



**SUSTAINABILITY  
REPORT  
2020**

# CONTENTS PAGE

- PRESENTATION OF THE COMPANY	3
- VALUE, VISION, AMBITIONS	
- THE VALUE WE CREATE	6
- OUR VISION FOR BENVIC	8
- DIVERSITY AND INCLUSION	12
- OUR AMBITIONS	14
- OUR COMMITMENT TO THE SDGs*	19
- BENVIC'S SIX PLEDGES FOR STAKEHOLDERS	
- CREATE LASTING RELATIONSHIPS WITH OUR CUSTOMERS	23
- TAKE CARE OF OUR EMPLOYEES	29
- RESPECT THE PLANET	37
- CREATE VALUE TOGETHER WITH INVESTORS	43
- PROMOTE RESPONSIBLE PROCUREMENT WITH OUR SUPPLIERS	47
- WORK WITH LOCAL COMMUNITIES	51
- A NOTE ON INDICATORS AND CORRESPONDANCE TABLES	54

\* Sustainable Development Goals



# PRESENTATION OF THE COMPANY

Founded in 1963 as a subsidiary of Solvay, Benvic develops, produces and markets highly customized, innovative thermoplastic solutions in the form of powders, compounds and components that are utilized across a wide range of rigid and flexible end-applications across a number of industries, including construction, packaging, automotive and medical, to offer its customers.

Headquartered in Chevigny (France) with production facilities in France, Italy, Spain, UK and Poland, the company is Europe's leading PVC compounder.

In 2017 Benvic entered an expansive phase that continues to the present day, based on rational and sustained innovation, to offer its customers a wide range of PVC & non-PVC-based polymer compounds tailored to their specific needs.

Our organization has evolved to promote unique businesses and synergies, and position the best interest of our customers, partners and employees at the center of our growth plan.

## *Our products:*

We produce thermoplastic solutions sold in more than 50 countries:

- PVC compounds and premixes (PVC flexible and rigid, stabilizer, alloys);
- Techno-polymers and biopolymer-based solutions;
- Medical PVC & components.

## *Our countries of operation:*



## MESSAGE FROM THE CEO

2020 has been a year like no other, one of the most challenging in recent times, and Covid-19 continues to affect our lives and livelihoods.

Throughout the year, Benvic Group made the protection of all its employees as well as its customers and suppliers an absolute priority.

Thanks to the outstanding commitment of its employees, Benvic Group has traversed this crisis in the best possible condition and has even grown stronger. After demonstrating its resilience over a year, our medical division was strengthened with the acquisition of Luc & Bel, a medical company which uses state-of-the-art production technologies to offer a range of high quality medical products and equipment.

Driven by the strength of its strategic choices and a determined dynamic throughout the year, Benvic Group has adapted to this unprecedented context, accelerated all of its transformations and demonstrated its agility and resilience.

Our sustainability strategy, as described in our first report published in 2019, remains focused on improving the environment for future generations and is founded on our commitments to respect human rights and ensure responsible business practices across our markets.

Luc Mertens, CEO



## *Our plants:*

### PVC & ENGINEERING POLYMERS

-  → BENVIC Chevigny-Saint-Sauveur
-  → BENVIC EREPLAST Porcieu Amblagnieu
-  → BENVIC Montornès del Vallès
-  → BENVIC Ferrara
-  → BENVIC DUGDALE Sowerby Bridgge
-  → BENVIC Alfa PVC Witkowo

### MEDICAL

-  → BENVIC MODENPLAST MEDICAL Ubersetto
-  → BENVIC LUC & BEL Carpi (excluded from this report)





# VALUE, VISION, AMBITIONS, COMMITMENTS



# THE VALUE WE CREATE

ENTITIES INCLUDED IN THE SCOPE OF THIS REPORT ARE:  
 BENVIC CHEVIGNY-SAINT-SAUVEUR, BENVIC EREPLAST, BENVIC FERRARA, BENVIC MONTORNÈS DEL VALLÈS, BENVIC ALFA PVC, BENVIC DUGDALE PVC, BENVIC MODENPLAST MEDICAL  
 HOLDING - BENVIC GROUP, BENVIC BE, BENVIC GER

## BENVIC'S MISSION

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

## THREE PILLARS



## STRONG RESOURCES

- €224m of sales (€222m ESG scope)
- €7m of investments

- Cutting-edge technologies for the production of PVC, particularly using recycling
- €3m spent on R&D

- 429 employees (Full Time Equivalent)
- €1m spent on preventive HSE

- 47.907 MWh of electricity consumption
- 13% of energy/operational cost
- 14% renewable electricity
- 16.126 m<sup>3</sup> of water consumed

- 5 main suppliers of key raw materials and a highly diversified portfolio of additives



## ... CREATING VALUE

- Rates of growth, sales and margins higher than the growth of the PVC market

- More than 3,000 formulations
- About thirty technical experts
- 99% of waste recycled internally

- An absenteeism rate of 3%
- Voluntary turnover 4%
- 1 work-related accident
- 96% permanent employees

- 4 sites certified ISO 14001 (equivalent)
- 2 sites certified ISO 50001
- 0 environmental incident
- 0.9 mtCO<sub>2</sub>e emissions (scopes 1, 2 & 3)

- More than 90% of revenues in 2020 were generated from long-term customers

# THE VALUE WE CREATE

Benvic designs, manufactures and delivers the right product with just the right properties – optimising the environmental footprint and thus creating value for all through the supply chain.

Benvic's partnership culture deepens this process; investing projects and new business with operational excellence and with sensitivity to the needs of the environment.

## CONTRIBUTION TO CUSTOMER VALUE



**insulation**

Improve thermal and acoustic insulation performance for comfort functions



**visual effect**

Deliver the right cosmetic expectations in terms of colour, aspect and texture



**resistance**

Ensure the robustness and durability of the material properties for applications exposed to ageing agents



**security**

Guarantee the level of service expected during product life



**weight reduction**

Allow solutions to optimize weight for material and energy savings



**protection**

Be part of the final product protection performance



**food contact**

Protect food without alteration



**health**

Contribute to human health by performance of materials and products



**service**

Support our customers in a reliable and long term relationship

# OUR VISION FOR BENVIC

## OUR STRATEGY

As part of its strategy in pursuit of diversification and excellence, Benvic Group expects a period of continuing growth over the coming years. Benvic Group will continue to pursue sustainable development goals, supported by growth opportunities to expand our markets and businesses.

The three pillars of our strategy: 'Forever', 'More' and 'Naturally', remain at the center of our ambitions.

forever

Polyvinyl chloride (PVC), a material with undoubted physical and sanitary qualities, is our historical business. We wish to tackle environmental issues in its production and distribution, notably through high quality products & recycling: PVC products can last 50 years and be recycled up to 7 times.

more

Our customers always ask for more. So do we. Our innovation and sales teams focus on the customer, working with our existing or potential customers to identify the problems which need to be solved and the future needs. Innovation is about making life better so we also focus on equipment and industrial processes to improve our workplace and quality systems.

naturally

Benvic Group is strongly committed to a sustainable future. Our bio-based Plantura product line provides innovative and sustainable solutions for furniture, food, etc.

## OUR PRODUCTS

In 2020, Benvic Group has structured its product lines to translate its strategy into services and promote an offer aligned with customers' expectations.

Our products and services have been grouped into four different lines:

- ProVinyl: plasticized, rigid and recycled PVC
- Xtended Materials: polyolefins and thermoplastic elastomers
- Plantura: compostable and biobased polymers
- Medical: medical grade compounds and components





# OUR VISION FOR BENVIC

## EFFICIENT AND BALANCED GOVERNANCE

The Strategic Committee of Benvic Group consists of six directors: Benvic Group's CEO and CFO, as well as four directors representing Investindustrial.

The Executive Committee (ExCo), comprised of executive, operational and functional directors, defines strategic objectives on the basis of the orientations decided by the Board of Directors, ensuring and monitoring their implementation and overseeing the good management thereof.

The organization of Benvic's ExCo is adapted to the Group's specificities with regards to its constant drive towards progress: a stable structure, expertise solely focused on industrial excellence, thorough knowledge of the business. Endowed with complimentary experience and expertise, the members participate regularly in the works of the ExCo to make sure local efforts meet collective ambitions and comply with the Group's best practices and principles.

Our industry requires constant innovation and adaptation, as well as quality management: our governance enables strong monitoring of all the aspects of the state of the Group's business and its performance.

### **Strategic Committee**

CEO, CFO, 4 Directors representing Investindustrial

### **Executive Committee**

CEO, CFO, 5 Senior Directors

## AN ORGANIZATION TO FULLY ENABLE BENVIC'S AMBITION

Benvic operations are organized around 2 business units:

1) PVC and other polymers compounding:

- Historical PVC business producing solutions in granules (compounds), powder (premix) and One Pack (concentrated) serving a variety of end-markets;
- Development and production of engineering polymers (biopolymers, techno polymers and HFFR compounds);
- PVC recycling.

2) Medical: production of PVC compounds, tubes and components for the medical industry.

In addition, reporting to the CEO, Benvic Group corporate teams provide support to all local managers and ensure all employees are equally on boarded.

### **CEO**

### **Corporate functions**

Finance, HR, ESG, IT  
Procurement, Marketing, Sales, Innovation, Industry

### **Business units & operations**

8 plants in 5 countries, 2 sales subsidiaries

# OUR VISION FOR BENVIC

## OUR COMMITMENT TO A CIRCULAR ECONOMY

Benic Group is committed to strengthening our ambitions in favour of a circular economy that is respectful of the environment.

