



Responsibility Report
2021

TOW-
ARDS
RESPON-
SIBLE
PACKAGING



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RESPONSIBLE PACKAGING



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WE ARE THE LEADER IN COSMETIC PACKAGING

We invent and make responsible packaging – tubes, lipsticks, mascaras, fragrance caps, skincare jars and turnkey solutions – for the beauty, personal care and health markets. We believe that there can be no responsible packaging without a responsible company. That’s why we uphold the reputation of our dynamic and prestigious customers; we act for the environment; we support our communities; we invest in technical expertise and industrial equipment for our 35 industrial sites worldwide; and we care for our 12,500 talented people. At Albéa, we protect Beauty.



Albéa Tubes

We invent and manufacture groundbreaking and responsible tubes.

→ We provide plastic and laminate tubes, caps and applicators, world-class printing expertise, and an extensive range of recyclable, paper-based, PCR and bio-based tubes.

We proudly serve local and international brands on every continent, through our combination of a global industrial footprint and proximity to local markets.

We invented cosmetic tubes and we are committed to making all our cosmetic and oral care tubes recyclable by 2025, and more broadly to social and environmental responsibility.



Albéa Cosmetics & Fragrance

We invent and make desirable and responsible rigid packaging.

→ We provide mascara and lipstick packaging, compacts, skincare jars and bottles, fragrance caps – designed in-house or custom-made for our customers.

We are committed to making all our packaging recyclable or reusable by 2025.

Our industrial footprint supports our customers’ global sourcing, regional reshoring and local manufacturing strategies.

We stand for experience, technical expertise, reliability, and passion.



Innovative Beauty Group (IBG)

We invent fashionable and responsible turnkey solutions.

→ We design and develop private label ranges, accessories, promotional items, bespoke packaging and amenity kits – in all materials!

We offer eco-designed solutions, safe materials, clean formulations, and a global network of qualified, responsible partners.

We support all dynamic and engaged beauty brands, beauty and other retailers, as well as airline companies.

We provide 360° project management and work as an extension of your team – so you can save time, money and hassle.

2021-2022 at a glance*

ALBÉA IS
12 500 EMPLOYEES,
35 PLANTS IN **15** COUNTRIES
 AND MANY OFFICES...



Main offices:

Amsterdam,
 Paris,
 Dongguan,
 Guangzhou,
 Shanghai,
 Shenzhen,
 Los Angeles,
 New York,
 Toronto.

* Please note that the following information is provided for 2022: number of employees, number of industrial sites and countries, EcoVadis certification, site certifications



24

sites triple-certified
 ISO 9001, ISO 14001,
 OHSAS 18001 / ISO 45001

—
29 sites certified
 ISO 9001

—
27 sites certified
 ISO 14001

—
6 sites certified
 ISO 50001

—
25 sites certified
 ISO 45001 / OHSAS 18001

—
18 sites certified for
 pharma and food

—
11 sites certified
 ISCC (International Sustainability
 & Carbon Certification)



EcoVadis Gold Certification

Albéa is among the top 3%
 of companies in its sector.



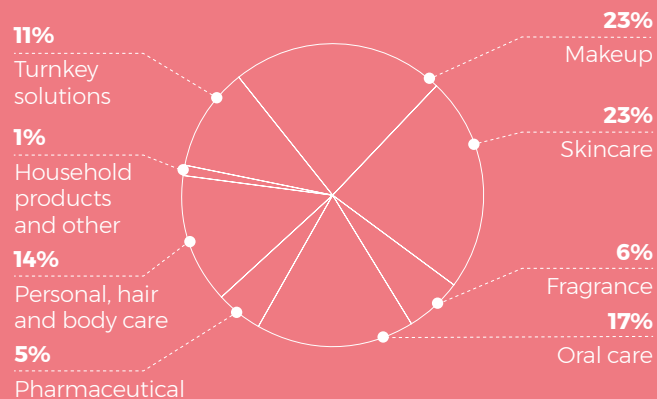
Rated B by the CDP
 (Carbone Disclosure Project)
 compared to B- in 2020.



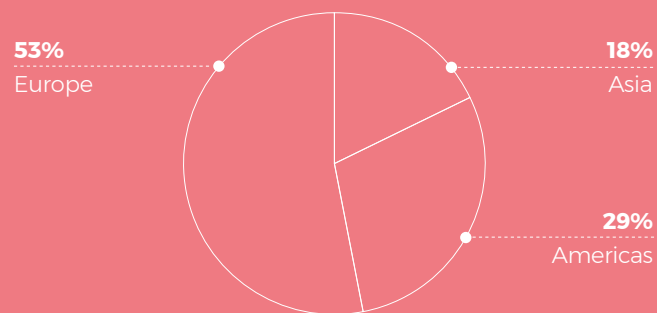
... AND **\$1.2 BILLION** IN REVENUE IN 2021

At our industrial sites and offices in Europe, Americas, Africa and Asia, our employees work to benefit our customers, the planet and the future.

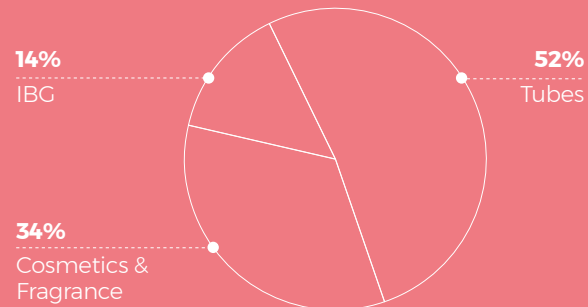
Sales by **Market**



Sales by **Region**



Sales by **Entity**



-46%

Albéa is committed to reducing its absolute carbon emissions by 46% by 2030



100%

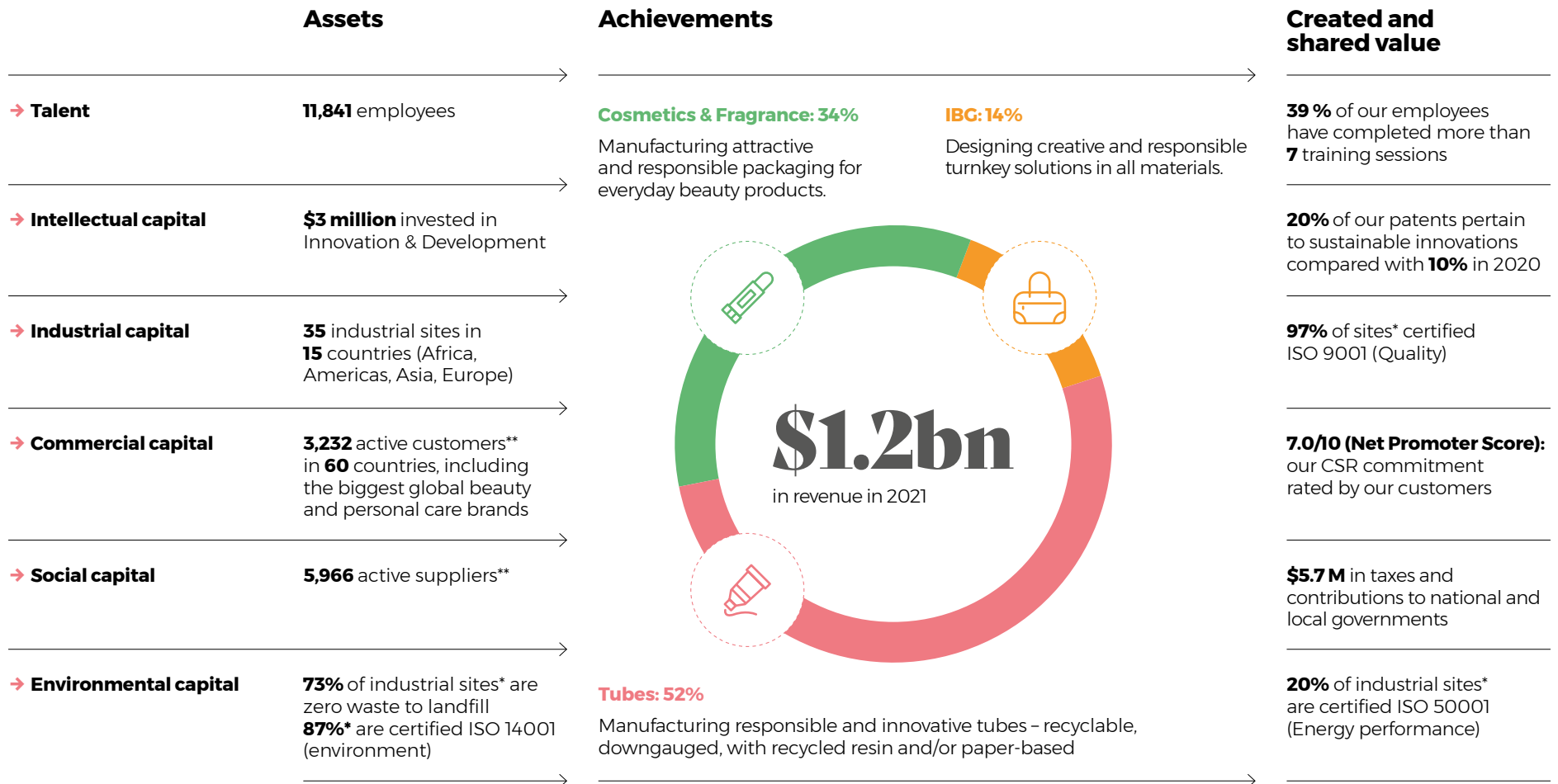
Albéa is committed to transforming its packaging so that it is 100% recyclable or reusable by 2025





