the world, such as sponsoring the French disabled rugby team, which has been selected for the Paralympic Games in Tokyo.

**OUR RESULTS**

	Target in 2025	2020	2019	2018
<b>Gender equality index (as defined by French law)</b>	75	70	60	N/A
<b>Percentage of women in total workforce</b>	N/A	16.5 %	N/A	N/A
<b>Percentage of female managers</b>	N/A	29.8 %	29 %	N/A
<b>% of disabled employees</b>	6 %	3.3 %	3 %	N/A

**ANALYSIS OF OUR RESULTS**

The gender equality index increased by 10 points year-on-year with significant progress in Latin America, which was significantly behind, and southern Europe, which achieved scores well above target, as with France.

The number of disabled employees increased slightly as a result of measures taken in 2020 to be more inclusive during recruitment, despite the health crisis and the lower number of hires.

### MAINTAINING THE COMMITMENT OF OUR EMPLOYEES

The commitment and involvement of employees within Verallia are characterised by:

- The development, maintaining and conversion of skills by means of:
  - › Transfer of knowledge from senior technical employees with high levels of technical expertise to new generations;
  - › the acquisition upon hiring of specific skills with a strong impact on performance and quality;
  - › the development of skills and the use of artificial intelligence in connection with industry 4.0 that will require a stronger fit between human skills and the technical input of machinery.
- Employee share ownership as a means of involving and aligning employees.
- An environment of dialogue with employee representatives in each country: there is a strong will in all companies and at the highest level of the Group to establish respectful dialogue and transparent communication.

Employee engagement is assessed every two years through a satisfaction survey (the last one carried out in March 2019) that results in corrective action plans.



### OUR POLICIES AND ACTION PLANS TO PROMOTE EMPLOYEE COMMITMENT



#### COMPENSATION POLICY AND EMPLOYEE SHARE OWNERSHIP

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

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

- a base salary that pays for job holding and is attractive for recruiting and retaining talent;
- a variable annual share that pays for individual and collective performance based on the achievement of ambitious goals while being capped at a maximum level, therefore preventing excessive risk-taking. A source of motivation for teams, this variable annual share is based on annual criteria including safety, the reduction of CO<sub>2</sub> emissions, financial and operational performance, and personal goals.

In addition to Verallia's compensation policy, the employee share ownership policy is a strategic way of involving employees in the group's long-term development and performance. Employee share ownership aims to offer Verallia employees an opportunity to become shareholders in their company under special

conditions approved by the Board of Directors (usual discount and employer contribution rates favouring small contributions) via the Verallia corporate mutual fund (FCPE). At 31 December 2020, the Verallia FCPE, comprising share ownerships of the Company's employees, held 3.2% of the Company's share capital.

### OUR KEY TARGETS

#### DOUBLE EMPLOYEE SHARE OWNERSHIP BY 2025

(vs. 2.6% in 2019)

#### A PROACTIVE EMPLOYEE SHARE OWNERSHIP POLICY

Launched in 2016 under the leadership of Verallia's executive management and the Apollo and BPI France funds, then majority shareholders of Verallia, in the space of five years a number of employee share ownership campaigns have allowed 37% of employees to become shareholders of the Group and hold 3.3% of its share capital following the 2020 operation. The Group's aim is to continue with this policy of reserved employee share ownership offers over the years ahead, with the target of employees holding 5% of Verallia's share capital in 2025. In this regard, in 2021 Verallia will propose a reserved employee offer comprising a 20% discount on the share price and an employer contribution for each employee subscribing.