The United Nations Environment Programme (UNEP) highlighted in its 2018 roadmap three major challenges:

- Reducing greenhouse gas emissions;
- Preserving the oceans, rivers and biodiversity from pollution caused by human activity;
- Preserving natural resources.

The European Union and the French Government have taken action by presenting a European Strategy for Plastics and a roadmap for a circular economy, outlining the contours of what would be a different economy: products with a longer life, less waste, the generation of new resources from waste, etc.

Benic has directed its action toward the circular economy by:

- Developing sustainable and renewable materials;
- Applying a responsible industrial policy.

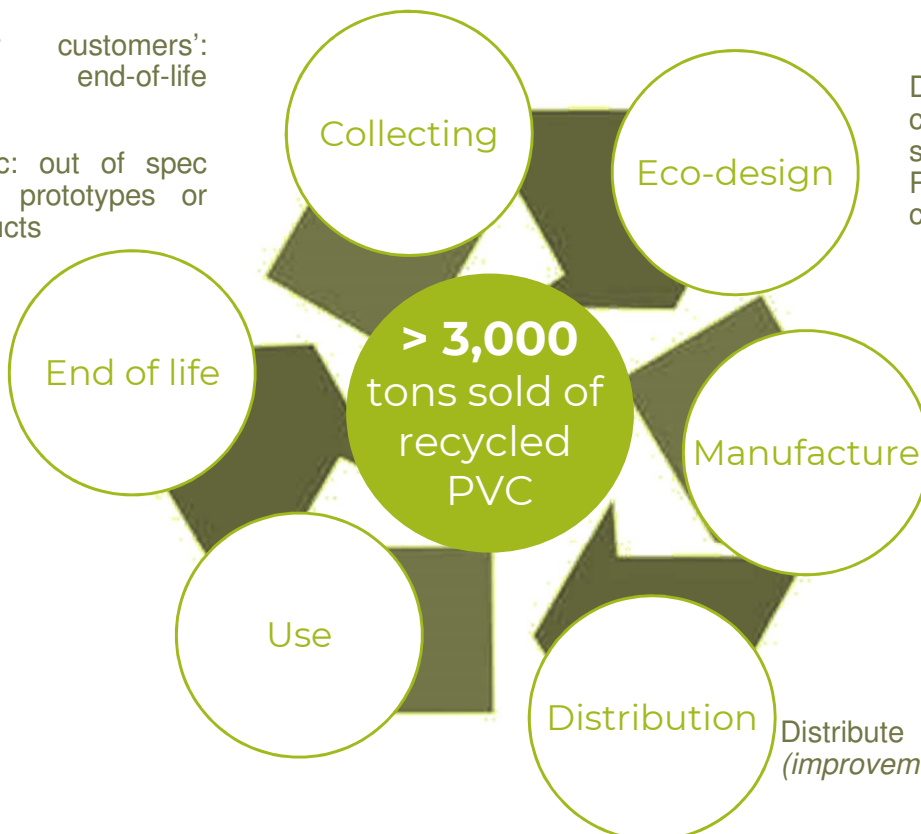
More details of these actions are available in section 3 (page 21).



## OUR RECYCLING PROCESS TO BETTER DESIGN & PRODUCE

At our customers' scraps, end-of-life products

At Benic: out of spec products, prototypes or test products



Definition with our customers of the best solution (% of recycled PVC, technical characteristics)

Production of compounds or powder: homogenization, extrusion, filtration, etc.

Distribute efficiently (improvement target)



## **BENVIC EREPLAST – OUR CUTTING EDGE RECYCLING EXPERTISE**

Our recycling plant provides capabilities for regeneration, grinding and micronization of PVC and other polymer grade to provide high quality new life raw materials designed to meet the requirements of the circular economy.

With circa 10 employees and 10,000m<sup>2</sup> facilities, Benvic – Ereplast has an innovative and efficient production tool for plastics processing.

Its location, close to our PVC production facility in France, allows Benvic to recycle most of its local plastic waste with no other sourcing.

Our solutions can be made from 100% recycled materials or in part.

More than 3k tons of recycled PVC were sold in 2020.



# DIVERSITY AND INCLUSION



## OUR STRATEGIC PRINCIPLES

At Benvic, we believe that diversity and inclusion are imperative to the success of our business: a diverse and inclusive workforce brings innovation and stronger results. We welcome multiple generations with attractive working conditions and share our corporate values with all our staff, supported by our HR guidelines (enthusiasm, team spirit, respect, innovation) and communication means.

Our principles are embedded in our processes to benefit from those. They include fair work conditions (hiring process, workplace, compensation), strong monitoring by our HR teams of wages within our plants, skills development to promote unbiased people assessment. General guidelines are shared by all our plants while the Group HR team monitors key people & managers. All plants follow a code of conduct, monitor closely the absenteeism rate and report any incident to our Group ESG Manager. Our HR Managers strive to offer a fair and competitive remuneration at market level and in line with local law. The structure of our remuneration framework ensures that wages are unbiased towards gender, age or nationality.

We aim to strengthen our HR brand by bringing our people together more and more. In a world post Covid, we wish to renew our commitment to make our workplaces safe and fair, and to build and sustain an internal community.

FAIR PAY

BRINGING PEOPLE  
TOGETHER

SAFE  
WORKPLACES

FAIR  
RECRUITMENT

HIRING &  
RETAINING  
TALENT

# DIVERSITY AND INCLUSION

## A FAIR WORKPLACE - A FEW FIGURES

**429 FTEs\***

*(excl. Luc & Bel) - \* Full Time Equivalent*



**15%** included in the shared annual appraisal process managed by the Group

**15%** Female employees

**6%** Senior management

**4%** Voluntary turnover rate

**3%** Absenteeism rate

**2%** Part time contracts



# OUR AMBITIONS

## OUR COMMITMENTS

Our ESG (Environment, Social, Governance) strategy is built around the concept of stakeholders, with 6 different parties involved, Customers, Employees, Planet, Investors, Suppliers and Communities. Our ambition is to give added value to all shareholders, whilst ensuring economic, social and environmental sustainability.

Our strategy is articulated through our “Benvic Lines” stakeholders framework, an assessment sheet of our actions with strong guidelines and ambitious objectives. It contains 20 commitments and 39 best practices to improve our performance with our 6 stakeholders. The commitments are:

### 1. CUSTOMERS



- Integrating our ESG commitments into our customer relationships
- Controlling product-related risks
- ESG-integrating innovation
- Analyzing and developing our markets, while integrating ESG

### 2. EMPLOYEES



- Ensuring employee health and safety
- Respecting employees’ fundamental human rights and guaranteeing their social rights
- Ensuring the quality of social dialogue
- Developing skills
- Motivating employees

### 3. PLANET



- Promoting environmental management
- Conserving natural resources
- Limiting environmental impact

### 4. INVESTORS



- Ensuring risk management
- Ensuring dissemination of and compliance with good management and governance practices
- Communication in an ethical and transparent manner

### 5. SUPPLIERS



- Defining prerequisites and integrating them into the supplier selection process
- Evaluating buyers’ ESG performance
- Managing and assessing suppliers’ ESG performance
- Optimizing relationships

### 6. COMMUNITIES



- Ensuring the integration of entities within their local communities
- Controlling industrial risks related to entities’ presence in their local communities

**BENVIC** *Lines*

# OUR AMBITIONS

## SHARE AND MONITOR BEST PRACTICES

An evaluation of 39 best practices defined for the 6 stakeholders is carried out every year. All recently acquired entities (except Luc & Bel) were included in the 2020 assessment.

Every practice has 4 levels of progress - Launch, Deployment, Maturity and Performance:

- **LAUNCH:** the entity is aware of the positive effects of the good practice for the stakeholder. A first inventory is made.
- **DEPLOYMENT:** the entity implements a structured action plan, resources are deployed.
  - **MATURITY:** action plans bring measurable progress; their implementation is carried out; employees are mobilized in the deployment.
  - **PERFORMANCE:** the improvement process is sustainable; the results are sustainable. The entity is recognized for its exemplary performance.

## EXAMPLE OF BEST PRACTICE FOR PREVENTING OCCUPATIONAL ACCIDENTS

### Support sheet

#### Ensuring employees health and safety

	1 Launch	2 Deployment	3 Maturity	4 Performance
<b>EM2 Preventing occupational accidents</b>	Reporting accidents involving personal injury and incidents (employees, subcontractors and temporary workers).	Conducting thorough investigations to identify the root causes of accidents and incidents, based on the participation of the workers concerned and their representatives, if they exist.	Undertaking corrective actions and communicating the results of the health surveys. Has the site set up a behavior-related safety program?	Reporting and analyzing all accidents, incidents and movements involving a high physical risk, and publishing the results. The behavioral program has demonstrated its effectiveness.

#### Associated metrics



- LTAR: Lost Time Accident Rate ( number of accident with lost days/ 1 000 000 working hours)
- MTAR: Medical Treatment Accident Rate ( number of accident with lost days OR not. If not, there is an specific treatment ( different than 1st aid injury / 1 000 000 working hours)
- FREQUENCY RATE: the number of disabling injuries of given types resulting from industrial accident per million man-hours worked
- NUMBER OF ACCIDENT ( resulting in injuries with lost days)
- Rate of corrective actions completed to schedule

Stakeholder: *Employee*

Commitment: *Preventing occupational accidents and ensuring employee health and safety*

Best Practice: *Preventing occupational accidents*

# OUR AMBITIONS

## AMBITION TO DEPLOY THE STRATEGY




The results\*, which you can see in the table below, allow us to verify that there has been a favorable evaluation of the performance of the factories and that our recent acquisitions have added value to our sustainability. Our main focus in 2020 was the health and safety of our staff and partners.

