



# 2019 Integrated Report



Issued: December 2019

## ABOUT THIS REPORT

This report describes the business progress and results of responsibility work from July 2018 to June 2019.

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## CONTENTS

<b>I. IPACKCHEM</b>	<b>3</b>	<b>III. OUR POLICIES AND OUR PERFORMANCE</b>	<b>13</b>
1.1 Executive statement	3	3.1 Good Corporate Governance and Ethics	13
1.2 Profile	4	3.2 Dialogue with our Stakeholders	19
1.2 Value Proposition	5	3.3 Environmental Management	21
1.3 Milestones	6	3.4 Sustainable Innovation and Sourcing	25
1.5 Performance	7	3.5 Human Capital Development	27
		3.6 Customer Product Stewardship	29
		3.7 Contribution to Society	32
<b>II. OUR CSR STRATEGY</b>	<b>8</b>	<b>IV. REPORTING PROTOCOL</b>	<b>33</b>
2.1 Market positioning & outlook	8	4.1 Reporting methodology	33
2.2 Major impacts on stakeholders	9	4.2 GRI index	34
2.3 Materiality	10	4.3 Glossary	36
2.4 Integrated strategic roadmap	11	4.4 UN Global Compact and SDGs index	37
2.5 Our business model and value	12	4.5 Publications	37
		4.6 Contacts	38

# I. IPACKCHEM

## 1.1 Executive statement



IPACKCHEM Group will continue to grow its core business with its customers at the centre of its decisions and investment plans. The Group will expand operations in new geographies where our customers' demand of HIGH-PERFORMANCE PLASTIC PACKAGING is increasing.

I am particularly proud of our teams, truly dynamic and participating players, working towards the achievement of our long-term goals.

Corporate responsibility is integrated into IPACKCHEM's day-to-day activities. Our approach is based on IPACKCHEM's values, vision and mission. Corporate responsibility is guided by our strategy, general ethical principles, the code of conduct guidelines and our purchasing & operating principles.

Our CSR programme is based on key themes: Good corporate governance and ethics, Dialogue with our key stakeholders, Environmental management, Sustainable innovation and sourcing, Human capital development, Customer product stewardship and our contribution to society.

IPACKCHEM also undertook to strengthen its competitiveness through an ambitious global Operational Excellence initiative. The latter includes operational best practice sharing across our platforms relying on a solid and proven quality management system. Moreover, through its close collaboration with its customers, IPACKCHEM committed to reducing its impact through the deployment of innovative environment-friendly solutions.

The GRI Standards provide a globally recognized framework for companies to measure and communicate their environmental, economic, social and governance performance. For the third consecutive year, we prepared our report in accordance with the GRI Standards: Core option.

As an international group, IPACKCHEM cannot only create value for its own business. It also contributes to the local communities and society at large. The Sustainable Development Goals (SDGs) of the United Nations are an excellent vehicle for driving this change. They represent an action plan for the planet and society to thrive by 2030.

IPACKCHEM's value proposition is based on 4 main pillars:

1. **In-mould fluorination**, as the worldwide expert in this high-end barrier technology focused on lower weight 100%recyclable mono-material solutions.
2. **Strategic Partnership** alongside its blue-chip specialty chemical customers with its global footprint, its market intelligence and financial robustness.
3. **Innovation** by minimising its customers' risk with UN certified packaging, counterfeit exposure, safe handling solutions and supporting sustainability positioning.
4. **Operational Excellence**, with highest quality consistency and on-time deliveries overall reducing the total cost of ownership of IPACKCHEM's solutions

**Our vision for a new way of doing business – one that delivers growth by serving society and the planet – is strongly aligned with the SDGs.**

**Jean-Philippe MORVAN**  
**IPACKCHEM Group**  
**CEO**

December 2019

## 1.2 Profile

# IPACKCHEM

HIGH PERFORMANCE PLASTIC PACKAGING



**6 COUNTRIES OF OPERATIONS**

**6 PRODUCTION SITES**

**73 M€ OF SALES**

**378 PERMANENT EMPLOYEES**

**17 000 TONNES**

Our solutions allow to safely store and market specialty products fully respecting International regulations with innovative and environment-friendly solutions



IPACKCHEM Group operates globally with its 6 factories:

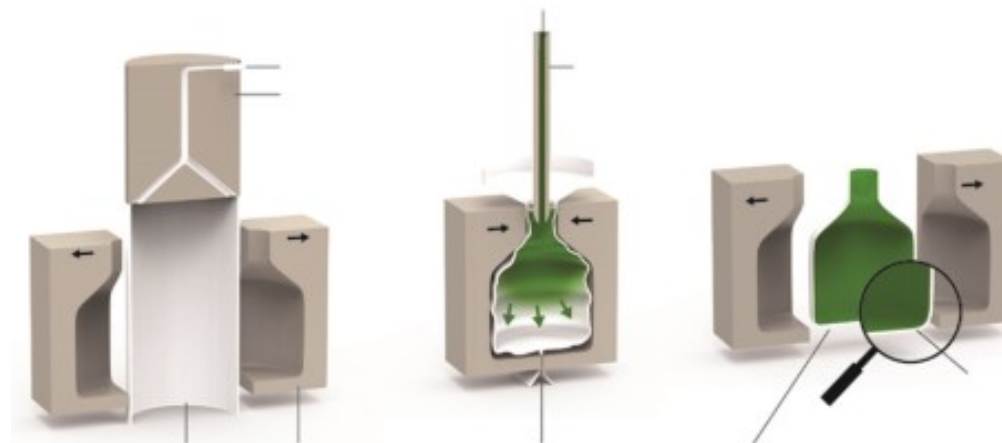
- Saint-Etienne (France)
- Crewe (United Kingdom)
- Peremarton (Hungary)
- Paulinia (Brazil)
- Randburg (South Africa)
- Kirovo-Chepetsk (Russia).

### SPECIALTY CHEMICALS MARKET SEGMENTS

- Crop protection
- Flavours & Food additives
- Fragrance
- Speciality oils
- Crop nutrition
- Cosmetic additives
- Inks & coatings
- Animal health
- Automotive
- Construction
- Cleaning
- Adhesives

### OUR TECHNOLOGY

HDPE blow moulding with the In-mould fluorination technology

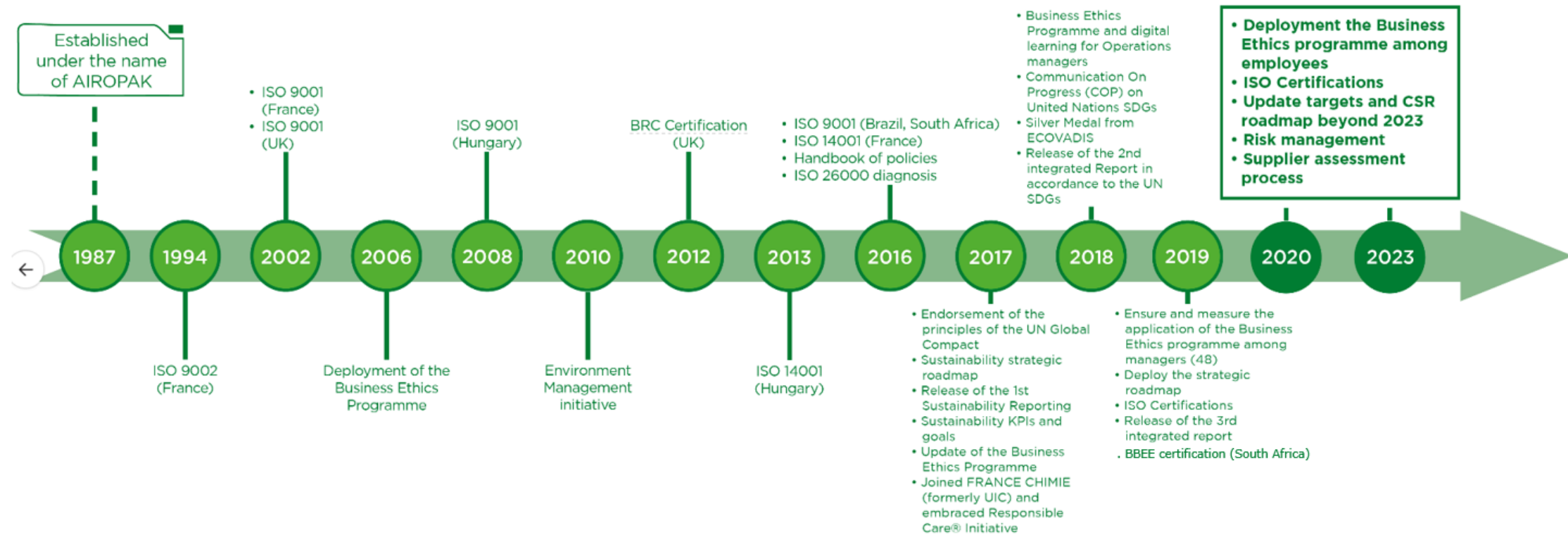


## 1.2 Value Proposition

With customers at the centre of our wheel, IPACKCHEM's value proposition covers 4 main pillars:



### 1.3 Milestones



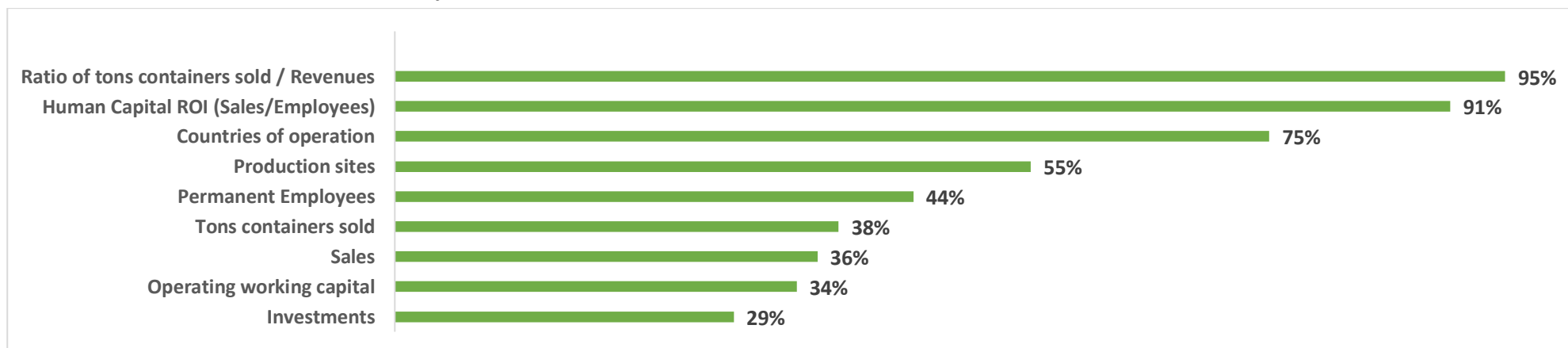
## 1.5 Performance

Beyond sustained investment to develop its global footprint, IPACKCHEM continuously re-invests to modernise its production assets and reduce energy consumption. IPACKCHEM overall investment represents circa 8% of its turnover.

### OUR GROWTH KEY PERFORMANCE INDICATORS

GRI	Indicators	Scope	Unit	2015	2016	2017	2018	2019	2023 OBJECTIVE
102-7	Sales	Group	M€	50	60	68	72	73	200
102-7	Countries of operation	Group	Number	5	5	6	6	6	8
102-7	Investments	Group	M€	2,2	8,4	4,3	5,6	4,3	15
102-7	Capital shares held by private equity shareholders	Group	% of total	90%	90%	87%	87%	87%	85
102-7	Operating working capital	Group	M€	7,9	9,8	11,5	13,5	11,2	32,5
102-7	Production sites	Group	Number	5	5	6	6	6	11
102-7	Ratio of tons containers sold / Revenues	Group	ton / M€	4,12	4,37	4,29	4,28	4,23	4,44
102-7	Tons containers sold	Group	Metric tons	12140	13 743	15 862	17 057	17 131	45 000
102-8	Permanent Employees	Group	Number	189	318	344	378	390	850
102-8	Human Capital ROI (Sales/Employees)	Group	k€/pers.	0,65	0,71	0,73	0,80	0,65	0,72
102-8	Human Capital ROI (Sold Production/Employees)	Group	T/pers.	4,12	4,37	4,29	4,28	4,23	ND

### Achievement rate for 2019 results // 2021 objectives



## II. OUR CSR STRATEGY

### 2.1 Market positioning & outlook

Production, use and trade of specialty chemicals are growing in all regions, driven by global megatrends and rising global middle-class income levels. The specialty chemicals market has emerged as one of the most important chemical segments worldwide and is instrumental in improving our quality of life, health and well-being today and in the future. Reports project further market to exceed \$1 trillion in 2020.