Our business model

A RESPONSIBLE COMPANY CREATES SUSTAINABLE VALUE



*Base: 30 industrial sites. The Chinese site of Huai'an, partially opened in 2021, and the Abdos Lamitubes' sites, acquired at the end of 2021 (5 sites in India, United Arab Emirates and Nigeria), are not included in these indicators.
 **Excluding IBC

Foreword

François Luscan, President and CEO

RESPONSIBILITY REQUIRES SOLIDARITY

For Albéa, our CSR strategy remains our primary differentiating factor within a context of stiff global competition. But today, the challenge extends far beyond our activity. It involves accompanying the shift from a linear economic model to a circular model, which requires a systematic approach across our entire value chain. Ensuring Albéa's sustainability thus means both reinventing our packaging and rethinking our company. That's why CSR is integrated into all of our functions and decisions. Because we believe that there can be no responsible packaging without a responsible company.

Our stakeholders and customers have high expectations for us on this topic and we are ready for the challenge! We have managed our duty of vigilance, committed to fighting climate change and mobilized our 35 industrial sites around the safety and well-being of our employees. We are guiding our innovation policy in this direction, by transforming all our packaging, using recycled materials (chemically or mechanically) and thereby investing significantly.

The current situation presents a historic opportunity to reinvent a value chain that is both transparent and virtuous. The rapid succession of major crises over the last 2 years (pandemic, supply chain troubles, inflation and now war) has shown us that regionalized production and shorter supply chains are more agile and resilient, particularly when they include circularity and recycling. Industry can thus become, once again, an essential hub in a dynamic local economy, everywhere around the world. The hygiene and beauty market would have everything to gain from this. Its value chain is increasingly integrated, committed and aware of the efforts that are still needed. And I am convinced that if we actively contribute, both personally and collectively, to the challenge of the ecological transition, it will benefit all our companies: we will create a sense of purpose for our teams and stakeholders, and we will open up unexpected opportunities for collaboration at every link in the value chain.

SMEs (small and mid-sized enterprises) like Albéa often lack visibility and attention. Yet these are companies that are driven by strong values, possess recognized expertise and a long industrial history. These are the companies that invest to reduce their environmental impact, protect jobs, and fight and adapt during crises. But they remain far too small to influence strategic industrial decisions. We want to emerge from these crises stronger and better armed, both individually and collectively, so that we can work towards building a recognized, strategic and above all united cosmetics industry. This is our responsibility.



“The current situation presents a historic opportunity to reinvent our value chain”

CSR IS PROFOUNDLY CHANGING BUSINESS

Nicolas Yatzimirsky, François Tassart and Xavier Leclerc de Hauteclocque all agree: the rise of CSR commitments in the beauty sector represents a tremendous opportunity. Sustainability and responsibility are profoundly shaping the Albéa Group.

Social and environmental responsibility impacts the entire company. There can be no responsible packaging without a responsible company, which means employee safety, a diverse workforce and strong supplier relationships. Responsible packaging is a mindset that influences the entire value chain, from raw materials to end consumers. Whenever we invent new products, we work hard to reduce materials, favor recycled materials and ensure recyclability. Our priorities are long-term: to innovate while maintaining desirability and reducing the impact of our packaging. We also aim to help make sorting-collecting-recycling channels more efficient by focusing on chemically and mechanically recycled materials.

We want to raise awareness in our market so that it fully embraces CSR principles and demands. But we are small and we need our customers, especially leading brands, to help us transform the market and rewrite the rule book for products, their display and their use.

As a packaging manufacturer, we know that plastic remains an essential material that will become more acceptable as it pollutes less. Albéa Tubes is pursuing the ecological transformation of beauty packaging and we are doing our part. Plastic packaging has a limited carbon footprint and provides an efficient protection for the product it contains.

However, consumers do not yet realize the potential value of recycling. As long as packaging is not adequately



Nicolas Yatzimirsky, CEO of Albéa Tubes

“The future of tubes is in recyclability”

recycled, we will not be able to develop a sustainable economy for plastic packaging. Governments and public authorities must provide a stable regulatory framework for transforming the collection, sorting and recycling processes. Like our customers, we have adopted strong commitments to improve the recyclability of our products and reduce our carbon footprint. To meet these challenges, we are working on every front: changing resins, using alternative materials and recycled materials, downgauging our products, etc. The future of tubes is in recyclability.





François Tassart,
CEO, Albéa Cosmetics & Fragrance

“Combining desirable with responsible”

What sets makeup, fragrance and skincare packaging apart are the rigorous manufacturing processes that are specific to each product, as well as the numerous pieces and materials involved in their design. This, however, creates an obstacle to recycling. We must therefore rethink our industrial processes by substituting materials and using recyclable resins, opting for single materials and lighter designs, as well as incorporating recycled materials.

It's a tremendous technical challenge! And it's also our priority, alongside reviewing our designs to achieve reuse wherever possible, decorate in new ways and reduce the number of components.

However, virtuous packaging does not always have the same aesthetic appeal. Although the world is moving towards refillable products, consumers still prefer to buy a complete, beautiful, new product that is ready to use. Product desirability remains an obstacle to transformation for fear of no longer selling the dream associated with a brand. Despite this, we must accept all these changes and customers will have to accelerate the transformation of their packaging while continuing to sell the dream that their brand represents. At the same time, our activity consists in providing top international and regional brands with a global industrial platform and the technical capabilities they need for innovation and development.

This means we can count on any one of our facilities to manufacture and deliver the exceptional products of our customers. The shift towards regionalization taking place in recent years for agility reasons has only intensified with the health and logistics crises. This regionalization also helps to create value chains that are shorter, more tightly connected and more virtuous. This is important, notably for luxury brands, whose reputations depend in part on transparency.

Finally, CSR requirements have also given rise to a need for new skills in order to manage new regulations and control the quality and chemistry of new materials. These are skillsets and jobs that did not exist just four years ago.

IBG assists both beauty brands and retailers in designing their own brands. We have built an extensive and agile ecosystem for designing and managing complex projects that goes far beyond mere plastic packaging. This enables us to develop concepts from A to Z and to innovate across an entire product range for prestige or mass market customers, notably by working as an extension of their own teams. Everything starts with the customers, their positioning and their desires! Together, we conceive the best solution, find the best partners, and place design and sustainable development at the heart of the project through a “design-to-cost” approach.

In 2021, 85% of our proposals integrated eco-design, whether in terms of packaging, formulas or accessories! Pressure from regulators and public opinion is pushing our customers to redesign their product lines, but this takes time. Our goal is to continue developing our model in the American and European markets, and to expand our presence in Asia by strengthening our collaborations on CSR, a strategic, priority and cross-cutting topic. Today, there is still a wide gap between the sustainable solutions that we offer, or can offer, and the final choice made by our customers. We must convince them to integrate CSR criteria into their projects through a much more comprehensive approach. This also involves training our sales teams, who need to master all the price, quality and environmental impact



Xavier Leclerc de Hauteclocque,
CEO Innovative Beauty Group

“Design at the core of our CSR offers”

advantages of our products, notably for refillable solutions. But it also means training our partners, with whom we are rethinking the entire value chain, from discovering new materials to changing consumer habits. Finally, we must educate the sales and marketing teams of our customers, who are not always aware of the best available options for their strategic priorities.