STAKEHOLDER	AMBITION	EVALUATION YEAR 2019	EVALUATION YEAR 2020
 <b>CUSTOMERS</b> <i>create lasting relationships with our customers</i>	Continue to strengthen our responsible offer	2.0 / 4	2.3 / 4
 <b>EMPLOYEES</b> <i>take care of our employees</i>	Implement the acquisition strategy and support our employees in the transition	1.8 / 4	2.0 / 4
 <b>PLANET</b> <i>respect our planet</i>	Improve our environmental performance and carbon footprint	2.8 / 4	2.4 / 4**
 <b>INVESTORS</b> <i>create value in an ethical manner</i>	Acquire companies with an ESG focus	1.0 / 4	1.5 / 4
 <b>SUPPLIERS</b> <i>promote sustainable procurement</i>	Formalise a responsible procurement policy	0.8 / 4	0.9 / 4
 <b>COMMUNITIES</b> <i>work with local communities</i>	Strengthen actions with local communities	1.9 / 4	2.2 / 4

\* Scope of the listing in 2020 and scope of the report: the plants with a full year in the group are Benvic Chevigny-Saint-Sauveur, Benvic Ferrara, Benvic Montornès del Vallès, Benvic ALFA PVC Witkowo, Benvic Modenplast Medical, Benvic Dugdale PVC, Benvic Ereplast

\*\* Please note the decrease is due to the broadened scope: recent acquisitions included in 2020 ESG scope have a lower evaluation, impacted by the absence of ISO 14001. One of our key actions in our 2021-2023 plan is to implement ISO 14001 in all plants

## ...TRANSLATES INTO A QUANTITATIVE AMBITION

STAKEHOLDER	AMBITION 2023
 <b>CUSTOMERS</b> <i>create lasting relationships with our customers</i>	2.5 / 4
 <b>EMPLOYEES</b> <i>take care of our employees</i>	2.5 / 4
 <b>PLANET</b> <i>respect our planet</i>	2.5 / 4
 <b>INVESTORS</b> <i>create value in an ethical manner</i>	3.5 / 4
 <b>SUPPLIERS</b> <i>promote sustainable procurement</i>	2.0 / 4
 <b>COMMUNITIES</b> <i>work with local communities</i>	2.5 / 4



# OUR AMBITIONS

## BENVIC STAKEHOLDERS REPORTING

A “Benvic Lines” spider report is generated after each assessment and represents the average score of all Benvic Group entities for each stakeholder. It provides a global view of our progress in terms of sustainability towards our stakeholders.



## SUMMARY OF BENVIC REPORTING

<b>6</b> stakeholders	<b>20</b> commitments	<b>39</b> practices	<b>1</b> Annual assessment per entity
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# OUR AMBITIONS

## OUR FORECAST – MAKING IT HAPPEN

Benvic Group Executive Committee has approved an ambitious ACTION PLAN for 2021-2023 to improve the Group's ESG performance and stakeholder relations. Every plant will be involved, with the strong commitment of HSE teams to implement it: each facility has an HSE team acting as an ESG representative under the global coordination of plant managers and the Group ESG Manager.

With its progressive implementation we will be able to give greater value to the 6 stakeholders, generating both financial and non-financial results. We want Benvic Group to be a profitable company and at the same time to be a benchmark for corporate sustainability, where stakeholders want to work.

Through our ESG strategy we intend to improve the integration of all Benvic Group entities with universal objectives.

Some key data from the 2021-2023 Action Plan are:

- 18 objectives set relating to ESG issues
- 37 actions defined to work towards key objectives
- Regular monitoring by Benvic Group's Executive Committee and Shareholder
- ESG team of 20 employees directly involved in the implementation of ESG actions
- More than 450 employees (headcount, Luc & Bel included) committed to Safety, Quality and the environment. Please note the scope of this report includes 429 FTEs (Luc & Bel excluded) 2020 year-end

## WE ARE SUPPORTED BY



## OUR STANDARDS

Our operations are run according to the following standards:



Quality management



Medical devices quality management



Environmental management



Health and safety management



Energy saving management

# BENVIC'S COMMITMENT TO THE SDGs\*

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



## Goal number 3: good health and well-being



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

The main actions we have carried out in BENVIC with regard to this target are:

- Compliance with REACH regulations;
- CO<sub>2</sub> measurements of all our activities and identification of actions to reduce their footprint;
- Substitution of hazardous raw materials for others when possible;
- Regular environmental noise and dust measurements.



## Goal number 12: ensure sustainable consumption and production patterns



"Ensure sustainable consumption and production patterns by 2030."



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

The main actions carried out with regard to this target are:

- Acquisition of the company Ereplast, our recycling plant in France, to increase PVC recycling and thus be part of the circular economy;
- Actions carried out in all plants to improve energy efficiency;
- Progressive implementation of green energy sources;
- Acquisition of Plantura, our product line dedicated to bio-based materials, to manufacture biodegradable products.

Benic has always worked with a long-term vision, creating durable and sustainable solutions. Our products are crafted to withstand time and wear and to have a long lifespan without loss of quality. Our PVC solutions, our core business, have a 50 year lifespan and can be recycled up to 7 times. This allows for a reduced environmental impact. As we strive to build value throughout the chain of production and to contribute to a better, more efficient and more sustainable world, we have improved our recycling capacities, fostered a healthy dialogue with our stakeholders, and deployed an innovative strategy to develop sustainable products (PVC and non PVC).

In this report, the sections describing our actions contributing to the achievement of these objectives will be marked with a pictogram.

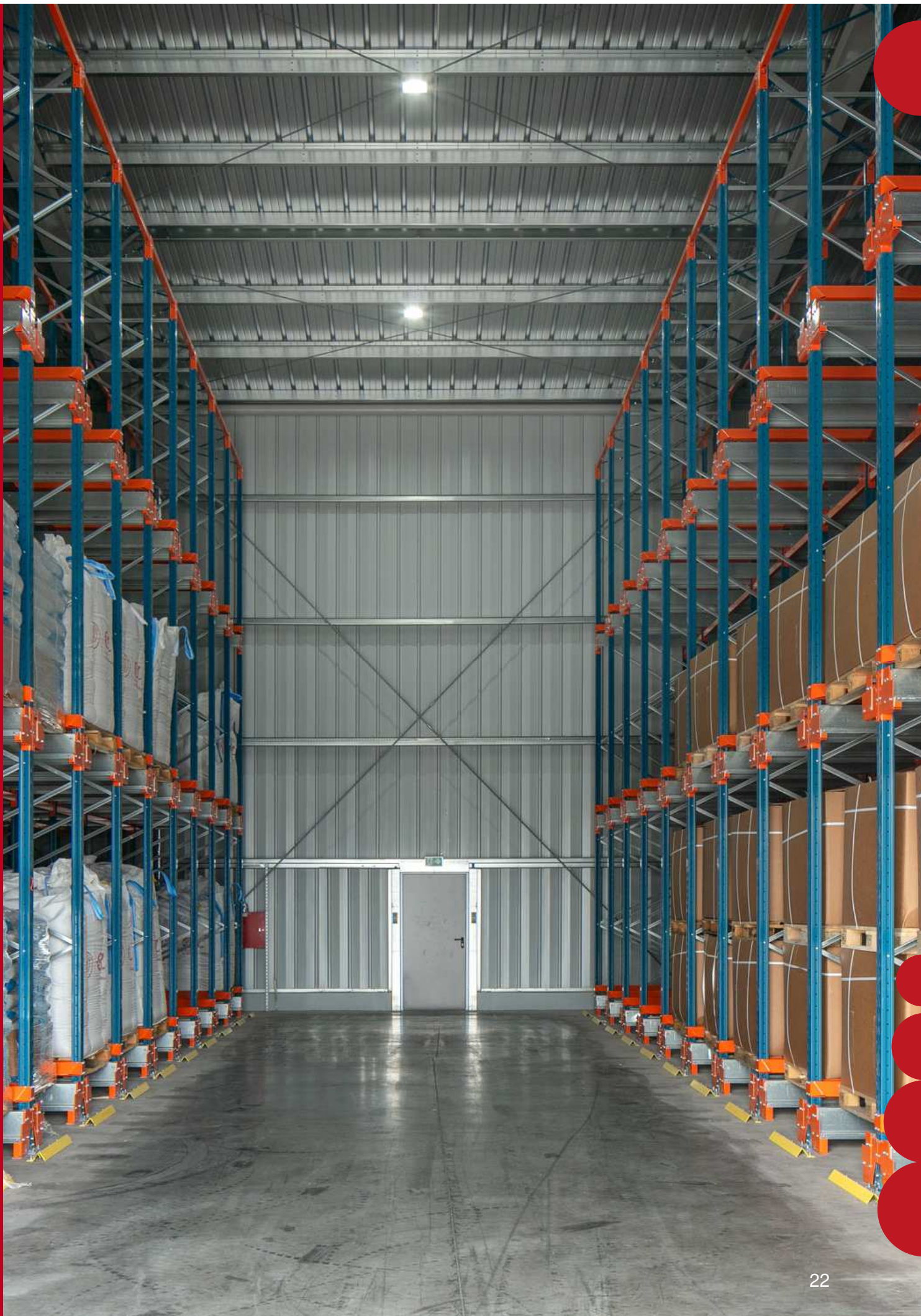
\* Sustainable Development Goals





# BENVIC'S SIX PLEDGES WITH STAKEHOLDERS: PUTTING IT ALL INTO PRACTICE







## PLEDGE

# 1.

**CREATE LASTING  
RELATIONSHIPS  
WITH OUR CUSTOMERS**



**1.1 Integrate our ESG commitments into our customer relationships**

**1.2 Control product-related risks**

**1.3 Innovate by integrating the ESG aspect**

**1.4 Analyze and develop our markets, integrating the ESG aspect**



# 1.1- INTEGRATE OUR ESG COMMITMENTS INTO OUR CUSTOMER RELATIONSHIPS



## Our ambition

- Reduce the number of complaints each year
- Promote co-development of new products including ESG criteria
- Develop a collaborative approach to ESG