- ✓ Europe plastics production almost reached 62 million tonnes and world plastics production is 359 million tonnes.
- ✓ The specialty chemical packaging market IPACKCHEM is addressing is a niche representing 0,1% of the global production.
- ✓ With the unique properties of plastic materials, IPACKCHEM offers safe, chemical and corrosion-resistant, light weight and durable packaging solutions for use in harsh environments.
- ✓ Plastic packaging can easily be moulded into complex shapes, making them ideal for a wide range of applications.



**The new Directive (EU) 2018/852 on Packaging and Packaging Waste sets higher recycling targets per material (50% for plastic packaging by 2025 and 55% by 2030), together with a new calculation method of recycling performances. This new method will start to be applicable for data of the year 2020.**

#### IMPACT OF PLASTICS ON ECONOMY, ENVIRONMENT AND SOCIETY

IPACKCHEM supports **PlasticsEurope** that is committed to encouraging the plastics industry to operate in a safe, healthy and environmentally responsible manner and to ensure that plastic products make a positive contribution to people's lives. The European plastics industry supports the European Commission's strategy for Plastics in a Circular Economy and is highly committed to accelerating its transformation towards an even more circular and resource efficient plastic economy. The plastics sector has direct and indirect impacts on environment, the economy and society. Considering its environmental impacts, the main resources are predominantly non-renewable materials and the challenge remains to encourage responsible sourcing and recycling.

#### IPACKCHEM's commitments

IPACKCHEM commits to applying new technological solutions to foster sustainable innovation:

- Create packaging solutions with an integrated sustainability approach
- Fulfil all regulatory requirements for the transport of dangerous goods

**In-mould fluorination is an environmentally friendly technology as the process is classified as a reused waste stream and has no ozone depletive properties. Fluorine gas has zero global warming potential and no atmospheric lifetime.**

In-mould fluorination is a surface treatment that takes place during the blow moulding of packaging containers. A dry gaseous mixture with nitrogen is applied to the base material (High Density Polyethylene) transforming the inner surface of the packaging structure into a chemical barrier.

This treatment protects the inner container surface from all types of solvents such as chemicals, organic solvents, oil and fuels. Fluorination treatment can also be used to protect plastic surfaces against the penetration of moisture, vapours, odours and aromas. Fluorination treatment of plastics is one of the best demonstrations of the benefit of this technology which made tin plate, steel and aluminium packaging substitution possible.

With its proven and long-lasting expertise in in-mould fluorination, IPACKCHEM operates this technology globally with world-class quality consistency. As opposed to alternative technologies, in-mould fluorination provides excellent results and remains stable in time. The molecular level of in-mould fluorination enables 100% recyclability as standard HDPE. Fluorine gas used during the in-mould fluorination process by the IPACKCHEM Group is environmentally friendly and thus is **NOT** regulated in either the Kigali Amendment to the Montreal Protocol of February 2017 or the original Protocol of September 1987 which covers ChloroFluoroCarbons (CFCs) as ozone depletants and Hydrofluorocarbons (HFCs) classified as substances with very high Global Warming Potential (GWP) respectively.

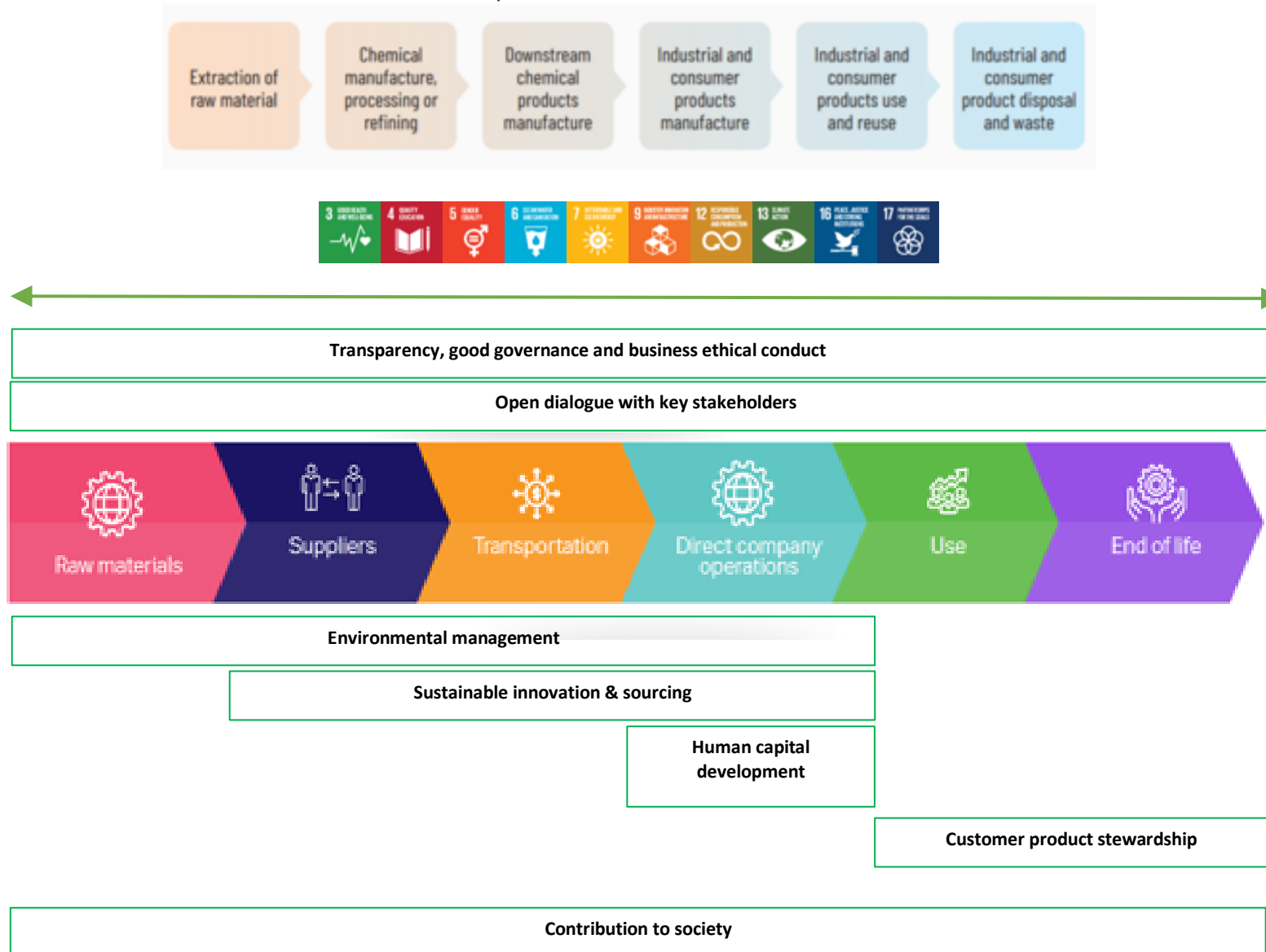
IPACKCHEM Group has undertaken to focus on this market sector requiring UN certified packaging with its HIGH-PERFORMANCE PLASTIC PACKAGING.



## 2.2 Major impacts on stakeholders

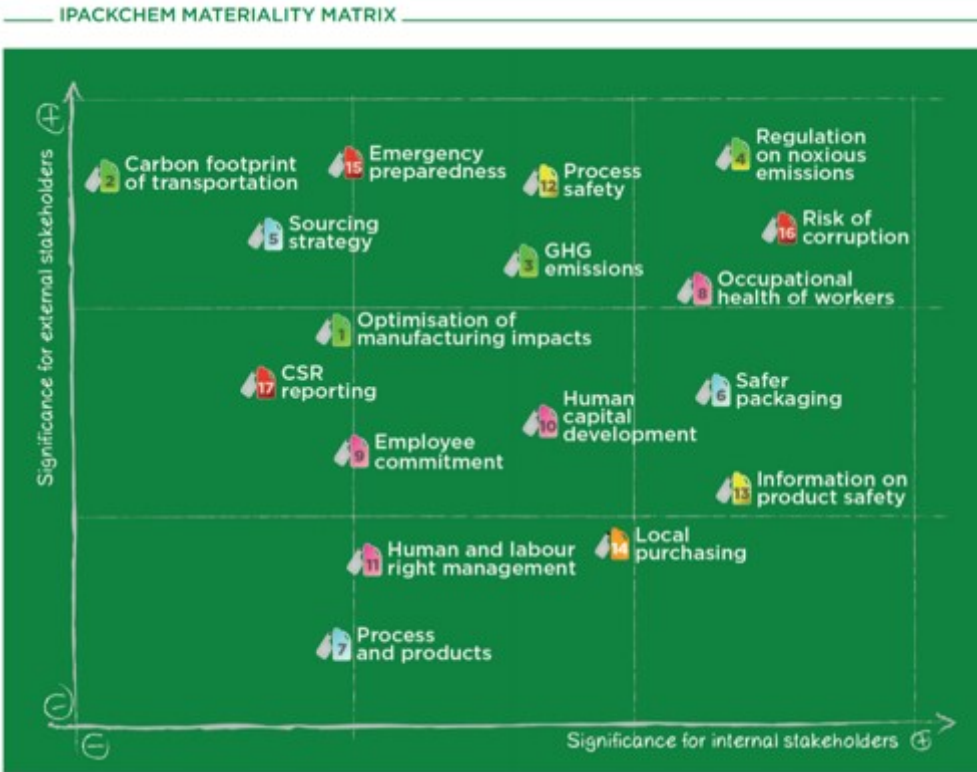
### VALUE CHAIN

The following picture shows where are the major impacts created by IPACKCHEM and the strategies developed by the Group to minimize negative impacts and maximize positive contributions to stakeholders and the Society.



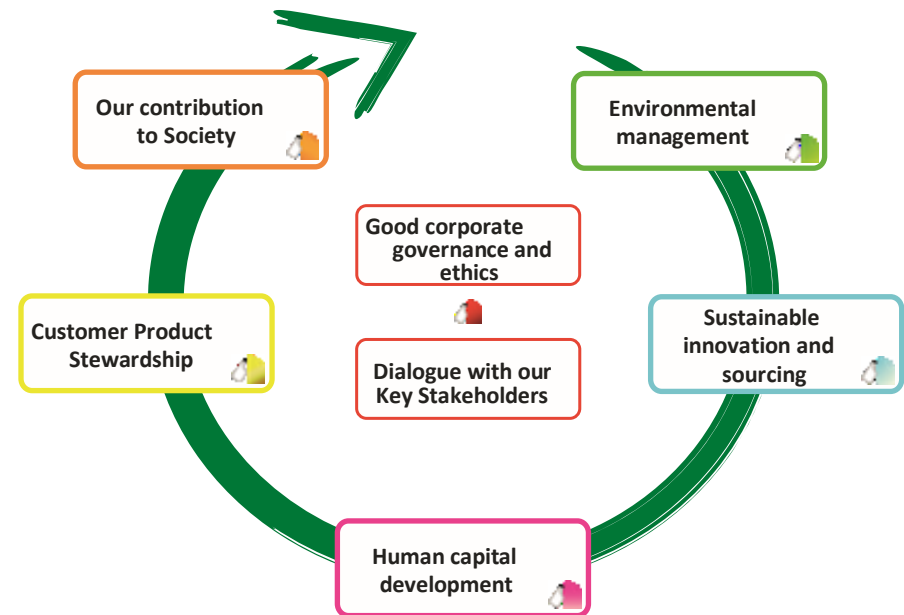
## 2.3 Materiality

In 2016, IPACKCHEM carried out an ISO 26000 diagnosis to assess the maturity of its Corporate Responsibility approach. IPACKCHEM pursued the stake identification with a materiality assessment based on the GRI (Global Reporting Initiative) standards.