We also need to present the levers that can boost their brand's perceived value by developing new, more “sustainable” concepts. This is our triple priority for 2022 to accelerate decisions and capture the value of change.



CSR roadmap

Gilles Swyngedauw, Vice-President CSR, Albéa

“RESPONSIBLE PACKAGING IMPLIES A RESPONSIBLE COMPANY AND SOCIETY”



There can be no responsible packaging without a responsible company, without responsible teams, without responsible design and manufacturing. This is the thinking behind transparency: being able to say where, when, how, by whom and with what every product was made. For consumers, buying a responsible product is a way to choose their lifestyle and society, almost like a form of activism.

For our customers, most specifications now include sustainability criteria that have shifted their purchasing priorities. In

the same way, for a manufacturer like Albéa, offering responsible packaging is a reflection of the company, its priorities and its long-term vision. And its capacity to mobilize its men and women, as well as its suppliers, around environmental and social targets and action plans that go beyond industrial objectives. Our aim is to contribute on our level to international climate and environmental emergencies. We also intend to participate in a responsible industry, driven upstream by consumers and brands committed to proactive sustainable development policies. To support these transformations, Albéa established a roadmap in 2020 based on ten strategic priorities and ten challenges aiming to rethink and manufacture packaging that is high-quality, desirable, safe and sustainable. It must also come at the right price, even as innovation, the ecological transition and the reputation of the cosmetics industry cannot be sustained without massive investments.

Traceability makes it possible to ensure a secure and solid value chain. Our duty of vigilance allows us to guarantee compliance and integrity. Transparency also supports the reputation of our customers. It's the history behind the product. It's the brand and its promise.

It's the environmental commitment of packaging. It stands for people, communities, expertise, pride. Transparency is the reason why the entire supply chain is so important. Because responsible packaging implies a responsible company and a responsible society.

Our CSR roadmap

→ Our CSR strategy relies on a daily commitment based on 10 priority topics and their trajectory through 2025. We measure our progress every year, while taking 2019 as our reference year (see our 2021 performance on page 39).

01	Responsible packaging	P. 16 to 17
02	Product quality	P. 18
03	Customer experience	P. 18
04	Supplier relationships	P. 19
05	Climate change	P. 20
06	Business ethics & compliance	P. 21
07	Human rights	P. 21
08	Health & safety	P. 22
09	Employee engagement	P. 23
10	Skills & employability	P. 24

But the world is changing fast and new topics are emerging every day that also merit our attention. For example, cybersecurity aims to protect our systems and our internal and external data at Albéa. The goal is to do everything we can to avoid a failure of our information systems and limit its impact on our activity. Evaluating these risks and their probability has become a strategic priority for securing our activity at Albéa, for all products, customers and production sites.



RESPON- SIBLE PACKAG- ING WHY?



CONSERVING RESOURCES WITH THE CIRCULAR ECONOMY

Offering responsible packaging means realizing that the planet's resources are limited and the circular economy is the solution for conserving these resources.



In July 29, 2021, humanity used up all the resources that the Earth can regenerate in one year. Since the 1970s, the Earth Overshoot Day* has come earlier every year. Our planet cannot give any more than it has to offer, so it is up to us

to learn how to better manage our resources. Some say that we need to produce less while others, like Albéa, believe that we need to produce better.

Towards virtuous packaging

— Should we do away with packaging? Packaging remains the best way to protect products and the formulas they contain, ensuring their safety while lending a dreamlike touch. Similarly, why not do away with plastic? Because there is no reasonable alternative today, whether in terms of carbon footprint, aesthetics, protection, resistance, weight or price. However, it is essential to transform plastic

packaging into a new raw material: without ever becoming a waste item, it must serve as a virtuous resource. That means rethinking the industry so that it uses fewer materials and expands collection, sorting, reuse and especially recycling of plastic cosmetic packaging. We must create short value chains that are efficient, circular and have a minimal environmental impact – thereby catching up with older, better organized sectors like glass, cardboard and metal. Albéa has committed to this path and adheres to the roadmap laid out by the Ellen MacArthur Foundation through five priorities: reducing the amount of material used, downgauging and eliminating the use of problematic or unnecessary materials; designing for reuse; offering truly recyclable packaging; reintegrating post-consumer recycled material; and eliminating the use of non-renewable virgin raw materials as much as possible, by using bio-sourced resins, for example. We must do this while continuing to guarantee the safety and desirability of our products. This massive challenge has long mobilized our teams, and it is now mobilizing the entire value chain.

* Every year, the Global Footprint Network calculates the Earth Overshoot Day, based on 3 million statistical data points from 200 countries. This is the day humanity's ecological footprint exceeds the biocapacity of our planet.

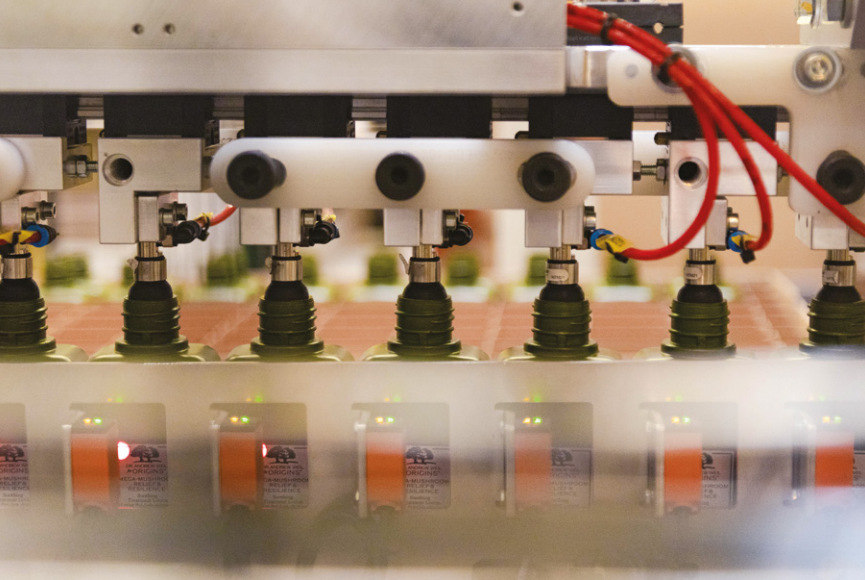


8,6%

According to the 2021 Circle Economy report, the global economy is only 8.6% circular, meaning that only 8.6% of the more than 100 billion metric tons of materials consumed every year around the world is reused.

Albéa was the first cosmetic packaging manufacturer to sign the New Plastics Economy Global Commitment of the Ellen MacArthur Foundation. Three years later, it figures among the 100 companies that have approved Ellen MacArthur's declaration in favor of the Extended Producer Responsibility (EPR) for the packaging industry, a major and necessary step on the path to a circular economy (see page 30).





-46%

reduction by 2030 in absolute carbon emissions based on 2019 for Scope 1 (direct emissions) and Scope 2 (indirect and energy emissions), or -50% compared with 2016, in line with the Science-Based Targets Initiative.

OUR 2030 TARGET aligns with this initiative launched through a partnership between the CDP, the United Nations Global Compact, the World Resources Institute and the World Wide Fund for Nature aiming to limit global warming to 1.5°C compared with preindustrial levels.

WHAT ARE WE TALKING ABOUT?

Net-zero emissions

→ Means that greenhouse gas emissions are reduced to a level as close to zero as possible, with remaining emissions present in the atmosphere reabsorbed by the oceans or forests, for example.

Carbon neutrality

→ Means that the amount of CO₂ released into the atmosphere by a company's activities is offset by an equivalent amount taken out of the atmosphere. While the term "carbon neutrality" refers to offsetting all carbon emissions, the term "net-zero emissions" means that no CO₂ is emitted from the start, so there is no need to capture or offset emissions.

Why?

#2

RESPONDING TO CLIMATE CHALLENGES BY REDUCING OUR ENVIRONMENTAL IMPACT

Manufacturing packaging in a responsible way means reducing its environmental impact as much as possible in order to help fight against climate change.