## What this means for us

- Provide ESG-related informative items to promote our products
- Improve our transparency regarding ESG
- Inform consumers of product risks
- Respond to requests for information and complaints

## WHAT PROGRESS HAVE WE MADE?

Collaborative ESG approach:

- Interacted with customers on ESG through regular survey. As per our last survey, 85% of our customers gave a score of 7/10 or more to their overall impression of Benvic and 80% declare that they recommend Benvic to their colleagues (score greater than or equal to 7/10)
- Shared our ESG report and provide additional information relating to ESG during the sales process

Responded to requests and complaints :

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

Customer-oriented approach:

- New Group Marketing Manager in 2020, translating our customer-centric strategy into additional concrete actions – among which the integration of ESG commitments into customer relationships
- Included customer satisfaction KPIs in weekly plant KPIs review in most plants

Implemented tools for a more efficient customer care service:

- Display & share satisfaction KPIs
- Service rate monitoring with the implementation of measures to ensure delivery deadlines
- Improved knowledge sharing between plants to develop our excellence towards our customers
- Implemented Lean Manufacturing to reduce the period from receipt of the customer order to delivery of the final product (in larger plants)

## WHAT WILL WE DO?

- Design a new website with a strong focus on our sustainable strategy and our customers' needs (product catalogue, ethics, etc.)
- Measure customer satisfaction with our ESG performance through a survey that captures their needs and expectations. Survey will cover 80% of large accounts and shall be conducted every 3 years (postponed post COVID-19)
- Translate the customer's ESG expectations into an effective 3-year plan
- Work with one of the transport companies serving our customers from Benvic SAS for a multi-modal solution on a long distance route. The bulk of the distance between the plant and the customer is done with the trailer on a freight train, which generates significant emission savings

## CUSTOMER EXAMPLE



- We helped the customer Myral in the deployment of a "green" approach, with the introduction of recycled materials in all the materials used for the manufacture of its panels
- The integration was continued with a new step from 20% recycled material content to 50%
- We have aligned ESG strategies with our client Cepex. We use Achilles platform for ESG and other supplier reporting requested by Fluidra Group. We have aligned our Code of Ethics and Compliance between both companies





# 1.2- CONTROL PRODUCT-RELATED RISKS



## Our ambition

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

## What this means for us

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

## WHAT PROGRESS HAVE WE MADE?

Regulatory compliance:

- Undertook an inventory of all products used in our plants
- Analysed our Safety Data Sheets and updates
- Strengthened our Quality teams

## WHAT ARE WE DOING?

Our tools:

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

Our actions:

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

## WHAT WILL WE DO?

- Deployment of the product compliance program throughout the Group
- Automation of installations in which products are used manually
- Pursue our efforts to improve our quality processes with a positive impact on our customers (extensive teams, intense formalization, exchange more information between plants to share best practices, etc.)

## EXAMPLE IN A SUBSTANCE



- Since 2017, finalization of the substitution of lead stabilizers for solutions free of heavy metals
- The process for discarding the tin stabilizer DOTE from formulations was continued to get homologation of REACH compliant solutions at customers



# 1.3- INNOVATE BY INTEGRATING ESG ASPECTS



## Our ambition

- Continue to develop sustainable products and bring added value to our customers

## What this means for us

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

## WHAT PROGRESS HAVE WE MADE?

- Managed the portfolio of innovation projects, with a focus on projects that are impactful from an ESG standpoint
- Reviewed and approved the allocation of resources dedicated to innovation and to actions aimed at improving the environmental footprint of projects on an annual basis
- Structured our product range, integrating the specificities of the latest acquisitions

## WHAT WILL WE DO?

- Several co-developments in the field of circular economy are in progress, Ereplast and Benvic are to treat some end consumer products and reintegrate them in the same application with reformulation (road sign cone, credit card, inflatable devices)
- To increase by 10% per year the R&D resources that are destined to innovation projects that allow the reduction of the carbon footprint or environmental or safety improvements of the product
- 25% increase in biopolymer sales by 2021

## WHAT ARE WE DOING?

Our actions:

- Increase development and deliveries of compostable polymers: 1) Developing food industry rigid packaging (first deliveries of material Keuring type coffee pods and catering food container mid 2021) 2) Delivering compostable films for soft packaging
- Developing bio-sourced materials for replacement of fossil based polymers: 1) Delivering to reputed high end furniture with ABS replacement part for a first item. Extension to other items in 2021. 2) Engaging projects and deliveries for automotive applications for new cars with bio based polymers parts.

## EXAMPLE OF INNOVATION WITH A POSITIVE ESG IMPACT



- Our Plantura product line allows us to offer our customers an extensive and bio-sourced range. Our Plantura PLA for industrial compost coffee capsules was qualified for Cafes Novell
- Dugdale has sold in the UK 275t rigid PVC made with more than 50% recycled window frame material (post consumer). The number of customers who would like to receive this material is growing. Some formulations contain over 80% of recycled PVC
- Project with Vinmer to produce traffic cones with a % of recycled PVC

## OUR INDICATORS

- €3.1m spent on R&D



# 1.4- ANALYZE AND DEVELOP OUR MARKETS, INTEGRATING ESG ASPECTS



## Our ambition

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

## What this means for us

- Orienting our action plans to integrate ESG
- Promote sustainable end-applications

## WHAT PROGRESS HAVE WE MADE?

Growth strategy based on the following principles:

- Pursued rational and sustained innovation
- Positioned the best interest of customers, partners and employees, at the centre of any strategic growth plan
- Annual check of the allocation of resources dedicated to innovation to actions aimed in particular at improving the environmental footprint of projects and processes
- Analysed results in the Business Innovation steering committee
- Integrated marketing approach (product-oriented) into our ESG management
- Commissioned a new extruder to produce halogen-free compounds (HFFR): contribution to reduce risk in case of fire in European buildings through the use of our Linkflex HFFR compounds. This compound is suitable for cable production fully compliant with CPR (new Construction Products Regulation) that entered in force in July 2017 to improve safety in buildings

## WHAT WILL WE DO?

- Increase by 10% year-on-year the volumes sold of recycled products, in line with our commitment to a circular economy
- Pursue our external growth strategy by targeting acquisitions which respond to this factor
- Develop upstream the search for sources of material to be recycled directly at our customers' sites
- External and internal growth strategy in activities related to sustainable activities
- Acquisition in areas with high ESG impact
- Development of HFFR compounds for photovoltaic installations

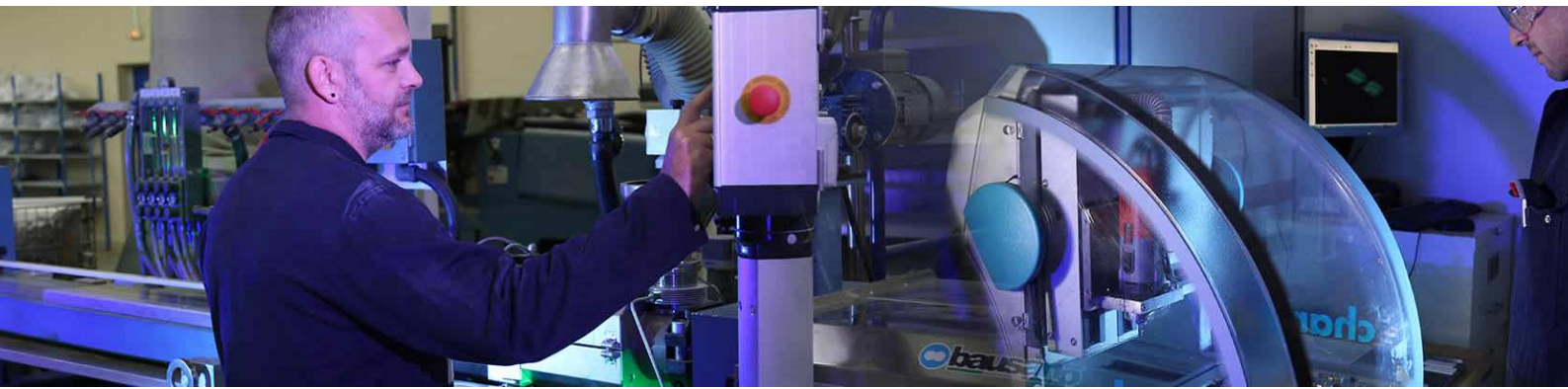
## EXAMPLE



An extruder has been installed at the Montornès plant to manufacture halogen-free compounds. This product is destined for the manufacture of cables for buildings and public facilities according to European CPR standards and has the characteristic of being fire resistant and to not release toxic substances in the event of fire







## PLEDGE

# 2.

## TAKE CARE OF OUR EMPLOYEES



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



# 2.1- ENSURE THE HEALTH AND SAFETY OF EMPLOYEES



## Our ambition

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

## What this means for us

- Control health risks: focus on adapting workplaces and protecting workers in time of COVID-19
- Prevent workplace accidents

## WHAT PROGRESS HAVE WE MADE?

COVID-19 prevention:

- Implemented new procedures and practices to prevent the spread of COVID-19 within the workplace resulting in only 10 cases rather of confirmed COVID-19 infection in 2020 (external contamination only, no internal contamination)

Health risks:

- Conducted health risk assessments and systematic training for staff including subcontractors and interim workers

Workplace accidents:

- Reported accidents of employees and contractors (to Plant Manager, HR teams, Group ESG team); analysis of causes; definition of a corrective action plan; communication to all employees

## WHAT ARE WE DOING?

Our tools:

- Accident and near miss reporting tool
- Cause tree for each accident with stoppage
- ISO 45001 management system certified
- HSE culture & programs in larger plants
- Standards for the HSE management of subcontractors driven by ISO standards

Our actions:

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



## OUR INDICATORS

- 1 work-related accident
- 11 days lost due to workplace accidents (strong decrease due to a serious accident in 2019)
- €1.1m in HSE preventive expenditure
- 85% of employees say they feel they work in a plant where safety is a priority\*

\* Source: employee satisfaction survey 2018 (share of respondents who strongly agree and somewhat agree). Next survey in 2021.