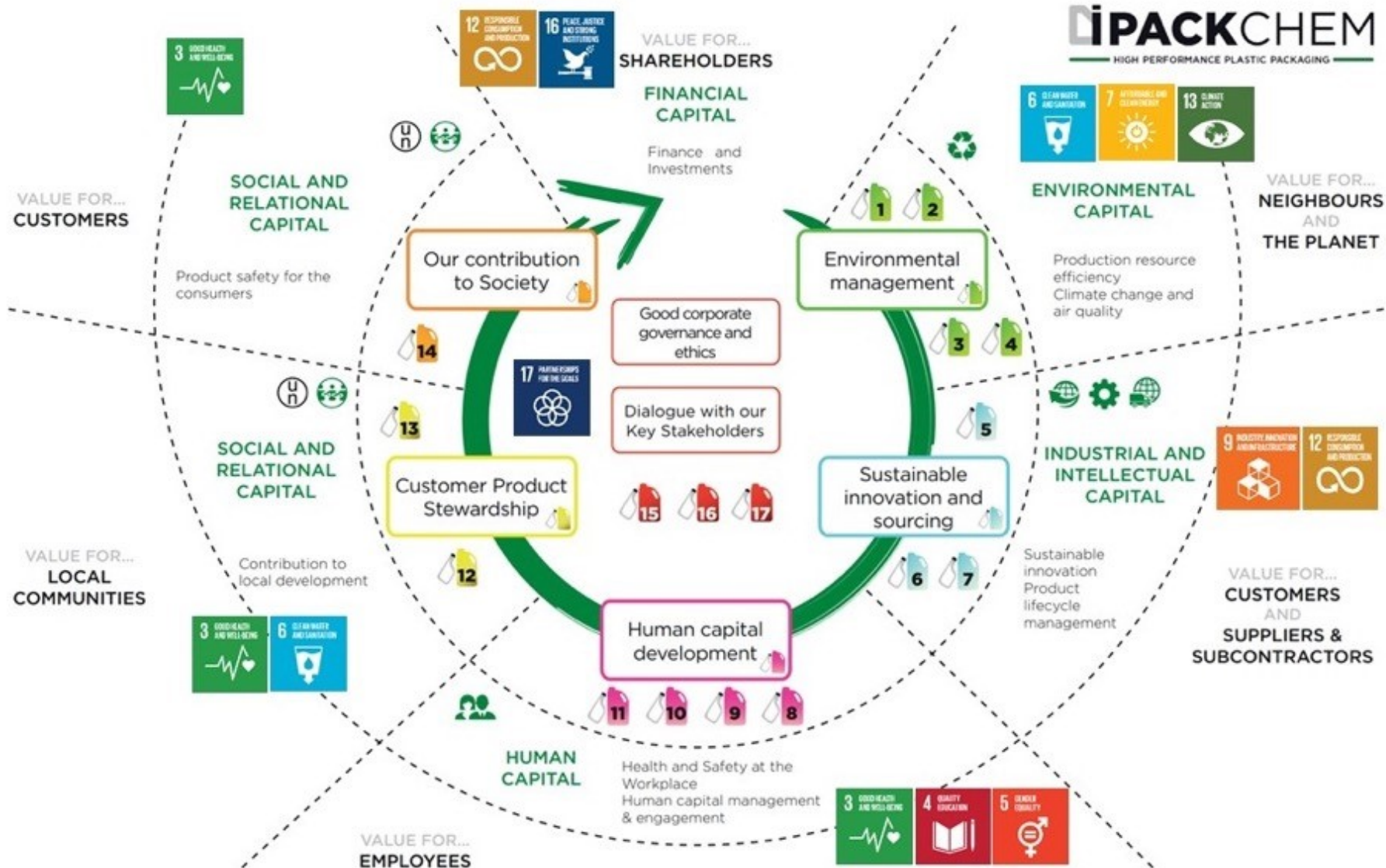
IPACKCHEM launched a survey to prioritise the relevant issues for its activities from the most critical stakeholders. An international benchmark on sustainability frameworks (such as GRI) as well as on main industrial players in the field, helped to identify the most material issues among the sector. A consultation of main stakeholders has been launched to prioritise the most material stakes on governance, economic performance as well as environmental, social and civic corporate responsibility. This work helped to define the most strategic issues for the company. 20 priority issues have been defined as the most material for the development of IPACKCHEM activities and to respond to its stakeholders' expectations.

IPACKCHEM's Sustainability ambition has been redefined and IPACKCHEM will focus on several themes to respond to its stakeholders' main expectations.



## 2.4 Integrated strategic roadmap

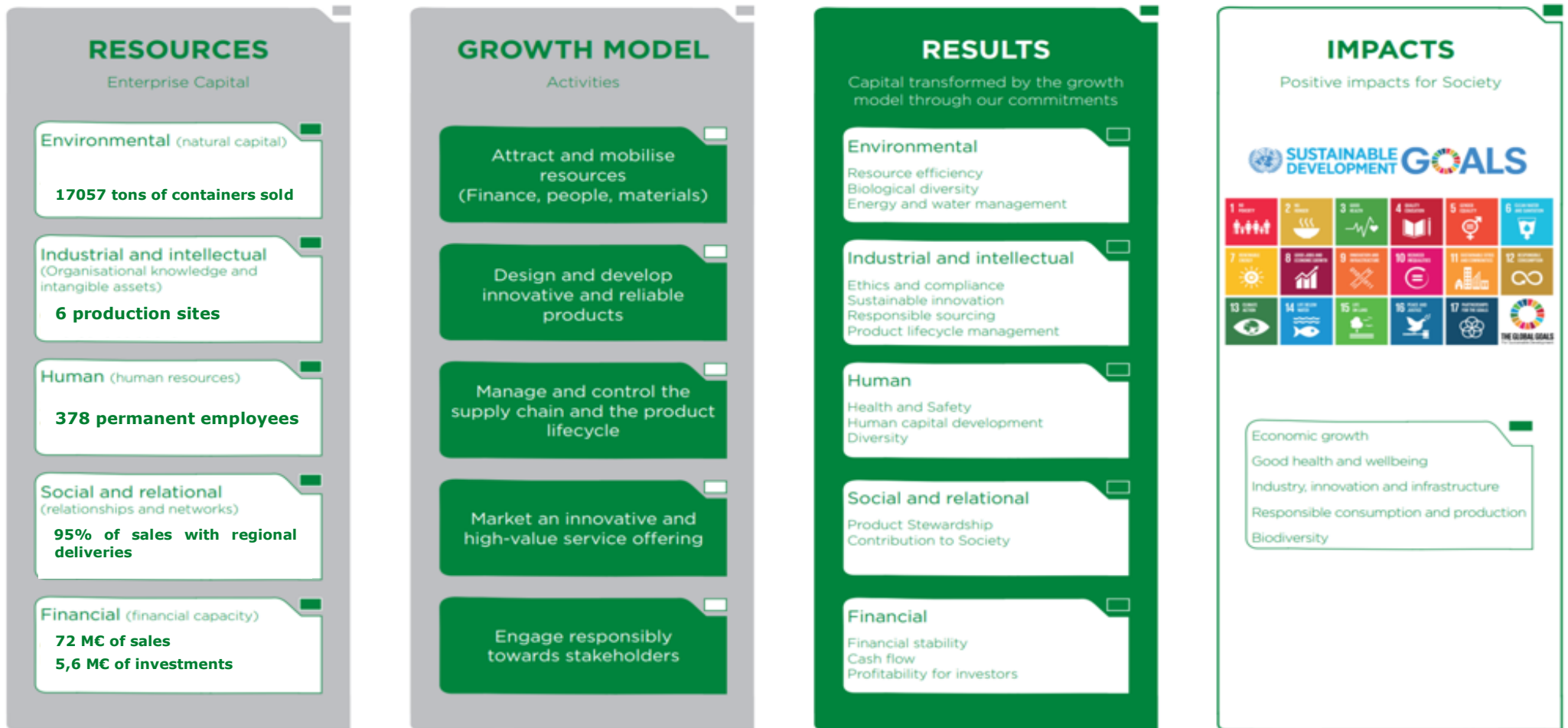
In 2017, an integrated strategic roadmap was built to develop the CSR deployment action plan. IPACKCHEM has identified SDGs that are aligned with its business strategy.



## 2.5 Our business model and value

IPACKCHEM’s value creation model shows the resources the Group relies on to produce and create value for its stakeholders. It highlights the importance of its workforce, of natural resources and of its capacity to innovate. As an international group, IPACKCHEM cannot only create value for its business and the Group gives

contribution to its local communities and society at large. The Sustainable Development Goals (SDGs) provide a comprehensive framework to support our business in understanding global needs and developing appropriate business solutions.



### III. OUR POLICIES AND OUR PERFORMANCE

#### 3.1 Good Corporate Governance and Ethics

##### CORPORATE GOVERNANCE

###### IPACKCHEM commits to:

- **Having responsible corporate management.**
- **Reporting regularly and publicly on progress against IPACKCHEM commitments**

Corporate Governance is at the heart of the company and is the cornerstone of its responsibility as a company. Regulated by law for better transparency, IPACKCHEM management, through business principles and management systems, maintains the interests of main stakeholders such as its business partners and employees. The governance system of the IPACKCHEM Group ensures a balance and a distribution of powers in order to guarantee efficiency and overall performance. Corporate governance rules are defined to ensure the effectiveness of board members. A formal follow-up of the attendance of the participants is in place and the minutes of the meetings of governance bodies of the company are recorded.

##### Supervisory Committee

At 31 December 2018, IPACKCHEM GROUP SAS's share capital amounts to 7,849,129 euros (registered 799 279 625 R.C.S Paris). 87% of the IPACKCHEM Group is held by private equity shareholders (Sagard Partners mainly) and 13% of shares are held by the executive management. The IPACKCHEM Supervisory Committee now includes six members and 17% of members are independent.

The committee meeting agenda is proposed in advance to the members and covers matters such as: strategic projects, investments and approval of forecasted budgets. Board minutes are systematically circulated and approved by the members. In 2016, a broad-based initiative was launched to implement a proper sustainability approach at the IPACKCHEM Group. As such an action plan was set up and a CSR report published. The supervisory committee also agreed

that the Group will join the UN Global Compact initiative. In 2017, IPACKCHEM's CEO sent a letter to endorse the 10 UNGC principles and committed to communicate on progress. In 2018 and 2019, a strategic plan was issued and deployment actions are in progress.

##### Management Committee

The Management Committee is composed of Jean-Philippe MORVAN, CEO, and four senior management members:

- COO (Chief Operating Officer)
- CFO (Chief Financial Officer)
- CCO (Chief Commercial Officer).
- CTO (Chief Technology Officer)

The Management Committee provides leadership by:

- Ensuring the effective management of the Group global operations
- Monitoring its activities and reporting on the different activities of the Group
- Setting strategic directions

The Management Committee is in charge of the development, coordination and reporting of CSR activities. To implement a sustainability culture, a number of objectives have been set:

- Develop the principles that guide IPACKCHEM's corporate responsibility
- Steer and coordinate practical measures for deployment
- Set the objectives for corporate responsibility work and monitor and support their achievement

The Management Committee has defined authorisation limits for country managers to engage in any financial or business agreement (purchasing, sales, recruitment, bank loans...). All items above the limits require the group authorisation or require notification to the group.

## RISK GOVERNANCE

**IPACKCHEM commits to reducing risks which could impact the future to the advantage of a short-term result.**

According to the Human Rights Index 2018 published by Transparency International, IPACKCHEM operates in some countries where the risk of corruption can be significant, especially in Brazil, South Africa and Russia. No case of corruption has been identified to date within the company.