In November 2021, the United Nations held its latest climate change conference in Glasgow. COP26 came to the unfortunate conclusion that efforts to reduce greenhouse gas emissions are still falling short of global targets, let alone the needs of the planet. However, countries have recognized the urgent action needed: reducing global carbon dioxide emissions by 45% is an absolute necessity in order to achieve the net-zero emissions target by mid-century.

Consuming less and better

— In addition to countries, our entire community must take action to tackle climate change. This issue concerns us all. Brands are actively working to limit their environmental impact and, behind them, their industrial suppliers are helping them to reach their

targets. As part of its global strategy for sustainable development, Albéa established a climate change roadmap with the aim of reducing its greenhouse gas emissions. The Group is taking action on two levels: reducing its energy use and ensuring that it uses decarbonized electricity (which represents 95% of its Scope 1 and 2 emissions). In the former case, the company will improve its energy efficiency by encouraging best practices on site and modernizing its equipment.

In the latter case, Albéa is buying energy attribute certificates and planning to commit to long-term agreements known as Power Purchase Agreements (PPA). In addition to these commitments, the Group is working to reduce the Scope 3 indirect emissions of the value chain, notably by designing responsible packaging and reducing production waste. However, our emissions also impact the Scope 3 emissions of our customers, many of whom have signed on to the Science-Based Targets initiative. Within a value chain, all stakeholders are interdependent, and the progress of one company depends on the advances of another. We are all connected through our commitments.



PROMOTING RESPONSIBILITY ACROSS THE ENTIRE VALUE CHAIN AND ENSURING TRANSPARENCY

Meeting the growing demand for transparency from citizens and consumers on the products they purchase involves every stakeholder in the value chain.

Increasingly attuned to the fragility of our planet, consumers are committed to preserving resources and fighting against global warming. They also want more transparency about where the products they buy come from, how they were made and what materials they use. Regulations are changing and environmental labeling is emerging, because guaranteeing a responsible product for the end consumer means being able to evaluate, and prove in complete transparency, this responsibility from the beginning to the end of its life cycle.

Sharing responsibilities

— To provide assurance that their products are responsible, brands need to be able to rely on responsible suppliers who can support them with these ambitious transparency processes. This is the very definition of duty of vigilance for companies seeking to

prevent environmental, human rights and corruption risks within their own activities, as well as among their subcontractors and suppliers, whether in France or abroad. In turn, these suppliers should then demand this from their own suppliers. The value chain can then become virtuous through the commitment of people and the financial investments behind all these products.

Long convinced that responsibility depends above all on its teams and the values they share, Albéa strives to inform and train its employees so they can produce responsible packaging and deliver the expected level of transparency. One obstacle remains to be overcome in this value chain: the quality and volume of collecting, sorting and recycling. Because responsible packaging is not just recyclable, it must also be efficiently recycled. And all of us, citizens, consumers, brands, suppliers and public authorities, are concerned by this necessary shift of our linear model towards a virtuous circular model.



100%

of plastic packaging reusable and recyclable, and at least 10% made from recycled plastic by 2025. These two commitments align with the New Plastics Economy Global Commitment of the Ellen MacArthur Foundation.

Responsible packaging in a responsible company: Albéa wants to build a trusted, ethical, transparent and reliable company.

RESPONSIBLE PACKAGING HOW?



THE 5 Rs OF CIRCULAR PACKAGING

Albéa innovates every day around the principle of the 5 Rs: Reduce, Reuse, Recycle, Reincorporate and Renew to offer responsible packaging to its customers. The Group has also added a sixth R: Rethink.



Reduce

→ Reducing the amount of raw materials used – plastic, glass, metal, etc. – and virgin materials from fossil sources: this is now the major lever of the eco-design approach! Combining innovation and technical feats, the EcoFusion Top solution was born as a 2-in-1 “head + cap” to reduce tube weight by 55%.



Reuse

→ The idea here is to reuse packaging, by refilling its contents for example. The goal is also to design the packaging and refills so they can be recycled after use. Albéa has designed its own standard refillable lipstick: Endless Kiss.



Even though CSR requires a new consumption model, major lipstick brands like Louboutin and Maison Givenchy have committed to using refillable tubes.



50%

reduction in carbon footprint after three refills with Endless Kiss compared with traditional lipstick.



Recycle

→ It also means both guaranteeing the technical recyclability of packaging and ensuring that it is effectively recycled. For recyclability, this means selecting materials that currently benefit from efficient recycling streams (PP, PET, PE) and above all limiting or eliminating multi-resins (ex: tube in PE and capsule in PP) and multi-materials (ex: compacts with mirrors, metallic hinges and trays). For recycling, this implies an absolute need to work within operational recycling streams at scale, on the strict condition that packaging is collected, sorted and regenerated. This is not always the case, however, not even in Europe. Currently, 91% of plastics used by the Group benefit from an operational recycling stream at scale. We are now focusing our efforts on converting the remaining 9% before moving on to the second step: ensuring that our packaging does not disrupt these recycling streams. To that end, we apply the Design 4 Recycling recommendations from the earliest possible stage.



Albéa has developed a new cap in PE with the aim of developing single material tubes that are ready to recycle, a first in the oral care market.





Reincorporate

→ Once recyclability and recycling are settled, it is necessary to reincorporate mechanically or chemically recycled plastics that comply with regulations – and the visual codes of cosmetics. Today, new chemical recycling technology makes it possible to obtain material offering the same aesthetic and functional performance as virgin material. Its use is becoming more widespread thanks to the commitment of leading players in the market.



For Albéa, responsible packaging must be safe, circular and have a minimal environmental impact.



And finally... Renewable

→ A virtuous and infinite cycle (collection, sorting, reincorporation) is not realistic in practice, and no packaging or material can ever achieve complete circularity. But we can envision 60-70% of plastics being recycled within a few years' time, which would already represent a tremendous step forward over the current situation. At the same time, we may also imagine using renewable virgin materials – which offer regeneration over a duration similar to its use period, or about one year in cosmetics. Technological innovations abound in this field and relevant solutions either already exist or are currently in development, notably in terms of bio-sourced resins. Let us not forget that plastic is a fairly recent material, whose technology remains far from mature. Its light weight and low carbon impact offer a significant environmental advantage and many players are working together to keep innovating in this area.

IBG has designed and developed the packaging and formulations for European retailer Action's A Good Clean product range. Bottles are made from recycled PET, trigger sprays are mono-material and recycle-ready, and active ingredients are 98% plant-based!



Sephora's Total Coverage Original Sponge, developed by IBC, received a 2021 Beauty Creator Award from Cosmetic Executive Women (CEW) in the Makeup Tools category.

SPICE (Sustainable Packaging Initiative for CosmEtics) members are collaborating to develop an LCA methodology based on 16 criteria.



A 6th R? Rethink

→ In addition to reducing, reusing, recycling and reincorporating recycled or bio-sourced materials, we must continuously rethink our packaging as soon as we receive the customer's request, upstream of product design: imagining new uses, optimizing logistics, relocating production as close as possible to the end consumer... Because virtuous packaging depends on the commitment of every party. This is why we intend to place transparency, meaning the CSR commitment of every link in the value chain, at the center of our efforts. We are therefore developing a platform to guarantee the chain of custody, from the origin of components to compliance with regulations. Traceability is all the more important as we incorporate new materials, use materials that are permitted today but may become prohibited tomorrow, and explore resins derived from new recycling technologies. Transparency also enables life cycle analyses (LCA) and comparisons, particularly in terms of the broader environmental impact (carbon, water, biodiversity, etc.). By bringing a note of serenity and science into a complex debate, we can combat misconceptions and erroneous claims.



AIMING FOR ZERO WASTE

A quality product is a product that is made right the first time, with very few defects. This critical challenge contributes to customer satisfaction, while reducing the industrial impact of our activity and theirs.

Product quality depends on perfect conformity with the specifications of our customers, as well as the efficiency of our manufacturing processes and modes of operation, both individual and managerial. As a result, reducing non-quality means improving our environmental impact (carbon emissions of waste and defective products), operational performance and competitiveness.

In 2021, we aimed for a 30% improvement in the defect rate. To achieve this target, we measured and showcased defects in our production facilities, in order to determine the actions to take at every step in the manufacturing process. We also adopted quality management tools to improve quality. For example, production meetings are held at the same time every day to keep operators informed.

Monitoring charts make it easier to identify the causes of poor quality and the corrective measures to take. The goal is to do a little better every day: operational excellence depends on continuous improvement. Behaviors need to change gradually over time, such as not hesitating to stop a production line if the product is not satisfactory. Finally, Albéa works with its suppliers on the quality of their materials, an essential factor in its own quality.