## WHAT WILL WE DO?

- Strengthening HSE teams and processes with additional documentation and analysis
- ESG dedicated workshops to share best practices (ISO, Protection Equipment, etc.)
- Demonstrate the link between performance and safety with ways of improvement identified by our new Corporate Function "Factory Excellence" (processes, 5S, LEAN)

## EXAMPLE OF ACTION



More than 150k€ were spent on additional purchases relating to COVID-19 prevention with specific actions such as:

- Additional cleaning services of all premises (offices and meeting rooms)
- Specific training and communication
- Masks offered to all staff and gel dispensers installed everywhere

Executive Committee monitored all actions and COVID-19 requirements on a weekly then monthly basis (with a weekly report)

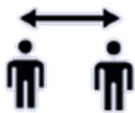


# 2.1- ENSURE THE HEALTH AND SAFETY OF EMPLOYEES

## FOCUS ON COVID ACTIONS: STAY ALERT TO STAY SAFE

**Sharing of good practices:** management teams adopted and distributed new safety rules

### - Social distancing



- ✓ Shared areas adapted with restricted seating
- ✓ Smart working promoted with strong guidance and collaborative tools

### - Safety protection and rules



- ✓ Strong and repeated communication to all staff, shippers and site visitors of new safety rules



- ✓ Masks compulsory for everyone with protective glasses when applicable
- ✓ Safety procedures and recommendations provided to all

**Daily follow-up of staff health** by local management to ensure early detection and containment

- ✓ All people likely to be exposed to Covid-19 are placed in solitary confinement



- ✓ Thermometers available to those suspecting of having fever: people with fever are placed in solitary confinement, risks of further contamination are assessed, offices are disinfected
- ✓ Assessment of compliance with smart working and contamination risks management guidelines



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



### Our ambition

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

### What this means for us

- Promote equal opportunities for all
- Promote a diverse workplace

## WHAT PROGRESS HAVE WE MADE?

Benvic Group is committed to integrating respect for human rights into all its operations. Benvic Group has reiterated its commitment to respect the principles of the United Nations Global Compact and other international standards in the field of human rights.

Gender:

- Monitored strongly gender gaps and mapping distribution of men/women

Equal opportunities:

- Identified positions to be opened and monitoring of those that could be adapted to employees with disabilities
- Knowing employees with disabilities in most plants

## WHAT ARE WE DOING?

- Follow-up of disabled personnel and adapt machines for people with disabilities
- Assistance to employees to enable disabled status to be recognized
- Gender equality index by country
- Gender gap monitoring and shared with employees

## OUR INDICATORS

- 15% of employees are women

## WHAT WILL WE DO?

- Formalize and share with all entities a common policy for our commitment to equal opportunities for all and to non-discrimination with a strong focus on diversity
- Support an Inclusive Day to bring awareness and training for all employees relevant to their local environment and laws

## EXAMPLE OF ACTION



- Ranking associated to job descriptions was extended to key functions in recently acquired entities. Assessing positions to determine key responsibilities and the relating compensation contributes to a fair workplace with lesser room for discrimination. Numerous permanent contracts and fair compensation enable Benvic Group to hire new profiles and attract the best people
- In Italy, our larger plant monitors closely its percentage of staff with disabilities and is above the recommended legal ratio







## 2.3- ENSURE QUALITY SOCIAL DIALOGUE



### Our ambition

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

### What this means for us

- Promote direct employee expression and social cohesion
- Respect employee representation rights

### WHAT PROGRESS HAVE WE MADE?

Committed to social cohesion, particularly at a time when our group is undergoing major changes. We paid close attention to the quality of employer-employee dialogue, working with the staff representatives and to the principle of equal opportunities and the fight against discrimination at every level.

Direct expression and strengthened communication:

- Promoted direct expression
- Regular letters to employees during crisis
- Additional means of communication: regular meetings with all managers to inform them of the Group's strategy and results with Q&A time, staff newsletter, CEO's greeting at year-end

Employee representation rights:

- Involved employees in social dialogue beyond regulatory requirements, notably with the Group Committee which includes 1 representative of every country. The Committee met at least twice a year: in 2020, Benvic Group Management team wished to have additional meetings to answer questions relating to crisis management

### WHAT ARE WE DOING?

Our tools:

- Internal screens, visual informative support, newsletter, magazine (customers, partners)

Our actions:

- Information meetings (strategy & KPIs)
- Communication to social representatives of the information necessary for their activity
- Consult of employee representatives for all major decisions, including HSE and working conditions, as per law

### WHAT WILL WE DO?

- Pursue our communication efforts and deploy internal screens in larger plants
- Maintain a high level of meetings with the Group Committee or multiply informal communication
- Social survey in 2021

### EXAMPLE OF ACTION



In December 2020, Benvic Group Communication team released its first newsletter for all employees of the Group in 5 languages (French, English, Spanish, Italian, Polish): the B'Mag. Topics included: news (agenda, editorial, networks, products, organization, etc.), insights, transformation projects, experiences (of our people). Our very first issue, "Reinventing ourselves together", highlighted our sustainable development, our on-going SAP project and news from our plants.



## 2.4- DEVELOP EMPLOYABILITY



### Our ambition

- Keep a low voluntary turnover (< 5%)
- A training budget equal to 2% of the total payroll by 2023 in all sites (impossible in 2020 due to COVID-19 related limitations)

### What this means for us

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

## WHAT PROGRESS HAVE WE MADE?

COVID-19 placed a heightened emphasis on health, both mental and physical. Benvic Group focused on adapting its workplaces, sharing safe practices to prevent staff from COVID-19 infection and on maintaining reassuring communication items. Most of our workforce works for production, logistics and maintenance: thus, most of our training actions are mandatory or to meet strict HSE criteria and require physical presence. Our actions relating to training and employability were postponed to 2021-2023.

Skills development (remain heterogeneous within the Group):

- Mapped skills and defined action plans to meet the entity's needs & conduct performance appraisal interviews for all
- Updated training plan, taking into account all needs

## WHAT ARE WE DOING?

Our tools:

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

Our actions:

- Share best practices (hire, train, etc.)
- Provide guidance to HR representatives

- Internal training courses during inductions
- Deployment of training plans

## OUR INDICATORS

- 2,116 hours of training (strong decrease due to COVID-19: most training actions were postponed)
- Voluntary turnover of 4% (please note the voluntary turnover has increased due to the COVID-19 crisis with early retirements for example in some plants)
- Absenteeism rate of 3%

## WHAT WILL WE DO?

- Alignment of needs and skills mapping with the Group's strategy
- Implementation of an HR Information System to improve workflows, facilitate access to a consolidate data and reports' production, provide a tool for talent management both for local and group teams

## EXAMPLE OF ACTION



- In France, plant management launched a program "Equivalent pay for equivalent work" with periodic monitoring of the management system of jobs and skills needs. Organization chart, ranking, mapping, etc. were reviewed
- Training wishes were added to the annual assessment process
- Election of a mediator in Benvic Alfa PVC



## 2.5- MOTIVATE EMPLOYEES



### Our ambition

- 100% of managers have individual ESG objectives by 2023
- ESG to improve performance and to strengthen our HR brand

### What this means for us

- Deploy objectives for all key people and integrate ESG into compensation policy
- Promote improvement projects
- Promote sustainability as a key lever to achieve our economic & social ambitions

## WHAT PROGRESS HAVE WE MADE?

### Objectives:

- Set objectives for “key” people in all plants
- When possible (i.e. when HR teams were able to do so – in terms of resources), assessed all employees to allow a 360° feedback

### Fair remuneration:

- Communication of remuneration policy and monitoring by Group HR team of the alignment of compensation with Group ranking

## WHAT ARE WE DOING?

### Our tools:

- Training plans and analysis tools
- Employee Satisfaction Survey
- HR Assessment tool

### Our actions:

- Remuneration policies set by site are mainly linked to local obligations. Non-managerial teams do not currently have any objectives in general
- Bringing people together: promotion of monthly meetings by teams; photo competition in 2020 as many employees were remote working; promote Benvic as a strong HR brand (greetings to employees with a speech from CEO translated in 5 languages, etc.)