**OUR RESULTS**

	Target in 2025	2020	2019	2018
<b>Percentage of permanent contracts</b>	N/A	54 %	N/A	61%
<b>Average training hours per person (permanent and temporary employees)</b>	N/A	25 h	37 h	45 h
<b>Voluntary turnover of permanent staff (resignations)</b>	N/A	2.3 %	3.5 %	3.4 %
<b>Engagement index (every two years)</b>	60 %	N/A	43 %	N/A
<b>Proportion of share capital held by employees</b>	5 %	3.2 %	2.6 %	N/A
<b>Absenteeism rate</b>	N/A	5.5 %	N/A	N/A
<b>Number of meetings organised with employee representatives / unions</b>	N/A	1,136	N/A	N/A

**ANALYSIS OF OUR RESULTS**

The formula used to calculate the recruitment rate of permanent employees has changed in order to avoid any confusion: it now represents the number of permanent hires out of total hires. The number of hours of training per person was impacted by the health crisis, which resulted in a number of face-to-face training sessions being cancelled. The next engagement barometer will be in the first quarter of 2021 and the engagement index will be communicated in 2022. The proportion of share capital held by employees has increased thanks to the success of the 2020 offer extended to eight countries: 42% of eligible employees took part overall, that is 3,300 people. In France, the participation rate was 80%. The number of meetings with employee representatives allows for regular dialogue in all countries. A number of important meetings were held in France in 2020 due to the transformation plan. Dialogue with employee representatives also involves daily informal meetings at all workplaces, communications about companies' situations and managers listening closely to employees.

**DIALOGUE WITH EMPLOYEE REPRESENTATIVES**

In each country in which the Group operates, employees are represented at different levels by representatives of trade union organisations via various existing bodies depending on the regulations in different countries, such as works councils and health, safety and working conditions committees. Dialogue with employee representatives is therefore ensured on an ongoing basis within these bodies on a national and local level, at plants and at head office. It is the regional or country HR directors' responsibility to organise and host discussions.

In accordance with applicable EU regulations, a European works council has been in place since 2016 (see Governance section above). Furthermore, elections were held in 2019 at companies located in France and resulted in the creation of a Social and Economic Committee in accordance with applicable regulations.

**CAREER MANAGEMENT**

Verallia's training policy places employees at the heart of their learning and development path. This is based on an individual and collective training offering that can be customised, as well as tracking employees' career plans.

- Management of career plans**  
 Since 2019, the "people review" process has been used as a tool for managing talent. This process, which takes place biannually, assesses each employee's performance and potential, assesses their projection within the company, identifies their training needs and defines specific progression targets. These "people reviews" are an opportunity to implement specific training programmes responding to employees' needs and to define follow-up plans.
- Employee training**  
 The Group intends to continue with its training efforts, drawing in particular on passing on the expertise of its most experienced technical staff in order to improve the learning capacity of its teams and train them in project management in particular. Lastly, the Group may use external talent in order to further increase its know-how and diversity among its staff.

The health crisis largely impacted training programmes in 2020. Some face-to-face training courses had to be cancelled, while others were replaced by shorter e-learning programmes. To enable employees to take on board our purpose, a top-down deployment in groups of 6 or 8 was organised, mainly face-to-face, with all Group employees. The aim was to help employees understand the challenges and targets and how Verallia is committed to addressing these. Deployment is due to be completed by the end of the first quarter of 2021.



**THE CHALON-SUR-SAÔNE TRAINING CENTRE**

Established in 1969, the Chalon-sur-Saône training centre (France) guides the skill building of our workers and supervisors at our seven French plants. Internal trainers and expert instructors from across the value chain pass on their knowledge to promote the capitalisation and dissemination of glass-making expertise. Every year at the Chalon-sur-Saône site, some 400 trainees participate in 10,000 hours of internship training with particularly innovative teaching methods: virtual reality, use of school machines, role-play, etc.

Career path acceleration programmes are developed at the centre. This was the case with the "Verallia Glass School" created in 2013, which trained future technical managers and supervisors at our plants.

In the near future, the centre plans to integrate all managerial training into the core of its technical training programmes in order to broaden its scope and better guide our staff in the management of their teams.

The transformation plan in France enlisted management teams and staff representatives to support employees. Several meetings were required to draw up and steer this plan. As a result of the health crisis, we have put in place preventive measures, involving elected officials in all countries.