-20%

drop in customer complaints between 2020 and 2021 (from a customer complaint rate of 0.73% in 2020 to 0.58% in 2021).

WORKING ALONGSIDE OUR CUSTOMERS

The CSR commitments taken by our customers have led to a strong demand for support and guidance.

In 2021, the majority of requests for proposals included responsible packaging. In addition, fighting against climate change is, for our customers and for us, a top priority, while commitments in this area are becoming increasingly important for investors. But confusion remains due to the often contradictory claims of manufacturers, the emergence of new materials and a rapidly changing regulatory context.

At Albéa, we aim to contribute our expertise with great humility: providing solutions and advice adapted to their specific brand positioning for some customers, or for others more in-depth support to help them implement their own CSR roadmaps. Our aim is to meet consumer demand for transparency – a crucial aspect of brand reputation – while continuing to create desirable products. To enhance our consulting role, we strengthened the skills of our sales teams through weekly “Monday For Future” training sessions. We also share the results of our CSR surveys with them so they can better support their customers in the transition of their product portfolio. For certain key customers, we also put in place CSR information sheets to better manage their expectations.



7.0/10

“How effectively does Albéa contribute to your company’s environmental and social goals?” Customers gave Albéa a rating of 7.0/10 (Net Promoter Score) in 2021 (compared with 6.7/10 in 2020) and the 2025 target is to achieve a rating of 7.5/10.



MAINTAINING STRONG RELATIONSHIPS WITH OUR SUPPLIERS

Our responsibility is essential to our customers. In the same way, the responsibility of our suppliers is essential to us. Without a responsible value chain, there can be no responsible packaging.

The global health crisis was followed by raw material shortages and lengthy transportation delays. Despite this context, Albéa maintained business continuity for its customers, thanks notably to the mobilization of its sales teams working together with operations teams to avoid supply shortages, as well as to its privileged relationships with suppliers. The market's extreme volatility is forcing us to become ever more agile and responsive - within production units and with our partners.

However, this service commitment comes at a price: Albéa indeed managed to find the raw materials, but at a higher cost, not to mention the cost of transportation and energy, while we also had to build up our inventory to protect our customers. That's why the strength of our sector depends equally on its soli-

arity. Just as we audit our own sites to meet our customers' expectations, Albéa commits its suppliers to a vast campaign of on-site audits, through our partner Intertek, or documentary audits through the rating platform EcoVadis.

Coordinating to make progress

— In 2021, Albéa dramatically accelerated its supplier audits. These audits allow us to ensure our partners' commitment in a public and transparent way. We also involve our suppliers in our CSR strategy through our Sustainable Purchasing Charter, which we ask them to sign.

Many have already established their own voluntary CSR policies. Our strategic suppliers are generally aligned with our commitments. CSR remains less mature among our smaller suppliers. In all cases, we demonstrate the benefit of setting up a common approach that complies with regulatory standards and in working together to imagine new, more responsible products. Our customers may also take part in this process. Each party can take action to limit their social and environmental impact: through shared innovation, co-development, circularity and trust, we can all succeed.



5,966

active suppliers (direct and indirect) including 800 deemed critical*.

At the end of 2021, **1,047** suppliers had signed the Sustainable Purchasing Charter among 1,823 identified as priority suppliers**.

2025 TARGET: Sustainable Purchasing Charter signed by 100% of our priority suppliers.



264

suppliers audited by EcoVadis and Intertek at the end of 2021.

2025 TARGET: audit (EcoVadis or Intertek) performed for 100% of our 800 critical suppliers.

*Criticality assessed through 4 criteria: purchasing category, purchasing amount, Albéa's exposure, country.

**Priority assessed through an internal rating and if the purchasing amount exceeds €50k.

TAKING ACTION FOR THE CLIMATE

With support from Schneider Electric, Albéa drafted its climate change roadmap for Scope 1 and 2 emissions in 2021. Aligned with the recommendations of the Science-Based Targets initiative (SBTi), it calls for a massive reduction in carbon emissions by 2030 through improved energy efficiency and greater use of renewable electricity.

By 2030, Albéa is committed to reducing its absolute carbon emissions for Scope 1 (direct emissions) and Scope 2 (indirect and energy-related emissions) by 46% compared to 2019, or -50% compared to 2016, in accordance with the SBTi. Scope 1 and 2 emissions impact the Scope 3 emissions of our customers, which they have committed to reducing in turn. They are therefore encouraging our ambitions in this area. Brands and suppliers, we are all connected: taking action for the climate is our shared responsibility. In this respect, the CDP (ex-Carbon Disclosure Project) assessment, in which we obtained a B rating, enables us to ensure the relevance of our plan with regard to the requirements of our value chain, our commitment and our resources.

Improving energy efficiency

— Energy efficiency demands a continuous effort from everyone through virtuous behavior, regular monitoring, less energy-intensive equipment and therefore significant investments. And this is even



Albéa has placed CSR at the center of its activity. This is reflected in a continuous commitment to reduce its GHG emissions and to develop circular and low environmental impact packaging solutions.

more essential at a time when energy is becoming more expensive.

Before 2020, Albéa had achieved energy savings of about 15% thanks to its network of energy experts at its sites, the numerous energy audits it carried out and the best practices it implemented. In 2021, we continued these audits to determine where it made the most sense to direct our action in order to maximize our impact. The program we have developed with Schneider Electric may lead to additional energy savings of more than 10% over ten years.

Greater reliance on renewable energy

— Concerning electricity, which accounts for 95% of the Group's Scope 1 and 2 emissions, using renewable energies can significantly reduce our greenhouse gas emissions. We have the potential to achieve zero carbon emissions in Scope 2 by combining solutions specific to each country. For example, in 2021, the Group studied the opportunities and regulations in the various countries where we operate, in order to purchase energy attribute certificates (EAC) to cover almost 100% of its electricity consumption in Europe, and now also in North America. The Group is also studying the possibility of using PPAs (Power Purchase Agreements), which are long-term contracts for the purchase of electricity produced from renewable energy installations. Off-site PPAs show the most promise, but the Group is also evaluating the feasibility of using on-site solar panels at some of its plants.

Finally, in addition to Scope 1 and 2 emissions, we also studied Scope 3 emissions in 2021 in order to better understand what they include and to imagine new ways of addressing these emissions (the last study dated back to 2017). We now know that raw materials account for the largest share of these emissions, and that upstream and downstream transport also appear to be major contributors.



70+

best practices identified and being rolled out.



51%

of Albéa's electricity was certified renewable in 2021 through EAC (energy attribute certificates).



43%

reduction in our Scopes 1 and 2 carbon emissions between 2019 and 2021.





How?

#6

ETHICS AND COMPLIANCE, NO COMPROMISE

Business ethics and compliance, two cornerstones of duty of vigilance, are a top priority at Albéa, as well as an essential guide for protecting human rights and managing supplier relationships, both for Albéa employees and its partners.

Albéa is fortifying its culture of compliance by identifying corruption and human rights violation risks, communicating around its ethics and compliance rules, and implementing controls to oversee its processes.

The Group Chief Compliance Officer is responsible for ensuring the company's compliance with all applicable laws and regulations (notably in terms of preventing corruption, money laundering and other risks).

Vigilance tools

— A corruption risk mapping operation was carried out in 2021 to identify the high-impact, high-probability risks to target during training and information campaigns. Under the direction of the Chief Compliance

Officer, an action plan will soon be drafted within each activity, including tools and materials to facilitate the roll out, as well as training and communication campaigns.

The Code of Conduct defines the ethical rules and principles that each employee must apply in all their professional duties and behaviors with all stakeholders. It is applicable to all Albéa employees. The Code of Conduct is given to every new hire and attached to the internal rules at each site. It is also featured in an e-learning module. In 2021, the Code of Conduct was expanded to include even more real-life situations and concrete examples, notably originating from the risk map. This new version will be available in 2022 in every language spoken throughout the Group.

In addition, a digital alert platform will be set up in 2022 to enable each employee to flag any noncompliant behavior. Finally, the Sustainable Purchasing Charter governs relationships and reciprocal commitments between Albéa and its suppliers. In 2022, the Group will focus on raising awareness among all Albéa suppliers on compliance commitments in order to ensure they apply the same standards as Albéa, notably through questionnaires and audits.