## OUR INDICATORS

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

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

## WHAT WILL WE DO?

- Promote operational working groups and bringing people together with seminars, etc.
- Include ESG criteria in managers’ individual objectives during annual assessment
- Promote assessment of all workers, including blue-collars

## EXAMPLE OF ACTION



The annual assessment of key people (managers or key employees with a medium level of responsibility managed in quite an autonomous way) is managed by the Group. A new tool was implemented in 2019 and a first round of people from recently acquired entities were included in the process. Additional guidelines regarding how to conduct an interview were shared within the Group. Indeed, sharing certain principles of our remuneration system enables more fairness and transparency in salary increases to better reward individual merit, encouraging individual performance and contribution towards attaining our collective objectives





## PLEDGE

# 3.

## RESPECT THE PLANET



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



# 3.1- PROMOTE ENVIRONMENTAL MANAGEMENT



## Our ambition

- Maintain zero environmental incidents

## What this means for us

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

## WHAT PROGRESS HAVE WE MADE?

Environmental management system:

- Obtained ISO 14001 or equivalent certification and implemented a continuous improvement system in 4 out of 7 plants. The environmental culture was consolidated and will be an example to implement in the Group's new acquisitions
- Follow-up and analysis of environmental incidents and implementation of follow-up corrective action plans
- Regular factory visits were carried out to verify compliance and respect of environmental standards, including waste management
- Training sessions on environmental awareness were conducted for both Benvic and external staff. Awareness was brought to waste management in plants

## OUR INDICATORS

- Zero environmental incident
- 4 industrial sites certified ISO 14001 or equivalent

## WHAT WILL WE DO?

- Implement an environmental management system (ISO 14001 or similar) in all Benvic Group factories by the end of 2023. With this measure, we will improve the environmental culture of our employees and reduce environmental accidents
- Implement behavioral safety-environmental programs starting in 2021 to roll out to all sites by 2023. We want to obtain the commitment of all staff in safety and environmental management
- To be held every year: Earth Day to share best practices and bring people together, around concrete actions with an immediate positive environmental impact



## EXAMPLE OF ACTION



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



## 3.2- PRESERVE NATURAL RESOURCES



### Our ambition

- Reduce our waste and consumption of water and energy

### What this means for us

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

## WHAT PROGRESS HAVE WE MADE?

### → Energy efficiency:

- ISO 50001 certification for Montornès del Vallès and Chevigny-Saint-Sauveur plants since 2019
- In the factory of Montornès, reduced energy consumption by 10.000 kw/hour per year thanks to new LED lights
- Reduced electricity consumption in Chevigny-Saint-Sauveur by 2.5% at the end of 2020 in comparison to 2018

### → Waste management:

- Defined for each site an action plan to optimize raw materials waste and monitors its results

### → Water consumption:

- Monitored water consumption, defined and deployed action plans

## OUR INDICATORS

- 267kW of energy consumed per ton produced and 0.09m3 of water consumed per ton produced
- Ratio of energy cost/operating cost: 13%
- 2 sites certified ISO 50001

## WHAT WILL WE DO?

- Action plan to improve energy efficiency and reduce energy consumption in all plants
- At Chevigny-Saint-Sauveur, target to achieve by 2023 a 7% reduction in energy consumption (versus 2018) with: reduce compressed air leaks, better manage consumption with an electrical counting plan
- ISO 50001 implementation at Benvic Dugdale
- Contract with energy suppliers includes an obligation to source green energy

Each site will deploy an action plan and monitor its results on the optimization of raw materials and waste reduction



## EXAMPLE OF ACTION



- 3 new PVC silos and 4 new plasticizer tanks to reduce waste and gaz (less transportation & waste of packaging and materials) in Benvic Alfa PVC
- Paper and plastic compactors installed in the plant of Montornès to optimize space and handling (photo on the left)
- At Chevigny plant and in Modenplast clean rooms, LED lights installed to reduce energy consumption
- Use of degassing in the extrusion line in Modenplast to save water



# 3.3- LIMIT OUR IMPACT ON THE ENVIRONMENT



## Our ambition

- Effectively measure our carbon footprint to identify areas for improvement
- Comply with a 2°C strategy in line with the Paris Agreement, which aims to substantially reduce global greenhouse gas emissions in an effort to limit the global temperature increase in this century to 2 degrees Celsius above preindustrial levels, while pursuing the means to limit the increase to 1.5 degrees

## What this means for us

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

## WHAT PROGRESS HAVE WE MADE?

- Assessed in all plants carbon footprint scope 1, 2 & 3 and identified main emitters
- Measured environmental impacts of air, water and soil pollution on the basis of the regulations in application in each country

## OUR INDICATORS

- 15,468 tCO<sub>2</sub>e scope 1 & 2
- 888,203t eq. CO<sub>2</sub> scope 3
- 4,07t eq. CO<sub>2</sub> all scopes per k € of turnover

## WHAT ARE 'SCIENCE-BASED TARGETS'?

Science-based targets provide a clearly-defined pathway for companies to reduce greenhouse gas (GHG) emissions, helping prevent the worst impacts of climate change and future-proof business growth.

Targets are considered 'science-based' if they are in line with what the latest climate science deemed necessary to meet the goals of the Paris Agreement – limiting global warming to well-below 2°C above pre-industrial levels and pursuing efforts to limit warming to 1.5°C



SCIENCE  
BASED  
TARGETS

## WHAT WILL WE DO?

- With the support of Ernst & Young (EY), develop an Action Plan to reduce carbon footprint. Target will be set accordingly to the SBT (Science Based Targets) methodology
- First stage: reduce carbon footprint Scope 1 and 2 by improving our energy efficiency
- Second stage: focus on Scope 3 emitters and collaborate with our main suppliers to minimize the impact of raw materials used and transport
- Pursue our efforts to reduce our business travel with the latest collaborative tools implemented in 2020

## EXAMPLE OF ACTION



- 2,300t of PVC were recycled in 2020
- At Benvic Montornès, a contract was signed with the energy supplier to ensure that 100% of the supply comes from green energy in 2021. It will represent about 20% of Benvic Group's electricity consumption.
- At Benvic Modenplast Medical, 17 tons of 100% recycled packaging were used (pellets, bags, etc.).
- At the Group level, we reduced by 90% our CO<sub>2</sub> emissions from business travel in 2020: even though it relates to COVID-19 restrictions, it is our ambition to define new standards
- Increase of renewable electricity at Benvic Dugdale. It represents 13.6% of Benvic Group's electricity consumption





# 3.3- LIMIT OUR IMPACT ON THE ENVIRONMENT



## WHAT ARE THE DIFFERENT SCOPE OF GHG EMISSIONS?

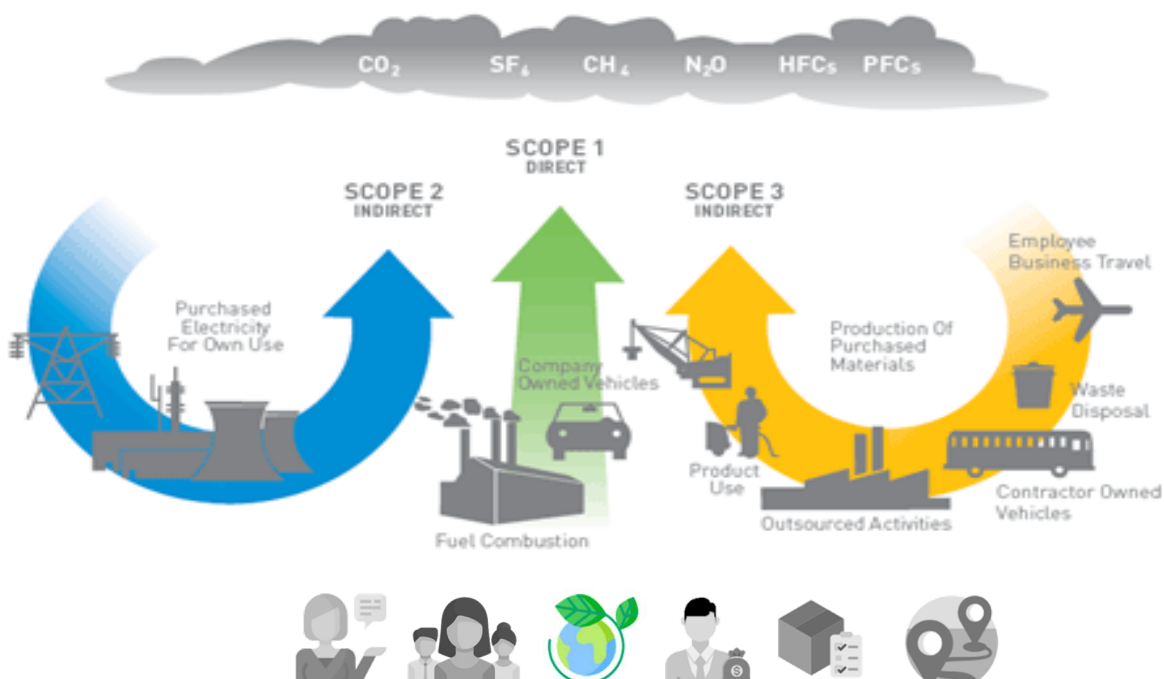
### Scope 1, 2 & 3

- **Scope 1:** Direct sources of GHG emissions
  - On-site energy production
  - Heating systems
  - Fuel for Benvic owned vehicles
- **Scope 2:** Indirect sources of GHG emissions
  - Consumption of heat or steam produced by supplier
  - Consumption of electricity produced by supplier
- **Scope 3:** Other indirect GHG emissions
  - 15 categories divided between upstream and downstream emissions