A number of training programmes are available and summarised in the table below:

**TRAINING**

**Know-how training**

**LEADERS AT VERALLIA**

*Target*  
MANAGERS

*Details*  
Feedback culture, management, leadership ability, embodiment of Verallia's four values.

**Integration programme**

**MEET VERALLIA**

*Target*  
NEW HIRES  
*(less than one year's service / identified as future high potential / talent)*

*Details*  
This is a four-day integration course partly in France and in one other European country.

*The aim of the programme is to:*

- find out more about the Group (organisation, activity, targets) by visiting a plant and meeting a customer, in France or abroad;
- meet executives at the parent company and get a better understanding of Corporate functions;
- encourage sharing of ideas and develop the network at Group level;
- help to retain employees.

**Integration programme**

**PROGRAMME INSERTION**

*Target*  
NEW HIRES  
*(maximum 6 months' service)*

*Details*  
This programme is held over three days at the Chalon-sur-Saône training centre.

*The aim of the programme is to:*

- find out about the glass industry;
- understand the production line process for a glass item;
- initiate dialogue between new hires and employees working on production lines.

**Development programme**

**BUSINESS LEADERS**

*Target*  
FUTURE LEADERS  
*(Talent / high potential)*

*Details*  
This is a training programme developed in partnership with a business school in Berlin (ESMT). The programme lasts six days, with three days in Paris and the other three days at the Berlin school.

*The aim of the programme is to:*

- develop new skills to contribute to Verallia's strategy;
- help to create a new highly effective organisation;
- improve leadership and management skills;
- encourage development of the network and sharing of ideas between regions and functions.

**Development programme**

**GLASS-MAKING TECHNIQUES**

*Target*  
YOUNG HIRES

*Details*  
E-learning modules are developed by the Group and then rolled out locally by the training teams.

**Development programme**

**GLASS SCHOOL**

*Target*  
STAFF WITH POTENTIAL

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

**Development programme**

**EXPERT CONTROL SYSTEM**

*Target*  
R&D EMPLOYEES AND TECHNICAL TEAMS

*Details*  
The roll-out of the expert control system at Verallia's plants forms an integral part of Verallia's industrial strategy. Digital technology is key in mastering processes and achieving industrial performance targets.

*The aim of this e-learning module is to:*

- improve the control of our processes with a view to improving stability,
- improve the management of our production and maintain competitiveness.
- help teams implementing this expert control system at plants and improve furnace performance while also developing their skills.

**Compliance training**

**COMPLY ●**

*Target*  
MANAGERS EMPLOYEES\*

*\*employees of the marketing, communications and sales departments (including customer service)*

*Details*  
This mandatory e-learning course looks at compliance with competition law and the consequences relating to failure to respect this law, whether the economic consequences for the Group or penalties for individuals.

**Compliance training**

**ANTI-BRIBERY COURSE ●**

*Target*  
MANAGERS EMPLOYEES\*

*\*employees of the procurement department, sales (including customer service), heads of maintenance/logistics departments. EHS, technical, HR and all other employees exposed to a risk of corruption*

*Details*  
This mandatory e-learning course looks at prevention of corruption and policies to guarantee practices that respect applicable laws in accordance with the Code of Conduct. It aims to improve the knowledge and vigilance of the target groups in this area.

**Compliance training**

**RELATIONS WITH DISTRIBUTORS**

*Target*  
MANAGERS EMPLOYEES\*

*\*employees of sales departments (including customer service)*

*Details*  
This e-learning training module complements the module relating to competition law, known as COMPLY. The aim of this module is to obtain a better understanding of which situations, in relations with distributors/resellers, would constitute a violation of competition law within the framework of the day-to-day activities of the target groups.

**Compliance training**

**EMBARGOES AND FINANCIAL SANCTIONS**

*Target*  
MANAGERS EMPLOYEES\*

*\*employees of the accounting, treasury, procurement & supply chain, legal, internal control and sales departments (including customer service)*

*Details*  
This e-learning training module looks at observance of regulations in terms of financial sanctions and embargoes.