51%

of Albéa employees completed the e-learning session dedicated to the Code of Conduct.

Ethics and compliance are discussed more and more often during meetings in order to prevent risks and ensure respect of all people.



HUMAN RIGHTS: A FUNDAMENTAL EVALUATION

Albéa is strengthening its culture of compliance by informing its employees, wherever they are located, on how to apply ethics rules and good behaviors within the company.

In addition to a precise Code of Conduct outlining the basic notions to inform employees about human rights, Albéa has implemented a dynamic policy to evaluate its sites, as well as its supplier sites (see page 17). For this purpose, Albéa relies on EcoVadis and its recognized audit by questionnaire method. Adding to this system, the Group also employs the SMETA on-site audit methodology developed by Sedex, a non-profit organization focused on ethical performance. All our sites will receive a SMETA audit by the end of 2024, with priority going to our facilities in regions of highest risk.



79%

of sites have completed at least one EcoVadis or social audit.

2025 TARGETS:

100% of sites evaluated by an EcoVadis and/or SMETA social audit.

In 2022, two of our sites received Platinum classification from EcoVadis, its highest level of recognition: Tortona in Italy (78/100) and Simandre in France (82/100). Two other sites received a Gold ranking: Lodz in Poland (74/100) and Queretaro in Mexico (73/100).



Nirmala Carvalho, Human Resources manager at the Baddi and Goa sites in India, which both completed SMETA audits

“It’s essential to ensure that we do business in a socially and morally correct way. We ensure that we comply with local laws in complete transparency through various tools, rules and internal practices. But the audit serves as an objective ‘health check’ to make sure we have the right policies and practices in place. Since our customers undergo the same audits, we remain perfectly in sync with them, not only in terms of product quality and safety requirements, but also in terms of the safety, rights and well-being of our employees.”



How?

#8

HEALTH AND SAFETY, AN ABSOLUTE COMMITMENT



80%

of our sites (plants and offices) without a single accident.

Workplace accident frequency rate

(with 1 or more days of work stoppage): 0.08 in 2021, 2025 target of 0.05.

63%

Risk Mark, which is above average in our industry.



+90%

application rate of Covid-19 prevention measures at our industrial sites.

Though health has overshadowed safety in recent years due to the pandemic, employee safety must become an absolute priority once again, notably with the arrival of many new recruits and organizational changes.

Covid-19: «the» topic in health

— In 2021, the Covid-19 pandemic continued to monopolize the Group's attention in its various geographies. The measures taken in 2020 (masking, temperature checks, hand sanitizer, distancing, work from home, etc.) were extended into the year. We were even able to organize remote internal audits using connected glasses.

These measures achieved the desired results as no hot spots emerged in our plants, nor did the inevitable absenteeism interrupt our production. Our teams demonstrated resilience, which was widely appreciated by our customers. In terms of vaccination, where rules varied by country, 178 employees at Albéa Scheßlitz (Germany) were vaccinated against Covid-19 through the campaign organized in June 2021 by the company and occupational doctor on site. In July, the Indonesian site

also invited its employees to get vaccinated through the national Cotong Royong program, in which 300 employees took part.

Safety: leading by example

— These health requirements did not have any negative effect on our vigilance and measures in terms of safety. While Cosmetics & Fragrance maintained its results in 2021, the Tubes division saw a decline in its indicators. For this reason, it is essential to place safety back at the center of our concern, boost our company culture on this topic and update our training program. We must continue working hard to limit accidents arising from human-machine interfaces. Albéa will continue to implement the prevention tools that led to the success of its "EHS First" program, such as encouraging employees to signal any "near misses", management tours and interviews on safety at workstations, identifying and applying best practices for safety on a global level and sharing feedback from accidents with an elevated potential of severity.

FOSTERING EMPLOYEE ENGAGEMENT

Albéa intends to be a company where everyone can thrive, grow and feel involved. Broadly committed and passionate about their jobs, employees demonstrate an exceptional level of engagement.

The five factors of engagement

— Employee engagement refers both to an emotional commitment and a drive to give one’s best. The drivers of this engagement are the employees themselves, their managers and the company project in which everyone has a role to play. Joining and working for Albéa should foster in each employee, within each team, a desire to get involved and grow just as they help their company grow. To contribute to this dynamic, Albéa invites all its employees, sites and managers to strengthen its five recognized engagements: making work meaningful, developing talents, providing the conditions for each person’s success, favoring autonomy and

encouraging collaboration. Every year, all our sites carry out actions on at least three of these five factors.

An internal survey to measure and improve engagement

— Acting on these factors is one thing but measuring employee perception is crucial for guiding this dynamic in a successful direction. For this reason, in 2021, Albéa conducted an anonymous online survey among connected employees to measure their engagement and identify levers and areas for progress. The sites were then able to use the results of this survey to bolster certain actions already in place and initiate others. Active learning programs were then set up for each of the engagement factors to support employees and managers, while continuing to improve the mobilization of Albéa’s teams.



Employees have emphasized two criteria that speak to a positive and engaged mindset



81%

feel that collaboration is encouraged at the Group.



79%

find their work meaningful.

DEVELOPING THE SKILLS AND EMPLOYABILITY

Joining Albéa means working at a company where innovation and expertise are key. One of our priorities is therefore to encourage all employees to develop their skills, especially by facilitating their access to knowledge, both on paper and in practice.

At Albéa, every employee has the resources needed to take charge of their own growth. Not only are they encouraged to talk regularly with their managers, but employees also have access, through the online platform Planet and support from dedicated teams if needed, to a library of training content and specific development courses, collected within the Albéa Academy. Albéa Academy offers nearly 10,000 educational materials (e-learning modules, tests, videos, in-person training and more) enabling them to develop their technical, managerial, functional and digital skills. Often available in several languages, they are organized by job and/or skillset.

A culture of learning

Planet is also a tool for facilitating the transmission of expertise and best practices; once decided, the Group can monitor their deployment in various world regions, while tests and checklists can be used to verify the acquisition of these technical skills. In this way, 2,000 employees completed the “production best practices” training session.



Albéa has set up weekly online sessions, «Monday For Future», which address topics related to Albéa’s CSR strategy and practices: more than 33 meetings were organized in 2021 and 6,600 connections recorded!

Planet also makes it possible to consolidate individual and collective development needs. Supplementing sales and operational orientations within each perimeter, it makes it possible to build and implement strong annual skill development plans.

Content that is always changing, just like our market

In an evolving environment, it is essential to continuously adapt skills in order to keep pace with the developments of our customers and society at large. This makes it crucial to continually develop new learning materials for our employees. We notably developed modules dedicated to Covid-19 preventative measures in 2020 (since updated), managing teams working remotely, employee engagement (mentoring, for example) and even our weekly CSR information sessions, called Monday For Future!

Employing young people, a sustained commitment

Albéa is committed to employing young people by welcoming young graduates, interns or apprentices. They come to us to discover a profession, put their knowledge into practice and learn, so that they can join the Group or continue their path elsewhere with a wonderful reference to show. Albéa also offers young French graduates the chance to do a VIE (International Corporate Volunteering) mission at one of its industrial sites outside of France. It’s a tremendous springboard to an international career! Our professions require technical expertise, so it is important to attract new employees and ensure that skills are passed on from generation to generation, especially in areas facing skill shortages.



2,000

«Lock Out Tag Out” training sessions (individual and equipment safety) and 500 “understanding plastic materials” training sessions carried out in 2021.



2021

Albéa played a major role in launching the Europlastics and Composites BTS degree, Cosmetics option, in partnership with several French players to train the future fitters and technicians in plastics processing.



118

young people were welcomed through apprenticeships, professionalization contracts, student contracts and internships in France in 2021.





RESPONSIBLE
PACKAGING
WITH WHOM?



AN ESSENTIAL PARTNER FOR THE CSR STRATEGY OF OUR CUSTOMERS

Just as we rely on our suppliers to manufacture responsible packaging, our customers rely on us, as a responsible partner, to market products that align with their CSR commitments. Discover a few examples.