### Scope 3 categories

UPSTREAM	1. Purchased goods and services
	2. Capital goods
	3. Fuel and energy-related activities
	4. Upstream transportation and distribution
	5. Waste generated in operations
	6. Business travel
	7. Employee commuting
	8. Upstream leased assets
DOWNSTREAM	9. Downstream transportation and distribution
	10. Processing of sold products
	11. Use of sold products
	12. End-of-life treatment of sold products
	13. Downstream leased assets
	14. Franchises
	15. Investments

### Breakdown of scopes (example)



## 3.3- LIMIT OUR IMPACT ON THE ENVIRONMENT

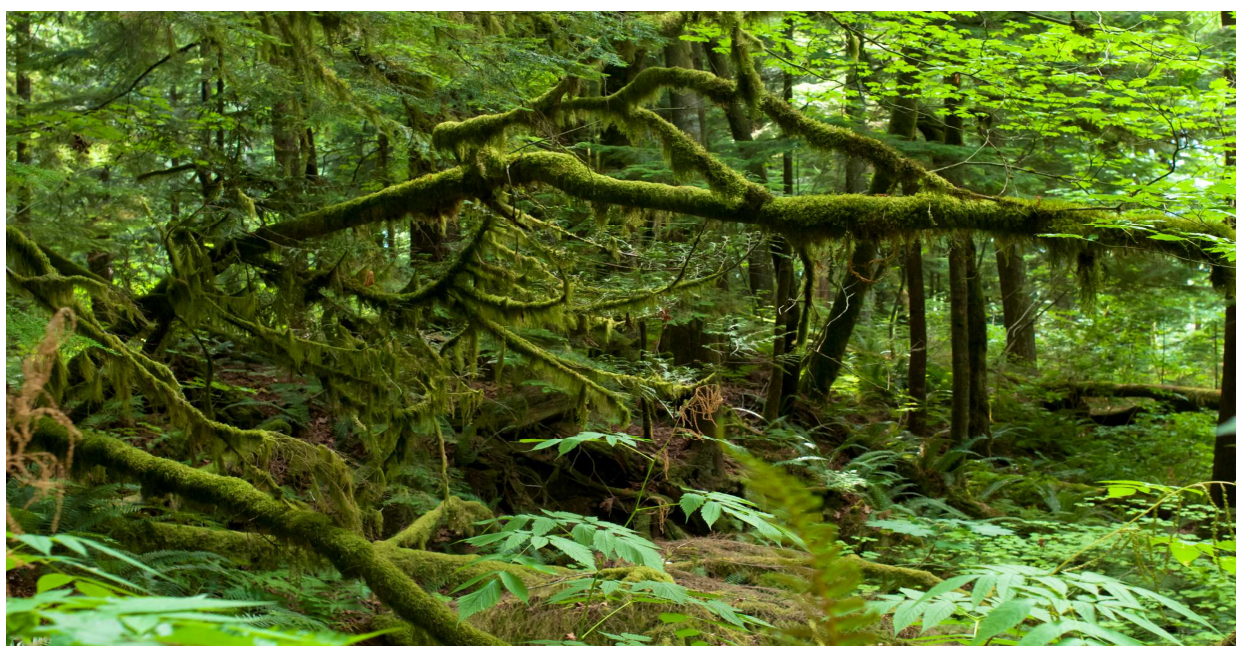
### BENVIC GROUP GOES CARBON NEUTRAL

As a commitment with respect to climate change, Benvic Group has purchased nature-based carbon credits in order to compensate for its GHG Scope 1 and Scope 2 – Market based emissions generated during the 2020 reporting year. This initiative has allowed the Group to become carbon neutral with respect to the activities falling within the reporting perimeter and is designed as a transition tool to mitigate its impact on the road to effectively reducing carbon emissions.

Benvic's carbon neutral status is achieved by offsetting carbon emissions with quality, nature-based carbon credits coming from positive impact projects. Each credit is certified according to international standard and it corresponds to the reduction (or removal) of one ton of CO<sub>2</sub> equivalent. In particular, the two projects the Group purchased its credits from are the “Guatemalan conservation coast” and the “Great bear forest carbon”.

The Guatemalan Conservation Coast project works to protect the remaining forests of the region by addressing the drivers of deforestation through effective law enforcement, land-use planning, education, economic opportunities, and sustainable agroforestry initiatives. Over the 30 years lifespan of the project, close to 22million tCO<sub>2</sub>e will have been avoided. There are also important biodiversity benefits. Over 400 species of birds have been documented in the project area and 120 species depend on the corridor to sustain their great journeys.

The second project is the Great Bear Forest Carbon project is an Improved Forest Management project in British Columbia (BC), the westernmost province of Canada. The project activities include changes in land-use legislation and regulation that result in increased carbon stocks by converting forests that were previously designated, and coastal wolves sanctioned, or approved for commercial logging to protected forests. Emissions caused by harvesting, road building and other forestry operations are also prevented. It is a landmark project for balancing human well-being and ecological integrity through carbon finance, and it is the first carbon project in North America on traditional territory with unextinguished Aboriginal Rights and Title.





## PLEDGE

# 4. CREATE VALUE TOGETHER WITH INVESTORS



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



## 4.1- PERFORM RISK MANAGEMENT

### Our ambition

- Have a complete and agile risk management system

### What this means for us

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

## WHAT PROGRESS HAVE WE MADE?

- Developed and implemented a risk management policy, processes and tools
- Identified key people who may retire in the next years and the functions in need of back-up plans
- Included ESG in our financing criteria which brought extra financial criteria (especially regarding social & environmental aspects) to monitor our risk management

## WHAT ARE WE DOING?

Our tools:

- Methodology for monitoring risks

Our actions:

- Implement risk management tools
- Internal control objectives and processes

## WHAT WILL WE DO?

- Global risk management at group level:
  - Periodic monitoring of risks
  - Develop a risk identification approach
  - Build and share back-up plans for key people in all plants

## 4.2- ENSURE GOOD MANAGEMENT AND GOVERNANCE



### Our ambition

- Market leader in governance

### What this means for us

- Develop responsible practices and behaviours
- Promote good governance

## WHAT PROGRESS HAVE WE MADE?

Responsible practices and behaviour:

- Improve our governance at:
  - Group level: more balanced ExCo, enhanced quality of information for Strategic Committee and ExCo
  - Entities' level (for example, Benvic Alfa PVC now has a register of meetings and a list of requests from stakeholders)
- Bring clarity to the scopes of ExCo and CEO to facilitate decision-making process

## WHAT ARE WE DOING?

Our tools:

- Chart of Ethics shared with our partners
- Annual assessment of key executives

Our actions:

- ESG chart of ethics
- Calendar of Executive Committee Strategic Committee meetings as well as strategic meetings with our shareholders

## WHAT WILL WE DO?

- Strengthen our ethical framework by adding ESG criteria in the assessment of executives
- Balanced corporate governance between economic and social goals



## 4.3- COMMUNICATE ETHICALLY AND TRANSPARENTLY



### Our ambition

- Structure our internal and external communication

### What this means for us

- Develop a communication process for all significant events

### WHAT PROGRESS HAVE WE MADE?

- Included ESG criteria in our financing and share our ESG KPIs with our partners
- Displayed publicly our sustainability report (available on our website).
- Improved communication with our investors with better defined scopes between our committees, regular meetings with our shareholder with further details (KPIs, monthly comments, quarterly strategic meetings, enhanced supportive documentation, etc.)
- Improved communication with our employees especially regarding our strategy and our relationship with our investors

### WHAT ARE WE DOING?

Our actions:

- Improve our monthly report to shareholder
- Improve the access to our ESG data
- Improve our internal communication as communication should be balanced between our stakeholders, and between internal and external. As such, we have regular communication on social networks for both our staff and our partners, we communicate strongly on our ESG performance and results, etc.

### WHAT WILL WE DO?

- Pursue our efforts to improve our communication with a schedule of strategic meetings (with key topics and a timeline to respect)
- Pursue our efforts in our internal communication to build a strong HR brand and strengthen Benvic as an integrated Group (new means and new media)

### EXAMPLES OF ACTIONS



- New format for our Benvic Mag, in English and digital version only, with topics covering all plants and all activities
- Publish our sustainability report on our website with a strong communication campaign (press release, etc.)
- Highlight our 2020 new financing including ESG criteria thanks to a strong communication campaign with our partner BNP Paribas and our shareholder
- Strengthen our communication, including internal and external during the peaks of the COVID-19 crisis (letters to employees, CEO message at year-end, editorials in our Magazine focusing on our customers & suppliers' needs, weekly safety report shared with shareholder, etc.)







## PLEDGE

# 5.

## PROMOTE RESPONSIBLE PROCUREMENT WITH OUR SUPPLIERS



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



# 5.1- PROMOTE RESPONSIBLE BUSINESS ETHICS



## Our ambition

→ Zero cases of proven corruption

## What this means for us

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

## Anti-corruption and tax compliance

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

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

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

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

## Protection of personal data

### WHAT PROGRESS HAVE WE MADE?

- Maturity diagnostic in the protection of personal data and definition of an action plan
- Implemented GDPR rules on our website
- Raised awareness in our plants through training

### WHAT ARE WE DOING?

Our actions:

- Pursue our analysis of our maturity
- Map all available personal data by processing, by function
- Definition of priority actions to be taken to achieve compliance, and a roadmap

### WHAT WILL WE DO?

- Pursue the mapping of our systems and of our data, and implement a monitoring of our data processing in all plants
- Continue to protect personnel data with a focus on our recent acquisitions to bring all plants to a same level of maturity
- Share our Ethics Code with our suppliers





## 5.2- DEFINE A SUPPLIER STANDARD

### Our ambition

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

### What this means for us

- Define prerequisites for suppliers and select them accordingly

## 5.3- ASSESS THE ESG PERFORMANCE OF BUYERS



### Our ambition

- Train 100% of our buyers by 2023

### What this means for us

- Train and evaluate our buyers

## WHAT PROGRESS HAVE WE MADE?

We successfully managed to build long-standing partnerships with major raw materials suppliers, resulting in long-term outline contracts.