The Group has preventive measures of business continuity conjugated to a global vision of the distribution of the client portfolio and willingness to control the risk of dependence on sectors and clients (duplication of suppliers and service providers, insurance against customer risks).

### RUSSIA

#### Risk assessment

In 2019, a Risk assessment was internally conducted by the team during 5 months. A prior training course ensured that teams understood the meaning of a risk and the importance of assessing "Probability" and "Gravity". Many risks have been reviewed such as: possible accidents, thefts, fire accidents, ... In addition, the factory layout - where potential incidents could occur - was drawn to better visualise impacts of such events. Risk probability and gravity were defined and scored, measures for the risks monitoring were defined on a time schedule planned from 2019 to 2021. As of Today, a fire protection system installation is in place.

## RISK MAPPING

Financial	<ul style="list-style-type: none"> <li>• Ownership variation and lack of capital</li> <li>• Fluctuation of exchange rates &amp; Inflation</li> <li>• Credit risk</li> </ul>
Legal	<ul style="list-style-type: none"> <li>• Product stewardship</li> <li>• Labour litigation</li> <li>• Regulatory changes</li> <li>• Business contract violation</li> </ul>
Market	<ul style="list-style-type: none"> <li>• Image and reputation</li> <li>• Corruption and Bribes</li> </ul>
Operational	<ul style="list-style-type: none"> <li>• Lack and quality of sourcing</li> <li>• Lack of emergency readiness</li> <li>• Business interruption due to low maintenance</li> <li>• Accidents on sites (fires and explosions)</li> <li>• Malicious acts</li> </ul>
Environmental	<ul style="list-style-type: none"> <li>• Pollution and environmental damages</li> <li>• Accidents on sites (fires and explosions)</li> <li>• Extreme climatic events</li> </ul>
Social	<ul style="list-style-type: none"> <li>• Lack of appropriate resources</li> <li>• Health and Safety accidents</li> <li>• Corruption and Human rights violation</li> </ul>

## COMPLIANCE, ETHICS AND INTEGRITY

**IPACKCHEM commits to conducting its business according to applicable laws, sector regulations and companies' policies.**

IPACKCHEM has built a reputation as a company with a high sense of integrity and of fair play by pursuing its tradition of being a responsible and ethical company. In all the countries where we operate, IPACKCHEM's employees carry out regulatory watch in order to comply with all applicable laws, national and international codes and conventions, industry codes of practice and local trade laws and treaties.

IPACKCHEM's commitments to international declarations and conventions are included in the principles that the company endorses. The most important are:

- [The UN Universal Declaration Principles on Business and Human Rights](#)
- [The International Labour Organization \(ILO\) Tripartite Declaration of Principles on the Fundamental Rights and Principles at Work](#)
- [OECD Guidelines for Multinational Enterprises](#)
- [The UN Sustainable Development Goals](#) which principles were endorsed by IPACKCHEM's CEO in 2017
- [The International Chemical Industry's Responsible Care Charter](#)



In 2017, IPACKCHEM embraced the goals of the chemical industry's voluntary [RESPONSIBLE CARE®](#) initiative. Launched by ICCA, Responsible Care is the global chemical industry's unifying commitment to the safe management of chemicals.



We are a signatory to the Global Compact since 2017 and we affirm our support of the Ten Principles of the United Nations Global Compact in the areas of human rights, labour, environment and anti-corruption. Our Business Ethics Programmes covers each of the 10 principles. Since 2017, IPACKCHEM published its COP (Communication On Progress).

IPACKCHEM acting through its employees and directors will:

- Conduct its business in a responsible, ethical and lawful manner
- Treat its customers, communities, suppliers, advisors, competitors and employees with fairness and integrity
- Identify, report, investigate and resolve any suspected noncompliance, without threat of retaliation against the person reporting in good faith.

### BUSINESS ETHICS PROGRAMME

In 2015, IPACKCHEM adopted a Business Ethics Programme to ensure that IPACKCHEM companies and their employees comply with IPACKCHEM's policies and all applicable legal requirements and company policies. Knowledge of and compliance with competition laws is of primary importance.

The Business Ethics Programme is built on two principles:

1. Each employee, working or acting on behalf of IPACKCHEM, must act ethically and legally.
2. Each employee must report any suspected non-compliance incident and may do so without fear of retaliation for making a report in good faith.

Since 2016, a handbook gathering policies and codes has been distributed to employees. In 2017, the [Business Ethics Programme](#) was revised to enlarge the scope of our ethical behaviour principles to all our value chain. The Business Ethics Programme is a common reference document for all our managers and employees around the world as well as for all our different stakeholders: customers, suppliers and contractors, host countries, local communities, business partners and shareholders. Our business partners are expected to apply standards that are equivalent to ours, in particular towards their employees.

The revised Business Ethics Programme contains a broad range of information and guidance about standards of corporate activity and responsibility. It does not address every situation or set forth every policy, nor is a substitute for each employee's responsibility to exercise good judgment and seek guidance when necessary. The spirit of the business ethics programme should be respected and observed generally. All employees must accept its principles, by signing, the Business Ethics Programme and confirm that they have understood their own personal responsibility to comply with the contents of the Policy.

Our business partners are expected to apply standards that are equivalent to ours, in particular towards their employees. Business ethics involves the development of standards grounded in values, the implementation of practices to reinforce these values and a system based on transparency.

IPACKCHEM's Business Ethics Programme covers four subject matters divided into 38 topics:

## COMPLIANCE AND GOVERNANCE

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1. COMPLIANCE WITH LAW AND CONVENTIONS
2. ANTI-TRUST AND COMPETITION LAW
3. BRIBERY AND CORRUPT BUSINESS PRACTICES
4. MONEY LAUNDERING
5. GIFTS, MEALS AND ENTERTAINMENT
6. CONFLICT OF INTEREST
7. ABUSE OF DOMINANT MARKET POSITION
8. POLITICAL CONTRIBUTIONS AND LOBBYING

## BUSINESS INTEGRITY AND ETHICS

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9. CONTRACTUAL OBLIGATIONS
10. INFORMATION MANAGEMENT
11. FINANCIAL REPORTING
12. DISCLOSURE OF COMPANY INFORMATION
13. CONFIDENTIAL BUSINESS INFORMATION
14. SOCIAL MEDIA AND COMPROMISING THE IMAGE
15. INSIDER TRADING
16. INFORMATION TECHNOLOGY
17. INTELLECTUAL PROPERTY
18. MISAPPROPRIATION OR MISUSE OF COMPANY PROPERTY
19. USE OF IT SYSTEMS AND EQUIPMENT
20. PRIVACY AND PERSONAL DATA PROTECTION
21. PROPRIETARY INFORMATION OF THIRD PARTIES
22. PROMOTE FAIR AND ETHICAL BUSINESS PRACTICES ALONG THE VALUE CHAIN

## HUMAN RIGHTS, LABOR AND SOCIAL STANDARDS

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23. HUMAN RIGHTS RESPECT
24. ANTI-SLAVERY AND HUMAN TRAFFICKING
25. CHILD LABOR
26. FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING
27. LABOUR CONVENTIONS
28. SAFE AND HEALTHY WORKPLACE
29. ALCOHOL AND DRUG USE
30. EQUAL OPPORTUNITY / NON-DISCRIMINATION
31. HARASSMENT
32. PRIVACY & PERSONAL INFORMATION

## ENVIRONMENT AND SOCIETY

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33. ENVIRONMENTAL PROTECTION
34. BIOLOGICAL DIVERSITY
35. CLIMATE CHANGE
36. ANIMAL WELFARE
37. PRODUCT SAFETY, QUALITY AND STEWARDSHIP
38. DIALOGUE AND CONTRIBUTION TO COMMUNITIES



## GROUP

### Business Ethics Programme digital learning



Formations e-learning

IPACKCHEM Business Ethics Program

In 2018, the Business Ethics Programme - already available in English - was translated into French, Hungarian, Portuguese and Russian.

All versions can be downloaded at IPACKCHEM website:

**English | French | Portuguese | Russian | Hungarian**

During 2018, a digital and interactive e-learning journey was designed to embed all the principles and values of the Business Ethics Programme. In September 2018, Jean-Philippe MORVAN, CEO of IPACKCHEM Group, invited 57 managers from the 6 operating countries to take actively part in the Business Ethics e-learning module to ensure they understand what constitutes Business ethics at IPACKCHEM and to comply with relevant Group policies. A minimum score of 90% for the final exam is necessary to be certified. In November 2019, Jean-Philippe MORVAN invited an additional 44 staff members to take part in the Business Ethics e-learning module to completed before year end. Now 101 IPACKCHEM staff members have been trained through the e-learning platform. As of December 2019, 100% of these IPACKCHEM staff members have successfully passed the exam and are now certified.

## GROUP

### Whistleblowing

In 2016, IPACKCHEM implemented a whistle-blowing reporting process where any individual (employee or partner) may, in confidence, raise concerns about any impropriety, corrupt, fraudulent or illegal practices, any unsafe work practice or any other conduct which may cause financial or non-financial losses to IPACKCHEM or damage to IPACKCHEM's reputation. To raise any concern, a whistleblowing hotline is available by email at:

[compliancecontact@ipackchem.com](mailto:compliancecontact@ipackchem.com)

An employee with a question about the Business Ethics Programme, a policy or a specific compliance issue, needs to seek and receive an answer. In the first instance employees should direct these questions to their Country Managing Director. If an employee feels it is more appropriate, the employee may contact the Group compliance hotline. Any message sent to the Group will be received by two persons: the CEO of the IPACKCHEM Group, coupled to an independent member of the Supervisory Committee.

## Our Key Performance Indicators

GRI	Indicators	Scope	Unit	2015	2016	2017	2018	2019	2023 OBJECTIVE
102-17	Operational sites with whistle-blower procedures for external stakeholders	Group	%	-	-	-	-	100%	100%
102-18	Capital shares held by the executive management	Group		-	-	-	13%	13%	
102-18	Independent Supervisory Committee members	Group	%	25%	25%	17%	17%	17%	33%
102-18	IPACKCHEM Supervisory Committee members	Group	Number	8	8	6	6	6	9
102-25	Conflicts of interest	Group	Number	0	0	0	0	0	0
205-1	Compliance risk assessments performed	Group	Number	-	-	-	-	in Progress	
205-2	Managers trained in organization's anti-corruption policies and procedures	Group	Number	-	-	-	58	106	100%
205-3	Employees having signed the Business Ethics Programme	Group	%	81%	49%	43%	43%	100%	100%
205-3	Incidents reported through the whistle-blower procedure	Group	Number	0	0	0	0	0	0
205-3	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	Group	Number	0	0	0	0	0	0
206-1	Breaches of the Code of Ethics	Group	Number	0	0	0	0	0	0
206-1	Regulatory penalties related to business ethics breaches	Group	Number	0	0	0	0	0	0
307-1 419-1	Monetary value of significant fines for non-compliance with laws and regulations	Group	€	0	0	0	0	0	0
404-1	Employees trained in emergency procedures per year (permanent + temporary)	Group	Number	78	87	109	182	245	425
415-1	Political contributions	Group	€	0	0	0	0	0	0
418-1	Information security breaches	Group	Number					0	0

### 3.2 Dialogue with our Stakeholders

**IPACKCHEM commits to having trustworthy relationships with the different partners that it interacts with.**

The dialogue with stakeholders is key for the sustainable development of IPACKCHEM. The quality of the service proposed by IPACKCHEM to its clients depends on employees, on the engagement of suppliers and partners with whom it cooperates and also on the products offered to clients. First stakeholder identification was carried out in 2015 through ISO 9001 certification to define expectations and channels of dialogue. Customer and supplier engagement are key to IPACKCHEM’s business as part of our commitment to customer service. There are no ‘open ended’ conversations. All interactions are focused on achieving specific outcomes.

IPACKCHEM goals:

- Recognising the needs and concerns of key stakeholder groups
- Understanding and responding to customer requirements
- Working in partnership with customers to deliver sustainability outcomes
- Engaging with suppliers to improve processes and/or to meet customer requirements.