Making beauty increasingly responsible with Sephora

→ Sephora's CSR approach is guided by the firm belief that, together, we can protect and preserve the health and beauty of our planet. Through the Sephora Collection line, the retailer is giving its customers access to an array of responsible products in four sections: "Good for you", "Good for a better planet", "Good for vegan" and "Good for recycling". The retailer's approach pursues two main objectives: improving the design of its packaging - so they align with the 4 R's: reduce, reuse, recycle and reincorporate - and incorporating ethical and social considerations into the manufacturing processes of its products. To achieve this two-part goal, Sephora selects reliable and competent industrial partners, already committed to an active CSR policy, like Albéa.



IBG X Sephora

→ IBG works with Sephora on several different products, such as this set of brushes with ferrules and sleeves made from recycled materials and without glue, a pencil sharpener also made from recycled materials and a box for reusable makeup sponges.

In 2021, to accompany Monnaie de Paris with its CSR strategy, Albéa replaced the plastic used in coin cases with cardboard and the plastic in transportation packaging with fiber. The cardboard used in the coin cases is recyclable and biodegradable.



IBG has designed and developed the packaging and formulations for Dutch retailer Etos' Home Retreat product range. Bottles are made from recycled PET and closures are carbon black-free to avoid interfering with the recycling process.

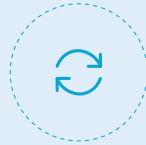
In India, regulations toughen up

→ Plastic waste production has doubled in the last five years in India. To manage this situation, tighter regulations are on the way: many single-use plastic items will be prohibited in 2022, and brands, producers and importers will soon be obliged to recycle more than 50% of the plastic they use or manufacture. Albéa is innovating and taking action to help its customers in India comply with these new regulations. The key priority is to reduce the amount of plastic materials used, notably by rethinking and significantly downgauging the design of our tube caps and makeup packaging. We are also developing refillable compacts and reusable transport cases, which are already available to major customers in India like Unilever, Dabur, Himalaya, GSK, Reckitt and others. And, of course, we supply recyclable solutions, such as the emblematic Greenleaf 2 tube, which has seen continued success with its selection by renowned Indian brands like Vicco (plant-based toothpaste) and VLCC (natural cosmetics).



Procter & Gamble: supporting the HolyGrail project

→ In 2020, Procter & Gamble (P&G), a group specializing in common household goods (beauty and hygiene products), selected Albéa’s patented Greenleaf 2 tubes for its Crest, Oral-B and Blend-a-med toothpastes. The goals: integrate these tubes into existing recycling streams and shift towards circular solutions. Albéa joined the HolyGrail 2.0 consortium, launched by Procter & Gamble, which is developing a smart system for sorting waste. The solution offered through HolyGrail relies on digital watermark technology to transform packaging into smart objects. The watermark enables faster and more accurate sorting, which directs more packaging into the circular economy. Albéa developed the expertise needed to print tubes with HolyGrail technology for P&G. To lend even more support to Procter & Gamble with its CSR strategy, Albéa worked closely with the company to roll out this technology.



P&G’S 2030 TARGETS

100% of packaging either recyclable or reusable and 50% less virgin plastic from fossil sources.



Recyclable or reusable packaging by 2025

→ GSK Consumer Healthcare, a leader in mass-market health products, is teaming up with Albéa to introduce a recyclable packaging solution for its toothpastes. With Albéa’s Greenleaf 2 tubes, the company will offer recyclable tubes certified by the Association of Plastic Recyclers (APR) for the American market and by RecyClass for the European market. This partnership aligns with GSK’s target of making over a billion recyclable toothpaste tubes by 2025.

Indonesia: Paragon Group’s active approach

→ In Indonesia, the Paragon Technology & Innovation Group has committed to a proactive approach, which is both environmentally friendly and attuned to the well-being of society through health, education and access programs for women. To reduce its environmental impact, its Wardāh brand transforms its primary and secondary formulas and packaging, while promoting the circular economy. In this way, Wardāh has rolled out a collection system for its used packaging at points of sale; replaced certain cardboard transportation cases with reusable plastic; chosen Albéa’s Greenleaf 2 recyclable laminate tube with a reduced environmental impact; and selected a compact that replaces styrene resins with a recyclable resin!



Inventing sustainable luxury with Estée Lauder

→ Estée Lauder Companies is aiming to offer sustainable packaging in the luxury sector. To this end, the Group intends to reduce its use of virgin plastic and nonrecyclable materials. Its priorities: design reusable and refillable products, improve recyclability and increase the amount of recycled materials and bio-sourced plastic in its packaging. Estée Lauder Companies decided to work with Albéa to invent solutions that will enable the Group to keep its public commitments. Notably, the two companies are developing packaging made from chemically or mechanically recycled materials. Last year in our Responsibility Report, we shared our initial success with the Origins brand: the launch of the world's first tube made from chemically recycled materials. Since then, we have been working to secure supplies of chemically recycled resins and to expand the initiative to other product lines. This year with Origins, we launched a bottle made entirely from mechanically recycled materials! At the same time, we are supporting Estée Lauder Companies with their regionalization strategy, which aims to relocate packaging production and filling capacities as close as possible to the markets, so as to make supply chains more reliable, faster and stronger, and to reduce the environmental footprint of our products.



Regionalized production

→ For the brand Origins, Albéa is producing the bottle for the Mega-Mushroom Relief & Resilience soothing treatment lotion, which is made entirely from mechanically recycled plastics. To ensure the proximity, agility and security of the supply chain, Albéa is making the bottle across three continents at the following sites: Plouhinec (France), Shanghai (China) and Matamoros (Mexico).



Albéa and L'OCCITANE en Provence launch unique tubes and caps for the cosmetic brand's "Almond" product line

→ The packaging of the Almond Shower Scrub is designed for full recyclability and made of 93% recycled polyethylene. Both tube and cap are made of PE for higher-quality recycling, and confirmed as recycling-ready by recycler associations in both Europe and the US. This packaging is in effect closing the loop, and that's quite a breakthrough! Tubes and caps are made with CirculenRevive polymers from chemical industry leader LyondellBasell. The polymers are based on advanced post-consumer recycling technology which can effectively process contaminated or multi-layered plastics and films that pose challenges for mechanical recycling. Advanced recycling transforms these difficult to recycle plastics into virgin quality feedstock that meets standards for use in food-grade, medical-grade and cosmetic packaging. These packaging are made in facilities with International Sustainability & Carbon Certification (ISCC+).

Circularity and biodiversity

→ The protection of biodiversity and the reduction of waste are at the heart of international beauty brand L'OCCITANE en Provence. In 2019 the company signed the Ellen MacArthur Foundation's New Plastics Economy Global Commitment and is now on the way to reducing by 10% (in weight) its use of plastics and including 40% recycled content in its packaging by 2025.



Marc-Antoine JAMET,
President of Cosmetic Valley* and General Secretary at LVMH

“MAKING THE FRENCH COSMETICS INDUSTRY A RESPONSIBLE WORLD LEADER”



Though the pandemic did not create the weaknesses and vulnerabilities that international trade has revealed in the French economy, it has certainly accentuated and accelerated these issues. Supply dependencies, the need for technological advances, the strength of Asia, the shift towards digitalization, the intensification of international competition, changes in consumption patterns, regulatory challenges and the imperatives of a rapid and efficient ecological transition are all major transformations that are compelling us to act. Among these, protecting the planet, its environment, biodiversity and climate remain the top priority. We take the notion of irreversibility and the future of humanity very seriously. Today,

people are asking us to think about future generations. Tomorrow, they will demand it. Then we will be held to account. Protecting the planet is an urgent matter. It is an absolute obligation. To do this, we need to make our activities more sustainable and more resource-efficient, so that we can achieve carbon neutrality by 2050 and have a neutral, or even positive, impact on life on Earth. We can no longer produce without producing responsibly. Yet the war in Europe threatens to worsen the ecological situation of our continent. The energy shortages that are appearing have led some to talk about the use of more carbon-intensive energies. Even our neighbors are praising the merits of coal, the glory of peat, the beauty of gas and the virtues of oil. For our industry, in addition to these disruptions, we are facing sudden and serious shortages of raw materials that require us to redefine our objectives and supply channels! We did not need these additional challenges.