*The aim is to enable staff to know about and understand:*

- the subject of economic sanctions and embargoes;
- the serious risks that may arise for employees individually and for Verallia from failure to observe these regulations;
- measures and behaviours to adopt in professional life on a day-to-day basis to control these risks in accordance with Verallia's policy in this area.

● Mandatory

## APPENDICES

## DEFINITION OF OUR KEY CSR RISKS AND OPPORTUNITIES

Pillar of the CSR strategy	Key risks and opportunities	Definition
Enhance the circularity of glass packaging	Incorporating the circular economy into our value chain	The Group is striving to reduce its environmental impact, in particular through the increasing use of external cullet, a key link in the circular chain of the glass industry made from glass from selective collection (from individuals and CHR): Cafés Hotels Restaurants.
	Optimising use of water and reducing waste	Water and waste are not currently identified among the major risks according to the criteria of the materiality analysis. However, the Group has set targets and associated performance indicators because reducing water consumption, as well as reducing waste and increasing its recycling contribute to the overall target of reducing the Group's environmental footprint. Preserving resources and, in particular, water resources in the context of climate change and increasing water stress zones is at the heart of Verallia's actions.
Significantly reduce our CO <sub>2</sub> emissions across our operations	Energy efficiency and carbon footprint of our operations	In a climate change context where energy consumption needs to be limited, reducing energy consumption and greenhouse gas emissions is a strategic priority for Verallia.
	Quality of our products	Faced with the climate emergency, in addition to securing our reputation with our customers, the quality of our products is a fundamentally environmental issue. Improving quality by getting it right the first time avoids any unnecessary waste of energy and production waste (energy expenditure for the manufactured product that will have to be reintegrated into a second production process). Improving quality therefore improves the Group's carbon footprint.
	Eco-design of our products	The need for more sustainable packaging requires Verallia to improve the environmental performance of its products under constant pressure from stakeholders. The Group supports its customers in their responsible approach through its range of eco-designed containers, consisting in particular of a reduction in the weight of containers.
Provide a safe and inclusive place to work	Occupational health and safety	The industrial processes used at our sites can expose employees to accidental events that could have consequences for their health and/or safety (such as cuts, burns, noise pollution or high temperatures).
	Employee commitment	The risk relating to human capital within the Verallia Group is characterised by the issue of attracting employees, the issue of developing, maintaining and transforming skills and an environment of social dialogue specific to certain countries. Diversity of skills and backgrounds is a key concern when it comes to creating an environment conducive to efficiency and commitment.

## SCOPE OF ISSUES COVERED BY OUR STATEMENT OF EXTRA-FINANCIAL PERFORMANCE 2020

Given the nature of our operations, we deem that the following issues do not constitute primary CSR risks and do not, therefore, need to be elaborated upon in this Statement of Extra-Financial Performance: combatting food insecurity; respect for animal welfare; and the issue of responsible, fair and sustainable food.

Legal text	List of mandatory items	Addressed by Verallia in its Statement of Extra-Financial Performance 2020
Decree on implementing the transposition of the European Directive (No. 2017-1265)	Impact on climate change of the company's operations and the use of goods and services that it produces (contribution and adaptation)	See section <b>OPTIMISING WATER USE AND REDUCING WASTE</b> pages 32-35
	Circular economy	See section <b>SIGNIFICANTLY REDUCE OUR CO<sub>2</sub> EMISSIONS ACROSS OUR OPERATIONS</b> pages 36-57
	Combatting food waste	See section <b>ENHANCE THE CIRCULARITY OF GLASS PACKAGING</b> pages 22-35
	Collective agreements entered into within the Group and their impact on economic performance and employees' work	Given the nature of our operations, we deem that combatting food waste does not constitute one of the primary CSR risks, and it does not, therefore, need to be elaborated upon in this management report.
	Actions aimed at combatting discrimination and promoting diversity and measures taken to support people with disabilities	See section <b>PROVIDE A SAFE AND INCLUSIVE PLACE TO WORK</b> pages 66-75
	Social commitments undertaken for sustainable development	See section <b>PROVIDE A SAFE AND INCLUSIVE PLACE TO WORK</b> page 66-75
Law on sustainable food of 30 October 2018	Combatting food insecurity; respect for animal welfare; the issue of responsible, fair and sustainable food	See section <b>HELPING TO PRESERVE FORESTS AND OFFSETTING OUR BUSINESS</b> page 56
		Given the nature of our operations, we deem that the following issues do not constitute primary CSR risks and do not, therefore, need to be elaborated upon in this Statement of Extra-Financial Performance: combatting food insecurity; respect for animal welfare; and the issue of responsible, fair and sustainable food.