#### ENGAGING WITH CLIENTS

##### Customer Satisfaction Surveys

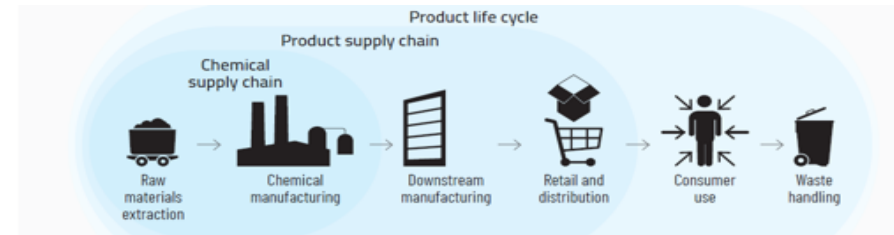
IPACKCHEM conducts Customer Satisfaction Surveys with all active customers. Customer satisfaction surveys are therefore regularly proposed to evaluate IPACKCHEM’s products and services. The 2017 survey highlighted the excellence of customer service (speed of processing, communication and reliability), the logistics service (respect of the deadlines) and the quality of the products. The customer satisfaction survey and other dialogues have promoted good and strong supplier and shareholder relationships supported by transparent reports provided regularly.

#### EASTERN EUROPE

##### Engagement with clients internationally

IPACKCHEM had the pleasure of meeting customers and prospects on its stand at the TAROPAK exhibition in Poznan (Poland) early October 2019. With this event, IPACKCHEM reaffirmed its growth strategy in Eastern Europe supported by its operations in Hungary and Russia.

#### SUPPLY CHAIN



##### Supply chain management

IPACKCHEM is committed to developing an extensive raw materials supply network to serve its customers. In Europe, through S&OP fully integrated in the management process, the Management Committee will continually achieve alignment to achieve better performance through a better anticipation of needs and results.

An internal evaluation of suppliers is provided each year to assess the level of IPACKCHEM satisfaction about products and services proposed. CSR criteria as well as Anti-Slavery will be inserted in 2020.

## DIALOGUE CHANNELS WITH OUR STAKEHOLDERS

STAKEHOLDERS	EXPECTATIONS	DIALOGUE
<b>Shareholders</b>	<ul style="list-style-type: none"> <li>Limit industrial risk</li> <li>Improve the reputation of the company in terms of quality</li> <li>Comply with environmental regulation</li> <li>Promote a short-term return on investment</li> <li>Ensure a calm social climate</li> <li>Anticipate and manage crisis</li> <li>Prevent and manage risks</li> </ul>	<ul style="list-style-type: none"> <li>Periodic meetings Shareholders / CEO and CFO IPACKCHEM Group Quarterly reviews CEO / CFO IPACKCHEM Group and Management IPACKCHEM SAS</li> </ul>
<b>Customers</b>	<ul style="list-style-type: none"> <li>Propose development partnerships</li> <li>Respect product standards and regulations</li> <li>Develop product safety</li> <li>Respect delivery times</li> <li>Offer products at competitive prices</li> <li>Value the environmental image</li> <li>Integrate more CSR in sourcing</li> </ul>	<ul style="list-style-type: none"> <li>Frequent meetings</li> <li>Assessment of customer satisfaction</li> <li>New Product Development Partnership</li> <li>Investigations and Technical Support for Claims</li> <li>Periodic quality assessments of IPACKCHEM by its customers</li> <li>Quality and environment audits by customers</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>Promote a favourable working environment</li> <li>Value the work carried out</li> <li>Offer more training</li> <li>Minimize nuisances (noise, emissions)</li> <li>Give attractive compensation conditions</li> <li>Leverage sustainability culture</li> </ul>	<ul style="list-style-type: none"> <li>Training and awareness of product quality</li> <li>Information on quality and environmental performance</li> <li>Awareness of the environment and the EMS</li> <li>CHSCT and social dialogue in the company by the EC</li> </ul>
<b>Suppliers and subcontractors</b>	<ul style="list-style-type: none"> <li>Propose a clear scope of works</li> <li>Value partnerships for innovation</li> <li>Foster fair financial conditions</li> <li>Inform about the solvency of the company</li> <li>Formalize requirements for production conditions</li> </ul>	<ul style="list-style-type: none"> <li>Contacts and Trade</li> <li>Provide Technical Support</li> <li>Periodic evaluation of the suppliers working on its premises by IPACKCHEM</li> <li>Safety-Environment Welcome Booklet and issuing work permits</li> </ul>
<b>Authorities</b>	<ul style="list-style-type: none"> <li>Promote transparency</li> <li>Provide measurement results and indicators</li> <li>Pay social security contributions, taxes and other taxes</li> <li>Respect labour legislation</li> <li>Develop local employment</li> </ul>	<ul style="list-style-type: none"> <li>Meetings or dialogue on the examination of mutual applications</li> </ul>
<b>Neighbours and local communities</b>	<ul style="list-style-type: none"> <li>Promote transparency</li> <li>Provide measurement results and indicators</li> <li>Pay social security contributions, taxes and other taxes</li> <li>Respect labour legislation</li> <li>Develop local employment</li> </ul>	<ul style="list-style-type: none"> <li>Response to relevant requests</li> <li>Implementation of noise measurements</li> </ul>
<b>Certification bodies</b>	<ul style="list-style-type: none"> <li>Comply with requirements, transparency, access to information</li> <li>Provide results and performance indicators</li> <li>Promote and participate in CSR initiatives</li> <li>Have the capacity to influence and train in the field of CSR</li> </ul>	<ul style="list-style-type: none"> <li>Trade Exchanges</li> <li>Assessment of customer satisfaction by certifying bodies</li> <li>Exchanges through audits</li> </ul>

## Our Key Performance Indicators

GRI	Indicators	Scope	Unit	2015	2016	2017	2018	2019	2023 OBJECTIVE
102-9	<b>Buyers trained on sustainable procurement</b>	Group	%	-	-	-	100%	100%	100%
102-9	<b>Suppliers assessed or audited on CSR issues</b>	Group	%	-	-	-	-	In Progress	
102-44	<b>Customer satisfaction (On-Time In-Full deliveries)</b>	Group	%	97%	90%	91%	93%	98%	95%
102-44	<b>Customers complaints per million of sold containers</b>	Group	ppm	1,44	1,91	1,9	1,88	1,53	1,5

### 3.3 Environmental Management

#### IPACKCHEM commits:

**To optimise environmental industrial impact on air, water and soil while sustainably improving competitiveness**

- Monitor and report on materials and water consumption and efficiency
- Manage effectively the use of resources in industrial processes
- Reduce waste going to landfill and increase recyclability
- Optimise product lifecycle management by promoting the reuse of certain materials

**To combat climate change by reducing energy consumption**

- Reduce and optimise energy consumption and use

#### Reducing environmental impacts

Industrial activities could generate air, water and soil pollution. IPACKCHEM is not a large user of natural resources but is mainly a user of HDPE, a product of oil refining. During the design, construction, operation and decommissioning of its operations, IPACKCHEM applies pollution prevention, control technologies and practices that are best suited to avoid or reduce impacts on human health and environment while remaining technically and financially cost effective. In 2011, IPACKCHEM embarked on an ambitious companywide initiative designed to reduce the environmental impacts of its operations, while sustainably improving the group's competitiveness:

- Reducing the weight of containers without compromising quality. Over the last 20 years, the weight of a 20-litre container has decreased by more than 50% from 2 to 0,95 kg.
- Encouraging production with sustainable raw materials.

#### Promoting a sound management of resources

Information and training are needed to ensure the sound management and the use of newly developed or existing chemicals used in new locations or applications. Targeted research and application of a precautionary approach are essential to protect human health and the integrity of ecosystems. IPACKCHEM implements an effective management of resources to monitor the consumption of raw materials and energy needed in the production process.

#### FRANCE

##### Resource efficiency

Since July 2019, we developed a partnership with a local company nearby our Saint Etienne Factory for the direct reuse of polluted regrind for component manufacturing. Normally this type of waste is sent to incineration for the production energy or is recycled overseas. Our partner is able to manufacture mandrels used in film extrusion from recycled materials (mixed PE/PA scrap from Coex, black spec regrinds, etc...). Trials have started in July to recycle unusable regrind flow bins that amounts to 5-10 tons/year.

#### FRANCE & HUNGARY

##### Reduction of energy consumption

IPACKCHEM has invested in new compressors to reduce energy consumption. In addition, scheduling manufacture is planned to optimise energy consumption.

Demand for water and other natural resources will grow along with massive population growth in the next decades. This will pressure society to reduce water and electricity usage and re-purpose materials such as packaging.

#### Water

Our objective is to optimize our water use in order to reduce our water consumption and preserve water quality throughout our manufacturing chain. To this end and as part of our drive for continuous improvement, we are investing in water knowledge and management.

#### FRANCE & UK

##### Rain surface water management

Hydrocarbon separators are installed for car & lorry parking in France and UK sites.

## Energy and Climate change

It will be necessary to do climate assessments to anticipate climate-related risks as well as changing government policies, product-preference shifts, and raw material price volatility. IPACKCHEM implements active measures to reduce energy consumption. To measure its progress, data is continuously collected.

In our plants, the lighting system of the production area is a low consumer of energy. When outside temperatures are low enough, IPACKCHEM uses a cost-free cooling system. So, energy is saved during this process as it avoids using industrial chillers.

### GROUP

#### Electric blow moulding machines

In its new operation in Brazil, IPACKCHEM decided to exclusively purchase electric blow moulding machines that consume less electricity than the traditional hydraulic machines. In France, the last 4 machines invested were also electric, as well as a recent investment in South Africa.

### FRANCE

#### Sustainable mobility

Since 2018, at its St Etienne operation, a new company vehicle policy is implemented for the replacement of leased cars by vehicles with emissions limited to 80g of CO<sub>2</sub>/km that represents possible savings of 11,3t CO<sub>2</sub> per year. All company vehicles are now selected to comply with the best environmental standard at the time of replacement. In 2019, three vehicles out of eight are low emissions and two more will be replaced by 2020, with an objective of savings of 45t CO<sub>2</sub> on the leasing duration.

### GROUP

#### Reduction of energy consumption

IPACKCHEM has modified pieces of equipment to adapt variable speed compressors in order to reduce energy consumption and noise generation.

### UK

#### Energy efficiency

A new chilled process water installation using energy efficient chiller with inverter driven pumps in combination with free-air cooler has been implemented to reduce energy consumption and fight against global warming.

### RUSSIA

#### Energy efficiency

During 2019 objectives review, new goals were set to improve electricity efficiency with concrete actions items to be performed by dedicated teams. Focus areas were defined: lighting, machines cooling system... Motion detectors were set up in order to light up administrative offices only during staff presence. In the production area, additional switches are now available to switch off specific areas that are not permanently used. The cooling system was changed to reduce the number of running engines thus avoiding over consumption of electricity. Around 3 700 kWh per tonne has been forecasted and the current energy efficiency is 3 000 kWh per tonne that represents a reduction of 19%.

### FRANCE

#### Carbon assessment

IPACKCHEM has scheduled a carbon assessment for one IPACKCHEM site in Q2 2019

## Biodiversity, fight against pollution and air quality

As a fluorination specialist, IPACKCHEM conforms with local regulations. With strategically-situated production facilities, IPACKCHEM's containers are manufactured locally aiming not to exceed shipping distance over 1000 km. A first carbon assessment will be made in France and this initiative will be duplicated in other countries.

IPACKCHEM will adapt to growing environmental pressures. An update of the Emergency Situations manual was undertaken to integrate potential environmental emergency cases. An Emergency Plan is aimed to help anticipate actions in case of any extreme event (earthquake, storm, flood).

Organisational units and employees are obliged to carry out their activities as described in the Plan and to take these requirements into account in the future.

Some measures:

- The lightning protection installation is regularly inspected.
- Annual control of grass samples is done around plant
- Fluorine in air and waste water is measured
- Periodic noise audits are conducted both inside and outside
- Soil testing has been carried out.