For other suppliers (excluding raw materials), we drew up specifications and use several suppliers.

## WHAT ARE WE DOING?

Critical ESG prerequisites in the supplier selection process. Please note that due to the COVID-19 crisis priority was given to the stability of our relationships with our long-term partners. Benvic Group committed to a fair relation with its suppliers as well as being a trusted partner for its customers. We are proud that we were able to answer our customers' needs in 2020

## WHAT WILL WE DO?

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

## WHAT PROGRESS HAVE WE MADE?

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

## WHAT ARE WE DOING?

Our tools:

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

## WHAT WILL WE DO?

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



# 5.4- MANAGE AND EVALUATE SUPPLIERS' ESG PERFORMANCE, OPTIMIZE RELATIONSHIPS



## Our ambition

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

## What this means for us

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

## WHAT PROGRESS HAVE WE MADE?

Supplier performance management:

- Formalized the supplier evaluation process

Partnerships for innovation:

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

Balanced relationships with suppliers:

- Established a supplier satisfaction questionnaire

## WHAT ARE WE DOING?

Our tools:

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

Our actions:

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

## WHAT WILL WE DO?

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

## COVID-19 – Our commitments towards our suppliers

2020 was marked by the COVID-19 crisis, the start of a shortage in raw materials and a strong volatility in prices. Our focus was therefore to pursue our strong communication with our suppliers and, during the first semester, to fulfil our commitments (orders & payments) while in the second semester, we would engage all our partners into a durable collaboration to balance resources & needs. Benvic Group is strongly committed to a responsible relationship with its long-term partners





## PLEDGE

# 6.

## WORK WITH LOCAL COMMUNITIES



**6.1** Ensure the integration of entities on their territory

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



# 6.1- IMPROVE COMMUNITY ENGAGEMENT FOR EACH SITE



## Our ambition

- Participation of all our sites in local projects

## What this means for us

- Develop relationships with local stakeholders
- Contribute to local development

## WHAT PROGRESS HAVE WE MADE?

In times of COVID-19 crisis:

- We made local donations to associations, charities and hospitals focusing on the protection of the elderly and the most vulnerable

Relationships with local stakeholders:

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

## WHAT ARE WE DOING?

Our tools:

- Stakeholder action plan
- Questionnaire for local communities

Our actions:

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

## WHAT WILL WE DO?

- Pursue our efforts to focus on employment and our impact on our communities when acquiring new entities
- Increase communication with stakeholders and develop collaborative approaches
- Ultimately, on all sites: local ecosystem and stakeholder satisfaction measurement
- Define and implement a local development roadmap

## EXAMPLE OF ACTION



- Benvic Chevigny-Saint-Sauveur plant bought 5,000 meals to the local restaurant, in need, for isolated individuals with the support of local authorities
- All plants donated to local hospitals or charities (16 donations to social entities and hospitals)
- Benvic Modenplast bought Easter eggs to all its employees from an association involved in palliative care at home
- Most plants preferred local suppliers when possible to more global ones to support local communities



## 6.2- MANAGE INDUSTRIAL RISKS LOCALLY



### Our ambition

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

### What this means for us

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

## WHAT PROGRESS HAVE WE MADE?

As for other stakeholders, our focus in 2020 was the management of COVID-19 contamination risk with a strong focus on communication and display of preventive measures. All plants therefore improved their signposting (in all rooms such as the maximum number of people, the mandatory use of a mask, etc.) to make sure safety rules were correctly known by everyone (in addition to dedicated training for all and a strong monitoring / follow-up of local behaviours). Please refer to page 29.

### Identification of risks:

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

### Emergency situations:

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

## WHAT ARE WE DOING?

### Our tools:

- Standards for the preparation of safety systems and definition of risk levels
- Crisis communication tools at all plants

### Our actions:

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

## OUR INDICATORS

- 100% of the atmospheric emission measurements performed are below the limits established in each country (mainly dust particles)

## WHAT WILL WE DO?

- Share best practices and implement our tools & actions in our recent acquisitions
- Analyse the industrial risks for each site
- Set up scenario and procedures to deal with all major risks by involving stakeholders
- Develop a crisis management tool at Group level and also locally if it has not yet been formalized
- Identify key risks and implement concrete and immediate actions

## EXAMPLE OF ACTION



- Improvement of the signposting system in Benvic Chevigny-Saint-Sauveur in case of fire hazard / evacuation of employees, as well as for other risks (vehicular and pedestrian circulation, etc.) with regular testing of the new procedure





# 7.



## A NOTE ON INDICATORS AND CORRESPONDENCE TABLES



- 7.1 Methodological note
- 7.2 Correspondence table with Global Compact commitments
- 7.3 Global Reporting Initiative Correspondence Table



# METHODOLOGICAL NOTE & GLOBAL COMPACT CORRESPONDENCE

## 7.1- METHODOLOGICAL NOTE

Quantitative reporting covers BENVIC SAS, BENVIC EREPLAST, BENVIC SRL, BENVIC IBE SL, BENVIC ALFA PVC, BENVIC DUGDALE PVC, BENVIC MODENPLAST MEDICAL, the HOLDING - BENVIC GROUP, BENVIC BE, BENVIC GER (LUC&BEL EXCLUDED)

## 7.2- GLOBAL COMPACT CORRESPONDENCE

This report serves as our Communication on Progress, an annual disclosure to stakeholders on progress made in implementing the Ten Principles of the UN Global Compact in the areas of human rights, labor, environment and anti-corruption.

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

## 7.3- GRI INDEX

As required by the GRI Standards, we provide an index that specifies each of the GRI Standards used and lists all disclosures included in the report.

No.	DISCLOSURE	COMMENTS	SECTION
<b>GENERAL ELEMENTS</b>			
102-1	Name of the organization	Completed	P.6
102-2	Activities, brands, products and services: description of the organization's activities, brands, products and services	Completed	P.7,8
102-3	Location of company headquarters	Completed	P.3
102-4	Location of operations: number of countries in which the organization operates, where significant operations are located or which are significant for the purposes of this report	Completed	P.3
102-5	Type of ownership and legal structure	Partial	P.9
102-6	Markets served: geographic locations of markets, sectors served, types of customers and users/consumers	Completed	P.3, 7
102-7	Size of organization: number of employees, operational information, sales, capitalization and product sales	Completed	P.6
102-8	Information concerning employees and other workers: employees by type of contract (permanent/fixed-term), gender, region, full-time/part-time and if a significant part of the activity is carried out by persons who are not employed by the company	Partial	P.13
102-9	Supply chain: including its main structure for activities, brands, products and services	Absent	
102-10	Significant changes in the size of the organization, its structure, ownership or supply chain (change in the location of operations or main suppliers or in the capital structure)	Partial	P.6
102-11	The precautionary principle approach	Completed	P.3
102-12	External initiatives (list of CSR charters, principles or other initiatives to which the company adheres)	Completed	P.18
102-13	Membership in associations (list of memberships in international industrial or other associations or organisations integrating CSR issues)	Absent	
102-14	Statement by the manager (CEO, Executive Committee, Management Committee or Board) about the interest of CSR for the organisation and the strategy developed	Completed	P.3
102-16	Values, principles, standards and behavioural norms	Completed	P.10
102-18	Governance structure: including the highest governance committees and their CSR responsibilities	Partial	P.9
<b>ECONOMIC</b>			
201-1	Economic performance - Direct economic value generated and distributed	Partial	P.6
205	Anti-corruption - Indicators to be chosen once the process is actually underway	Absent	
<b>ENVIRONMENTAL</b>			
301-1	Materials - Materials used by weight or volume	Partial	P.10
302-1	Energy - Energy consumption in the organization	Completed	P.6
302-3	Energy - Energy intensity	Completed	P.6
303-5	Water - Water consumption	Completed	P.6
305-1	Emissions - Scope 1 GHG emissions	Completed	P.38
305-2	emissions - Scope 2 GHG emissions	Completed	P.38
306-2	Waste and Effluents - Waste by type and processing	Partial	P.6
307-1	Environmental compliance - Environmental non-compliance	Completed	P.6
308	Environmental assessment of suppliers - Indicators to be chosen once the process is actually underway	Absent	
<b>SOCIAL</b>			
401-1	Employment - Recruitment and turnover	Partial	P.6
403-9	Occupational health and safety - Number of workplace accidents	Complete	P.6
401-1	Training and education - Average number of hours worked	Complete	P.33
405-2	Diversity and equal opportunities - Base salary ratio and gender pay gap	Partial	P.12
407	Freedom of association and collective bargaining - Operations and suppliers where freedom of association and collective bargaining may be at risk	Absent	
413-1	Local communities - Operations with local community engagement, impact assessments and development programmes	Partial	P.50
414	<i>Social assessment of suppliers - Indicators to be chosen once the process is actually underway</i>	Absent	
416-1	Consumer health and safety - Assessment of the health and safety impacts of products and services	Partial	P.23