## GLOSSARY

### RCA

Root Cause Analysis

### CULLET

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

### EXTERNAL CULLET

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

### INTERNAL CULLET

Glass from manufacturing scrap.

### CORRIDOR OF BIODIVERSITY

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

### VERALLIA "DIVISIONS"

There are three:

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

### ECOVA

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

### ECOVADIS

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

### EGO

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

### EHS

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

### SALES TEAMS

Functions identified in the sales and marketing channels.

### FEEDER

Distribution channel that feeds glass to the machines from the front end of the furnace. Its role is to maintain the temperature and homogenise the glass before it is fed into the machine.

### FEVE

European Container Glass Federation.

### FUSION

Means the first step in the melting of glass in production furnaces.

Fusion entails raising the temperature of solids – sand, cullet, sodium carbonate, calcium carbonate – to arrive at a homogeneous vitrified mixture.

### INDEX ALPHA

The alpha coefficient is used by various glass production sites (cf NF H 35077). It determines the lightweight nature of an item independently of its capacity, and therefore allows the comparison of several items. Calculation formula:  $\text{weight} / \text{volume}^{0.8}$  as per NF-H35077 norm.

### INSETTING

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

### ISO 22 000

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

### GOB

Means a compact mass of molten glass.

### LCV

Lower Calorific Value.

### VERALLIA "REGIONS"

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

### GLASS SAND

Very small cullet (fraction 0–4 mm).

### SCOPE 1

"Direct emissions" = CO<sub>2</sub> emissions within the physical boundaries of the plant, meaning carbonated raw materials, heavy and domestic fuel, natural gas (fusion and non-fusion).

### SCOPE 2

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

*Excluded from Scope 1 and Scope 2 emissions, in accordance with the GHG Protocol and its emission categories, are emissions from office buildings, decoration plants and cullet processing centers, as they represent, according to our estimates and benchmark elements, less than 1% of total Scope 1 and 2 emissions.*

### SCOPE 3

"other indirect emissions" = all other greenhouse gas emissions that are not directly related to the operation of the plant operation of the factory, but from all other stages of the product's life cycle.

*In accordance with the completeness requirements of the GHG Protocol, only non-significant sources have been excluded (application of the <1% threshold).*

### TF1

Number of accidents resulting in lost workdays per million hours worked.

### TF2

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

### TPG

Ton of packaged glass or ton of good glass.

## NOTE ON METHODOLOGY

### AND REPORT OF THE INDEPENDENT THIRD-PARTY ORGANISATION

The background is a composite image. The left side shows a close-up of crushed glass and other materials, representing recycling. The right side shows a perspective view of many rows of green glass bottles, representing the finished product.

**RE-IMAGINE**  
**glass**  
**FOR A**  
**SUSTAINABLE**  
**FUTURE**

- Verallia
- @verallianews
- Verallia, Forever Glass
- VeralliaNews

**Head Office Verallia Packaging**  
Tour Carpe Diem – Place des Corolles  
92400 Courbevoie - France  
Phone +33 (0)1 71 13 11 00  
[www.verallia.com](http://www.verallia.com)