## GROUP

### Air Quality

Measurements are performed and recorded in each Group operation to strictly conform to local regulations

## UK

### Waste stream installation

IPACKCHEM has commissioned a QC Dye Test waste stream installation in July 2019. This involved the installation of a custom designed unit adjacent to the existing Test House. The solvent/dye waste from the test is automatically discharged through a closed loop system into IBC totes stored in a designated bunded holding area. The discharge is continually monitored with automatic pump switch on/off to ensure no fugitive VOC emissions.

## Product lifecycle management

Plastic is a key resource for circular economy and recycling is the preferred option for plastics waste. However, when recycling is not the most sustainable option, energy recovery is the alternative. Both options complement each other and exploit the full potential of plastics waste.

IPACKCHEM conducts regular environmental reviews of its manufacturing and industrial locations impacts. IPACKCHEM promotes in-mould fluorination technology since it reduces manufacturing impacts on the environment. With a mono-material structure, only chemically modified on its inner surface, this process allows full recycling of the packaging material. Working with its customers, IPACKCHEM strives to reduce the weight of containers through innovative extrusion functionalities, as well as studying reinforcement of the container wall structure. The company also seeks maximum material recoverability through its manufacturing practices and systems. The waste material is either re-used or sent to a sub-contractor that regrinds it for its reuse. Transit packaging materials, such as pallets, trays and shrink wrap, should also have a minimum material content and maximum reuse or recyclability.

IPACKCHEM reduces the use of dangerous and toxic products. All IPACKCHEM sites and employees are expected to operate in compliance with all applicable environmental laws and regulations. IPACKCHEM is engaged in third-party certification programmes.

## UK

### Reusable pallets

IPACKCHEM has introduced a pallet returnable scheme, whereby our pallet supplier collects the used pallets from our customer base, subjects them to an inspection process before return to IPACKCHEM for re-use, thereby reducing the packaging waste impact of our business. The scheme also relies on customer co-operation. To date, the scheme is established with 5 of our major customers with an 88% return rate on pallets.

## Our Key Performance Indicators

GRI	Indicators	Scope	Unit	2015	2016	2017	2018	2019	2023 OBJECTIVE
301-2	HDPE resource efficiency	Group	%	98,9%	97,9%	97,3%	97,3%	98,4%	98,0%
302-1	Energy consumed	Group	KWh				32 110 824	32 082 892	
302-1	Electrical Consumption efficiency	Group	KWh/produced tonnes	1 848	1 855	1 841	1 839	1 873	1800
302-4	Production of renewable energy (solar, wind, biomass,)	Group	% of total energy					In Progress	
302-4	Purchasing of renewable energy	Group	% of total energy					In Progress	
303-1	Water withdrawn	Europe	M3 /produced tonne	0,25	0,3	0,25	0,29	0,29	0,25
305-1	Emissions - Gross global Scope 1	Group	Metric tonnes CO2					in progress	
305-1	Emissions - Gross global Scope 1	Group	CO2 intensity					in progress	
305-1	Emissions - Gross global Scope 2	Group	Metric tonnes CO2					in progress	
305-1	Emissions - Gross global Scope 2	Group	CO2 intensity					in progress	
305-3	CO2 emissions from scrubber	France	Tons	3,5	3,6	5,3	5,1	4,5	
305-7	Fluorine emissions (from scrubber)	France	ppm	0,46	0,38	0,26	0,84	1,34	<4
306-2	Collected Hazardous waste	Group	ppm	790	1 174	1 016	1 415	In progress	600
308-1	New suppliers that were screened using CSR criteria	Group	Number and %	0	0	0	0	in Progress	100%



### 3.4 Sustainable Innovation and Sourcing

**IPACKCHEM commits to applying new technological solutions to foster sustainable innovation**

- Create packaging solutions with an integrated sustainability approach
- Fulfil all regulatory requirements for the transport of dangerous goods

In-mould fluorination is an environmentally friendly technology as the process is classified as a reused waste stream and has no ozone depletive properties. Fluorine gas has zero global warming potential and no atmospheric lifetime.

#### **Why in-mould fluorination for rigid plastic containers?**

In-mould fluorination is recognised by the market as a superior barrier technology as

- It uses HDPE, a widely available polymer
- Barrier is formed by a chemical modification of the inner surface only
- The molecular level of in-mould fluorination enables 100% recyclability as standard HDPE
- In-mould fluorination provides bi-directional barrier to substance migration
- In-mould fluorination is a continuous production process ensuring dimensional and visual consistency.

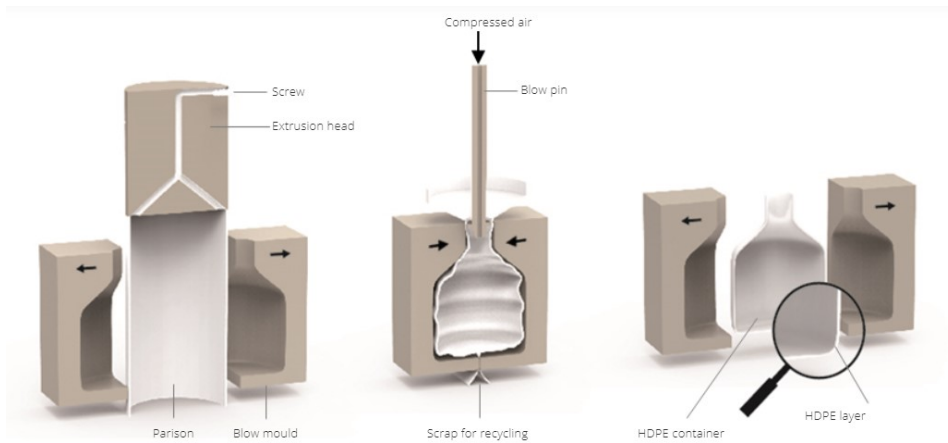
See [chapter 2.1 Market positioning & outlook](#)

UK

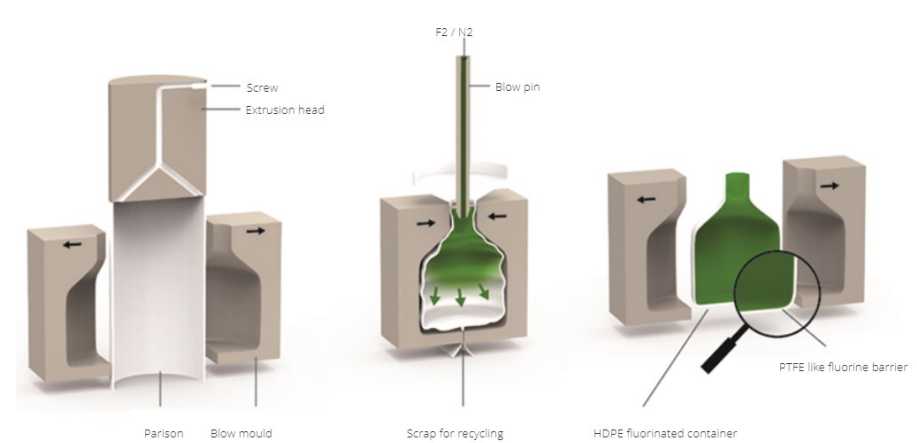
#### 30 litre fluorinated HDPE stackable unit



IPACKCHEM introduced an FDA approved 30 litre fluorinated HDPE 100% recyclable stackable unit to respond to customers' requests for a larger capacity 30 Litre container. This enables some lower density products to be packaged to a specific product weight. Replacing traditional steel, tinplate or glass packaging with fluorinated HDPE offers significant technical and commercial benefits including lower transportation weight and reduced potential for container damage and breakage. The range of containers (6-30L) are specifically aimed at packaging more aggressive chemical and food flavour products, minimising product permeation, migration & container panning which can occur when using a non-barrier plastic container. With both UN Group II and BRC AA rated packaging certification as standard, the whole range of high-performance rigid plastic containers are available from either a direct channel or distributor network.



Manufacture of High Density Polyethylene bottles and jerrycans.



Introduction of carefully controlled levels of fluorine during HDPE extrusion blowing process to create a PTFE like (Polytetrafluoroethylene) barrier.

### Our Key Performance Indicators

GRI	Indicators	Scope	Unit	2015	2016	2017	2018	2019	2023 OBJECTIVE
301-2	Recycled input materials used	France	Recycled input materials/input materials used				2,60%	2,60%	
301-2	Raw materials purchased that are recycled materials	Group	%					in Progress	

## 3.5 Human Capital Development

### **IPACKCHEM commits to:**

**Protecting the health and well-being of its employees and of the populations living in the surroundings.**

**Developing employee skills and increase their engagement**

- Enhance the skills of employees
- Promote labour right and human rights within the company
- Make the employees more engaged through participative management.

**Supporting the principles of equal opportunities at work**

- Promote women in management positions
- Promote diversity and non-discrimination at the workplace.

### **Occupational health of workers**

In all its plants, IPACKCHEM undertakes to provide the highest level of safe working conditions for its employees, as well as external service providers. All risks are identified, prioritised and minimised in each category through either monitoring processes, good practices, exceptional facility and equipment maintenance, as well as an annual risk prevention programme. 80% of the training sessions held are linked to the subject matter of Health and Safety in the workplace. Hygiene and Security Committees meet several times a year. A comprehensive welcome booklet detailing health and safety aspects at work is distributed to all employees.

Irrespective of sites, IPACKCHEM wishes to offer good working conditions to its employees by making efforts to reduce noise. Dedicated and regulated zone for the manipulation of chemical products are defined in each plant so as to minimize exposure of the Quality staff, all receiving training on the hazardous nature of these products.

Those chemicals are used to simulate the customer products that will be filled in IPACKCHEM containers, to ensure optimum product barrier quality. Newer electrical machines are gradually being installed thus not only reducing power consumption but also improving working conditions through noise reduction. Since 2014, a welcome brochure Safety & Environment is circulated to all external service providers to introduce behavioural guidance at the factory and inform on safety instructions. IPACKCHEM is happy and proud of the long

service of a great number of its employees. Employees can expect to receive a good level of flexibility to enable them to manage their work/life balance.

### **Health for surrounding communities**

The sound management of chemicals and waste plays an important role in avoiding and minimizing risks posed by harmful chemicals on human health, in particular that of vulnerable populations. IPACKCHEM is committed to prevent any risk during the manufacturing process that could have a damage to air, water and soil and strictly conforms to all local regulations.

### **Human capital management and engagement**

IPACKCHEM makes its employees more engaged through a participative management. Employee satisfaction surveys are carried out every three years in its factories. IPACKCHEM enhances the skills of its employees through development programmes as well as continuous on the job training. Professional assessment and performance interviews are carried out regularly. Compensations are annually reviewed according to internal promotion/relocation to a change of position or to completion of an agreed training programme. Employee incentive programs are used to encourage performance.

### **Diversity and non-discrimination**

IPACKCHEM is committed to and supports the principle of equal opportunities at work, as outlined in the IPACKCHEM Business Ethics Programme. IPACKCHEM preserves a healthy and positive atmosphere at work. IPACKCHEM fights against discrimination linked to age, gender, sexual orientation, transgender, religion, disability, colour or ethnic background. IPACKCHEM guarantees an equal remuneration package between men and women at the recruitment stage. In its countries of operation, IPACKCHEM communicates information about its business openly with all employees on a regular basis including team briefing and presentations.

## BRAZIL

### Promoting Human Capital development



- Development of I.T.C. – IPACKCHEM Training Center
- IPACKCHEM has developed a partnership with a local University and price reductions are offered to all IPACKCHEM employees willing to register to University training sessions. Employees are encouraged to continuously develop their skills and expertise to respond to the market's needs.

## UK

### Compliance with the site's Hygiene Code of Practice

Some of the items IPACKCHEM manufactures are supplied as direct food contact packaging. The Group therefore operates under the requirements of the BRC Packaging Standard which requires high standards of personal hygiene and cleanliness. All employees and visitors entering the production and storage areas must therefore comply with the site's Hygiene Code of Practice which will be issued annually. As part of the Hygiene's COP, some restrictions apply to all staff working in production and storage areas (hairnets are to be worn, no perfume or aftershave...)

## FRANCE

### Encouraging professional training

In 2017-2018, an experienced team leader from the Saint-Etienne production workforce went on a course to qualify and obtain an external certification (CQP) recognised in the plastics industry in France (Centre Technique Industriel de la Plasturgie). The working hours have been adapted to allow him to follow the courses and he has been mentored by the production manager during his training. He obtained the certificate in June 2018. This experience is now an example for other employees and will be duplicated.

In 2018-2019, we launched an ambitious training program aimed at rebuilding the skills pool. More than 10 operators have been trained in quality control and process configuration and for others, training is on-going. To ensure the best level of skills adapted to our activities, we develop our own internal training model and IPACKCHEM has successfully implemented 4 new technological production lines in 4 years. This training program is necessary to prepare our talents to evolve towards higher responsibilities.

## BRAZIL

### Recruitment of female workers

A priority has been given to hire preferably women as packers. In 2018, at the start of the operation of machine 04, the production workforce of IPACKCHEM Brazil only consisted of men. As of January 2019, we began to hire female workers on the shop floor. By the end of 2019, the production team included six women. Four additional women work in administrative functions consequently raising our female workforce to 20%.

## Our Key Performance Indicators

GRI	Indicators	Scope	Unit	2015	2016	2017	2018	2019	2023 OBJECTIVE
102-41	% of employees covered by collective bargaining agreements or by an employee representative body	Group	%	80%	80%	67%	67%	67%	
102-8	Employees - Permanent employment contract	Group	Number	189	318	344	378	390	900
102-8	Employees - Temporary workforce (contract or external)	Group	Number	21	47	47	36	25	80
102-8	Employees – Total Permanent + Temporary	Group	Number	210	365	391	414	415	980
401-1	Employees in management positions	Group	Number	25	37	38	39	47	
401-1	Men (permanent)	Group	%	82%	86%	87%	86%	81%	70%
401-1	Women (permanent)	Group	%	18%	14%	13%	14%	19%	30%
401-1	Men in management positions	Group	%	80%	84%	84%	85%	81%	80%
401-1	Women in management positions	Group	%	20%	16%	16%	15%	19%	30%
401-1	Turnover (permanent)	Group	%	15%	11%	12%	14%		
401-2	Employees covered by social benefits	Group	%	100%	100%	100%	100%	100%	
403-1	Plants with Health and Safety manager or health and safety committees	Group	%	67%	80%	100%	83%	100%	
403-10	Accident frequency rate (Occupational accidents arisen during a period of 12 months by one million hours worked)	Group	Ratio					In progress	
403-10	Lost time severity rate (permanent) (Days lost due to injuries / 1,000 / Hours worked)	Group	Ratio				0,458	In progress	
403-2	Absenteeism (permanent)	Group	%	3,6%	4,7%	3,7%	3,4%	4,8%	2,5%
403-2	Lost hours by safety accidents (permanent)	Group	Number	322	483	304	2422	2664	1000
403-8	Employees covered by a certified health and safety management system (ISO 45001 / OHSAS 18001)	Group	%				0-20%	66,7%	
403-9	Lost time injury rate (permanent) (Lost time injury events X 100,000 / Hours worked)	Group	Ratio				3,778	In progress	
404-1	Average hours of safety training per year and employee (permanent)	Group	Number	11	12	18	26	31	24
404-1	Employees at risk with valid hazardous products training	Group	%	80%	84%	84%	89%	100%	100%

### 3.6 Customer Product Stewardship

**IPACKCHEM commits to ensuring a high level of security for its products and scrupulously fulfil all regulatory requirements for the transport of dangerous goods**

- **Optimising lifecycle management**
- **Promoting the reuse of materials**
- **Developing the ecological packaging product offer and offer eco-premium packaging solutions**
- **Increasing the use of bio-sourced raw materials or alternative HPDE that are produced locally.**

#### **Product safety**

All its facilities are accredited ISO 9001 and all employees work to common quality standards and systems. IPACKCHEM provides professional advice and recommendations on packing and storing hazardous chemicals, as well as meeting UN Regulations for the carriage of dangerous goods. The UN certification is available for its products and in the UK, IPACKCHEM is in full compliance with BRC and EU food packaging requirements.

IPACKCHEM provides information to customers on the safety of products and raw materials, including evidence to support claims (where requested). All complaints are analysed with immediate confirmation and feedback to customers in a written report.

IPACKCHEM listens to its customer preferences and proposes appropriate options:

- Closures are available in a full range of sizes and options include tamper-evident and child resistant features as well as a variety of liner styles including breather, standard or induction heat-seal.
- Barcoding: bottles and containers can incorporate specific barcodes to aid product identification if required
- Decoration: IPACKCHEM offers a full range of paper-based products including self-adhesive labels, leaflet-labels, sleeves, product information booklet and silk screen printing.

#### **BRAZIL**

##### **Bio-based packaging**

Since 2016, IPACKCHEM Brazil is promoting packaging produced with a renewable raw material sourced in Brazil. Today the bio-based “Green” packaging products are manufactured with renewable polyethylene derived from sugarcane. The later is used for 100% of the containers sold to one of our largest multinational customers in Brazil. In 2019, 25% of all containers sold by IPACKCHEM in Brazil were bio-sourced.

#### **ISO Certifications**

ISO International Standards ensure that products and services are safe, reliable and of good quality. For business, they are strategic tools that reduce costs by minimizing waste and errors and increasing productivity. They help companies to access new markets, level the playing field for developing countries and facilitate free and fair global trade. IPACKCHEM’s manufacturing facilities around the globe are already - or in the process of - being certified

- **ISO 9001:2015 – Quality Management**
- **ISO 14001:2015 - Environmental Management**
- **ISO 45001:2018 – Health and Safety Management**
- **BRC certified** (The BRC Global Standard for Packaging and Packaging Materials is a food standard for manufacturers and suppliers of packaging used for retailer own branded products that have an obligation to implement appropriate systems and controls to ensure packaging suitability).

#### **UK**

##### **ISO 14001**

The ISO 14001 certification for IPACKCHEM Crewe was gained in November 2019. This was achieved after the development of our Environmental Management System which was integrated into our existing Quality and Food Safety Management System. The process has facilitated review and optimisation of all process waste streams, enhanced the focus on Environmental objectives and provided documented Environmental Monitoring and Control Procedures, documented compliance with Environmental Legislation and significant upgrade of our Emergency Response Plans.

## Factory certifications

Countries	ISO 9001	ISO 14001	ISO 45001
France	2002 1994 (ISO 9002)	2016 FDX 30-205 (2014)	2019
UK	2002 2012 BRC certification	2019	-
Brazil	2017	2017	2018
Hungary	2008	2013	2019
South Africa	2016	2019	2019
Russia	2019	By 2020	-

## Our Key Performance Indicators

GRI	Indicators	Scope	Unit	2015	2016	2017	2018	2019	2023 OBJECTIVE
301-2	HDPE resource efficiency	Group	%	98,90%	97,90%	97,30%	97,30%	98,4%	98,00%
301-2	Raw polymer from bio-sourcing	Group	%	NA	NA	0,5%	2,5%	3,5%	10%
307-1	ISO 14001 Certified sites	Group	Number	1	2	2	4	5	-
307-1	ISO 14001 Certified sites	Group	%	25%	40%	40%	67%	83%	100%
307-1	ISO 45001 certified countries	Group	Number	0	0	0	1	4	-
307-1	ISO 45001 certified countries	Group	%	0%	0%	0%	17%	67%	100%
307-1	ISO 9001 certified sites	Group	Number	3	5	5	6	6	-
307-1	ISO 9001 certified sites	Group	%	75%	100%	100%	100%	100%	100%
416-2	Recalls of products	Group	Metric tonnes	0	0	0	0	0	0

### 3.7 Contribution to Society

**IPACKCHEM commits to playing a key responsible role where it operates.**

Given the nature of its products, IPACKCHEM encourages LOCAL PRODUCTION FOR LOCAL NEEDS. IPACKCHEM contributes to local development by its activities in the countries where the company is established through a direct contribution to the economic development (local recruitment, local sourcing and financial assistance).

All these actions make IPACKCHEM a true economic stakeholder. In each of its operations, IPACKCHEM favours local partners for the purchase of production materials (pallets, cardboard, maintenance products...). At IPACKCHEM, we are proud of the broader economic contribution we make to society, part of which takes the form of taxes paid to government. In 2017, overall, this represents 3% of our sales.

In addition, we have assessed that for 1 direct job created within the company, 1 additional indirect job is created outside the company.

#### SOUTH AFRICA

##### BBBEE certification

IPACKCHEM South Africa is BBBEE certified (Broad-Based Black Economic Empowerment). IPACKCHEM is donating 1% of our NPAT (Net Profit After Tax) to Social Economic Development as part of our BBBEE strategy as well as 3%

of our NPAT to sustain Enterprise Development. IPACKCHEM is driving skills development through learnerships to both abled and disabled South Africans. Together with social economic development, donations and with these learnerships IPACKCHEM has been able to achieve BBBEE certification.

#### FRANCE

##### Responsible purchasing policy

IPACKCHEM is in favour of a responsible choice of purchase. One of its action levers is its policy for disabled people, requiring assistance with an ESAT (a Public Disabled People Workshop). IPACKCHEM sub-contracts some of its administrative and packing tasks to them.

#### BRAZIL / FRANCE / UK / SOUTH AFRICA

##### Donations

IPACKCHEM makes a financial donation to various charity organisations. Finally, IPACKCHEM also supports the local community distributing plastic containers to store water during droughty conditions. IPACKCHEM supports employees' individual fundraising efforts

GRI	Indicators	Scope	Unit	2015	2016	2017	2018	2019	2023 OBJECTIVE
201-1	Taxes paid locally	Group	M€	1,6	2	1,9	1,9	2,1	
204-1	Sales with regional deliveries	Group	%	95%	95%	94%	95%	97%	98%
413-1	Jobs generated from our activities	Group	Ratio external employee / internal Employee	1,00	1,00	1,00	1,00	1,00	1,00



## IV. REPORTING PROTOCOL

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### 4.1 Reporting methodology

IPACKCHEM reported its CSR results for the time in 2017. In order to show its progress, IPACKCHEM presents the annual values over the past 3 years. The latest published report is dated in December 2019.

The report “2019 Integrated Report” describes the progress and results of financial and responsibility work from July 2018 to June 2019.

IPACKCHEM reports on its corporate responsibility actions in accordance to the GRI principles for reporting on sustainable development. The “2019 Integrated Report” is a GRI report prepared in accordance with the GRI 2016 and 2018 standards: Core option.

The “2019 Integrated Report” covers the key areas of economic, social and environmental responsibility. Topic-specific Standards are reported with respect

to the material topics for IPACKCHEM. For each reported standard, the GRI content index refers to the corresponding section.

IPACKCHEM has taken account of the ISO 26000 standard as a source document providing guidelines for corporate responsibility. The report is available in English, and it is published online.



MATERIALITY-Reporting, GRI DATA PARTNER for France and accredited as GRI expert, made a check of the present report according to both GRI Standards reporting principles and the United Nations Sustainable Development Goals.

## 4.2 GRI index

IPACKCHEM reports on its corporate responsibility actions in accordance to the (GRI) principles for reporting on sustainable development.

A GRI content index is prepared in accordance with the GRI 2016 standards: Core option.

GRI STANDARD	DISCLOSURE	DESCRIPTION	LOCATION IN THE 2019 INTEGRATED REPORT or OMISSION
GRI 101: FOUNDATION 2016			
GRI 102: GENERAL DISCLOSURES 2016			
<b>Organizational profile</b>			
102-1	Name of the organization		Cover - page 1
102-2	Activities, brands, products, and services		I. IPACKCHEM - pages 3-7
102-3	Location of headquarters		I. IPACKCHEM - pages 3-7
102-4	Location of operations		I. IPACKCHEM - pages 3-7
102-5	Ownership and legal form		I. IPACKCHEM - pages 3-7
102-6	Markets served		I. IPACKCHEM - pages 3-7
102-7	Scale of the organization		I. IPACKCHEM - pages 3-7
102-8	Information on employees and other workers		3.6 Human Capital Development - pages 27 - 29
102-9	Supply chain		3.2 Dialogue with our Stakeholders - pages 19 - 20
102-10	Significant changes to the organization and its supply chain		3.2 Dialogue with our Stakeholders - pages 19 - 20
102-11	Precautionary Principle or approach		3.1 Good Corporate Governance and Ethics - pages 13 - 18
102-12	External initiatives		I. IPACKCHEM - pages 3-7
102-13	Membership of associations		I. IPACKCHEM - pages 3-7
<b>Strategy</b>			
102-14	Statement from senior decision-maker		I. IPACKCHEM - page 3
<b>Ethics and integrity</b>			
102-16	Values, principles, standards, and norms of behaviour		3.1 Good Corporate Governance and Ethics - pages 13 - 18
<b>Governance</b>			
102-18	Governance structure		3.1 Good Corporate Governance and Ethics - pages 13 - 18
<b>Stakeholder engagement</b>			
102-40	List of stakeholder groups		II. OUR CSR STRATEGY - pages 8 - 12
102-41	Collective bargaining agreements		3.6 Human Capital Development - pages 27 - 29
102-42	Identifying and selecting stakeholders		II. OUR CSR STRATEGY - pages 8 - 12
102-43	Approach to stakeholder engagement		3.2 Dialogue with our Stakeholders - pages 19 - 20
102-44	Key topics and concerns raised		II. OUR CSR STRATEGY - pages 8 - 12
<b>Reporting practice</b>			
102-45	Entities included in the consolidated financial statements		IV. REPORTING PROTOCOL - pages 30 - 32
102-46	Defining report content and topic Boundaries		II. OUR CSR STRATEGY - pages 8 - 12
102-47	List of material topics		II. OUR CSR STRATEGY - pages 8 - 12
102-48	Restatements of information		IV. REPORTING PROTOCOL - pages 33 - 38
102-49	Changes in reporting		IV. REPORTING PROTOCOL - pages 33 - 38
102-50	Reporting period		IV. REPORTING PROTOCOL - pages 33 - 38
102-51	Date of most recent report		IV. REPORTING PROTOCOL - pages 33 - 38
102-52	Reporting cycle		IV. REPORTING PROTOCOL - pages 33 - 38
102-53	Contact point for questions regarding the report		IV. REPORTING PROTOCOL - pages 33 - 38
102-54	Claims of reporting in accordance with the GRI Standards		IV. REPORTING PROTOCOL - pages 33 - 38
102-55	GRI content index		IV. REPORTING PROTOCOL - pages 33 - 38
102-56	External assurance		No external verification - no regulatory obligation

<b>GRI 200-300-400: TOPIC-SPECIFIC GRI STANDARDS 2016</b>			
<b>GRI 200: ECONOMIC STANDARDS</b>			
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundary	II. OUR CSR STRATEGY - pages 8 - 12
	103-2	The management approach and its components	III. OUR POLICIES AND OUR PERFORMANCE - pages 12 - 29
	103-3	Evaluation of the management approach	III. OUR POLICIES AND OUR PERFORMANCE - pages 12 - 29
<b>ECONOMIC PERFORMANCE</b>			
GRI 201: Economic performance 2016	201-1	Direct economic value generated and distributed	Not yet calculated
<b>PROCUREMENT PRACTICES</b>			
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	3.9 Contribution to Society - page 32
<b>ANTI-CORRUPTION</b>			
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	3.1 Good Corporate Governance and Ethics - pages 13 - 18
	205-2	Communication and training about anti-corruption policies and procedures	3.1 Good Corporate Governance and Ethics - pages 13 - 18
<b>GRI 200: ENVIRONMENTAL STANDARDS</b>			
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundary	II. OUR CSR STRATEGY - pages 8 - 12
	103-2	The management approach and its components	III. OUR POLICIES AND OUR PERFORMANCE - pages 12 - 29
	103-3	Evaluation of the management approach	III. OUR POLICIES AND OUR PERFORMANCE - pages 12 - 29
<b>MATERIALS</b>			
GRI 301: Materials 2016	301-1	Materials used by weight or volume	3.4 Sustainable Innovation and Sourcing - pages 25 - 26
	301-2	Recycled input materials used	3.4 Sustainable Innovation and Sourcing - pages 25 - 26
	301-3	Reclaimed products and their packaging materials	3.4 Sustainable Innovation and Sourcing - pages 25 - 26
<b>ENERGY</b>			
GRI 302: Energy 2016	302-1	Energy consumption within the organization	3.3 Environmental Management - pages 19 - 21
	302-4	Reduction of energy consumption	3.3 Environmental Management - pages 19 - 21
<b>WATER</b>			
GRI 303: Water 2016	303-1	Water withdrawal by source	3.3 Environmental Management - pages 19 - 21
<b>EMISSIONS</b>			
GRI 305: Emissions 2016	305-5	Reduction of GHG emissions	In progress
<b>EFFLUENTS AND WASTE</b>			
GRI 306: Effluents and Waste 2016	306-2	Waste by type and disposal method	3.3 Environmental Management - pages 19 - 21
	306-4	Transport of hazardous waste	3.7 Customer Product Stewardship - pages 30 - 31
<b>GRI 400: SOCIAL STANDARDS</b>			
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundary	II. OUR CSR STRATEGY - pages 8 - 12
	103-2	The management approach and its components	III. OUR POLICIES AND OUR PERFORMANCE - pages 12 - 29
	103-3	Evaluation of the management approach	III. OUR POLICIES AND OUR PERFORMANCE - pages 12 - 29
<b>EMPLOYMENT</b>			
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	3.6 Human Capital Development - pages 27 - 29
<b>OCCUPATIONAL HEALTH AND SAFETY</b>			
GRI 403: Occupational Health and Safety 2016	403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	3.6 Human Capital Development - pages 27 - 29
<b>TRAINING AND EDUCATION</b>			
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	3.6 Human Capital Development - pages 27 - 29
	404-2	Programs for upgrading employee skills and transition assistance programs	3.6 Human Capital Development - pages 27 - 29
<b>DIVERSITY AND EQUAL OPPORTUNITY</b>			
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	3.6 Human Capital Development - pages 27 - 29
<b>CHILD LABOR</b>			
GRI 408: Child Labour 2016	408-1	Operations and suppliers at significant risk for incidents of child labour	3.1 Good Corporate Governance and Ethics - pages 13 - 18

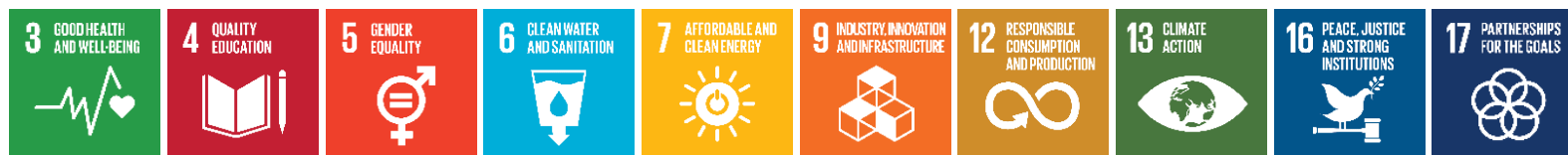
<b>FORCED OR COMPULSORY LABOR</b>			
GRI 409: Forced or Compulsory Labour 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	3.1 Good Corporate Governance and Ethics - pages 13 - 18
<b>HUMAN RIGHTS ASSESSMENT</b>			
GRI 412: Human Rights Assessment 2016	412-1	Operations that have been subject to human rights reviews or impact assessments	3.1 Good Corporate Governance and Ethics - pages 13 - 18
<b>LOCAL COMMUNITIES</b>			
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	3.9 Contribution to Society - page 32
<b>PUBLIC POLICY</b>			
GRI 415: Public Policy 2016	415-1	Political contributions	3.1 Good Corporate Governance and Ethics - pages 13 - 18
<b>CUSTOMER HEALTH AND SAFETY</b>			
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	3.7 Customer Product Stewardship - pages 30 - 31
<b>MARKETING AND LABELING</b>			
GRI 417: Marketing and Labelling 2016	417-1	Requirements for product and service information and labelling	3.7 Customer Product Stewardship - pages 30 - 31

### 4.3 Glossary

Bio-based plastics	Materials made from biological and renewable resources such as grain, corn, potatoes, sugar beet, sugar cane or vegetable oils
Biodegradable plastics	Materials that are degraded by microorganisms into water, carbon dioxide (or methane)
BRC Certification	Industry-wide benchmark for Quality and Food Safety in the UK
Co-extrusion	Process of combining the extrusion of multiple layers of often different materials through the same die into a single extrusion. During the extrusion blow moulding process, a barrier resin (Nylon or EVOH) is combined with HDPE through the use of tie layer(s).
EVOH	Ethyl Vinyl Alcohol
IIRC	International Integrated Reporting Council
Fluorination	Introduction of carefully controlled levels of fluorine during HDPE extrusion blowing process to create a PTFE like fluorinated barrier layer.
PA	PolyAmide
GRI	Global Reporting Initiative
PET	PolyEthylene Terephthalate
PFTE	Polytetrafluoroethylene, equivalent to Teflon™
PPM	Parts-per-million, 10 <sup>-6</sup>
Preform	Injection moulded article where the neck finish is in its final form and the body section can be later transformed into the final container
Resin	HDPE and PET, raw material purchased
S&OP	Sales and Operations planning
SDGs	Sustainable Development Goals
UN (O)	United Nations (Organisation)
UNGC	United Nations Global Compact

## 4.4 UN Global Compact and SDGs index

IPACKCHEM Group has defined strategic goals that support the SDGs targets and apply at all geographies. IPACKCHEM directly contributes to the achievement of 10 strategic Sustainable Development Goals.



SUBJECT MATTER	PRINCIPLE	Support documents
Human Rights	Businesses should support and respect the protection of internationally proclaimed human rights	Business Ethics Programme 2019 INTEGRATED REPORT – pages 15-18
	Businesses should make sure that they are not complicit in human rights abuses	
Labour Standards	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	Business Ethics Programme 2019 INTEGRATED REPORT – pages 27-29
	Businesses should uphold the elimination of all forms of forced and compulsory labour	
	Businesses should uphold the effective abolition of child labour	
	Businesses should uphold the elimination of discrimination in respect of employment and occupation	
Environment	Businesses should support a precautionary approach to environmental challenges	Business Ethics Programme 2019 INTEGRATED REPORT – pages 21-24 / 30-31
	Businesses should undertake initiatives to promote greater environmental responsibility	
	Businesses should encourage the development and diffusion of environmentally friendly technologies	
Anti-Corruption	Businesses should work against corruption in all its forms, including extortion and bribery	Business Ethics Programme 2019 INTEGRATED REPORT – pages 15-18

## 4.5 Publications

### 2017 Integrated and Sustainability Report

Our report features all aspects related to IPACKCHEM' sustainable approach.

To ensure a good understanding by every employee or stakeholder of the Group, a Digest (*executive summary of the report*) is available in 7 languages: English, French, Portuguese, Russian, Hungarian, German, Chinese

### 2018 contribution to the 2030 Agenda of SDGs report

It highlights the major & recent evolutions from 2017 in relation with the UN Sustainable Development Goals.

All publications available at [www.ipackchem.com](http://www.ipackchem.com)

## 4.6 Contacts



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### ENVIRONMENTAL NOTE

Corporate responsibility is at the core of practices in terms of communication. IPACKCHEM globally commits to:

- o Improving its environmental performance
- o Reducing its carbon footprint
- o Making responsible use of natural resources
- o Eliminating all negative impacts of its activities on threatened forests In line with the engagement.

We recommend to print this document on certified paper PEFC/FSC or on paper made from 100% post-consumer recycled fibre. IPACKCHEM encourages electronic circulation.