The French cosmetics industry, after committing to fight global warming and conserve resources, had already begun its transition. But it must now move even faster and further by allocating the appropriate resources. It must work collectively to create indicators of environmental impact, safety and usage, while improving supply traceability and diversity through short supply chains, local resources and responsible operations. The power of the largest companies must enable the agility of the smallest, which is the mark of a cohesive and

complementary ecosystem, both for customers and suppliers, large groups and small or mid-sized enterprises (SMEs), as well as individual companies. The ecological, technological, digital and geopolitical transitions ahead of us can only be accomplished if we stand united. And in fact, our survival is at stake... To build this future, we have no shortage of assets. The fundamentals of our industry are strong. We are making progress, driven by foreign sales, particularly in China. France is still the world's leading exporter of perfumes and cosmetics, with a market share of just over 13%. It is also a country with a strong history, heritage, culture, know-how and traditions, as well as a tremendous capacity for innovation.

Our industry is dynamic, as demonstrated by its recruiting, research, investments, as well as the unity of its economic base with the Cosmetic Valley, which is unique in the world. With 246,000 employees, 3,200 companies, €45 billion in revenue and a positive trade balance of €15 billion, the French cosmetics industry deserves its place as a world leader.

We must continue to invest in “Made in France”. Already a mark of cultural value, our label must also become a sign of scientific and technological value. It is by developing innovative, smart and sustainable products and packaging that we will remain a world leader. A responsible world leader!

*Cosmetic Valley is the French cosmetics industry's main business cluster, created in 1994



WHEN TEAMWORK CREATES RESPONSIBILITY

Meeting with the essential partners of our sustainable development commitments.

With the Ellen MacArthur Foundation, sharing a common vision of the circular economy for plastics

In 2018, Albéa signed the Ellen MacArthur Foundation's New Plastics Economy Global Commitment. We were the first cosmetics packaging manufacturer to do so, thus engaging us on a path to ensure that 100% of our packaging is reusable or recyclable and includes at least 10% of recycled materials by 2025. To affirm this commitment, Albéa signed the Foundation's extended producer responsibility (EPR) declaration in 2021. The text aims to encourage companies to commit to a circular economy approach.

A collective engagement

— One of the goals of the Ellen MacArthur Foundation is to fight against plastic pollution by attacking the problem at its source. That is why it created and directs, in collaboration with the United Nations Environment Program, the New Plastics Economy Global Commitment, which

brings together more than 500 organizations on a common vision of the circular economy for plastics, with a set of targets to achieve by 2025. With the EPR declaration, the Foundation aims to encourage the 100 companies and 50 organizations that have signed on to significantly increase their collection and recycling of packaging. They must agree to align their actions with the terms of the declaration.

The benefits of circularity

— The Ellen MacArthur Foundation defends the - correct - idea that the circular economy is not only vital for stopping plastic pollution, but that it also offers substantial economic, social and climate advantages. For the Foundation, a circular economy can reduce the annual volume of plastic waste entering our oceans by 80%, cut greenhouse gas emissions by 25%, generate savings of \$200bn per year and create 700,000 additional net jobs by 2040.

Progress in the cosmetics sector

— In terms of cosmetics packaging, the Ellen MacArthur Foundation observed in its 2021 report that the use of virgin plastic has started to decline. The main advances focus on the use of post-consumer recycled plastic. PET bottles and other rigid formats are widely recycled and there is a corresponding supply of recycled materials - we must now expand this supply to accelerate the circularity of all packaging.

In the future, companies must therefore focus not only on recyclability but also on the effective recycling of their packaging, while working more actively in favor of reuse.





Kara Pochiro,
VP of Communications & Public Affairs
Association of Plastic Recyclers (APR)

DID YOU KNOW?

→ Some 100 billion plastic bottles are produced every year, while only 35 billion are reclaimed and recycled. The Association of Plastic Recyclers (APR) set out to improve the life cycle of these plastics in order to ensure their recyclability and promote a circular economy. As an international association representing the plastic recycling industry, its member companies are committed to the success of plastic recycling.

“Designing for recyclability and APR certification”

APR members lead the way in developing sustainable solutions for transforming unrecyclable packaging. We commend Albea for their printed extruded HDPE tube, with a low melt flow HDPE flip-top cap, which was formally recognized for meeting or exceeding the most stringent APR Critical Guidance criteria and the APR HDPE Bottle-to-Bottle protocol. This APR recognition is based on the technical recyclability of the packaging tube innovation with HDPE bottle, an operational industry at scale. Breakthrough innovations like this are essential to promote the sorting and reclaiming industries future acceptance of tubes along with other recyclable packaging.



Stacey Luddy,
Principal, COO
Stina Inc.

DID YOU KNOW?

→ Stina Inc. provides programs and tools to accelerate the transition to a sustainable resource society. Through its understanding of the recycling ecosystem, Stina Inc. collects and analyses critical data, facilitates engagement and collaboration, and raises awareness of key issues in our society for better decision-making on a path to harmonizing human behavior with the natural world.

“Finding harmony with nature with Stina”

It is clear that the market needs new economic models to reduce waste and recycle more. Prioritizing choices, particularly in packaging, that result in the lowest environmental impact is essential. We believe recycling success requires collaboration across the value chain, and designing for recycling and incorporating recycled content is critical to circularity. Albéa has demonstrated great leadership in this space. Further, its support of the Tubes Recycling Projects in North America and Europe, great examples of pre-competitive collaboration, as well as strides in innovation are helping overcome the barriers to move tubes to a recyclable packaging format.





Gaurav Sharma,
Circularity Consulting Practice Lead
for Europe, Schneider Electric

“A long-time partner for energy optimization”

Schneider Electric, the leader in digital transformation for energy management and automation, is a privileged partner of Albéa. Schneider Electric is working on an integrated energy and carbon management program to help Albéa, the world leader in cosmetics packaging, enhance the energy efficiency of its facilities around the world and improve its sustainable development

reporting. The partnership involves strategic support to optimize contracts and rates with energy suppliers, as well as to manage the volatility risks tied to energy supply costs. Schneider Electric is also working with Albéa to improve its CDP assessment and establish science-based targets to strengthen and expand its climate action.

With Schneider Electric having long-term experience in sustainability of their own footprint, it's a very fruitful partnership to access even more innovative levers of decarbonization, such as circular business models. Today, only around 9% of the economy is circular - and the severe consequences of it are all around: from plastic pollution in oceans, to significant climate impact and geopolitical stress due to resource scarcity. No question: circularity is also good for the planet. But as a global industrial organization adopting circular business models across our entire value chain, we can prove that circularity is also good for business. From supply chain resilience to cost savings, improving our relationships with suppliers and customers together with delivering on bold sustainability commitments, we see a clear mission to innovate and accelerate on circularity alongside our strong partners and peers.



Our absolute short-term priority is to implement systematic environmental performance assessments for packaging that are quantitative and based on several criteria. The challenge is to cover all the potential issues in a scientific and comprehensive way and to avoid any possible impact transfers (such as reducing climate impact to the detriment of resources and biodiversity). For designers, this means being able to select materials with the lowest environmental footprint and to choose from design options that take environmental performance into account. On the business level, the aim is to ensure that the next generations of packaging have a sufficiently reduced impact to meet long-term environmental targets (climate, water, biodiversity). Systematizing this environmental assessment makes it possible to spread this culture of performance among all internal stakeholders (product development, innovation, purchasing, management) and the value chain. In this area, “coopetition” and resource pooling also play a key role for harmonizing these topics throughout the sector, as exemplified by the SPICE initiative (Sustainable Packaging Initiative for CosmEtics), which led to the development of a common methodology and tool for environmental assessments.

One opportunity for reducing the footprint of packaging is to opt for reuse and refillable models, whether at home or at points of sale. This will require a (r)evolution in the logistics systems used by the



Anne Désérable,
Director of Quantis France

“Collaboration, a key transformation lever according to Quantis”

company and its partners, the retail experience at points of sale and the support provided to consumers.

Collaboration between brands and distributors to make this process easier for consumers will likely play a key role. In addition, many cultural barriers remain in place today. Training designers in the main aspects of eco-design, as well as a change of perspective that turns constraints into opportunities, will help to reconcile creative and environmental approaches.



A RESPONSIBLE COMPANY, A TEAM EFFORT

At every level, employees are committed to making Albéa a more responsible company every day. Discover some of the CSR initiatives carried out in 2021 that reflect our committed mindset and genuine passion.

FRANCE

The circular economy on the factory floor

→ Albéa Argonne uses pallets made by Replace, in collaboration with AISA, produced from tube scraps generated at the production site. The pallets can be repaired and recycled again through a local production channel. Each player involved in this project is located within a radius of 15 km, which reduces both the transportation costs and environmental impact, and shares a commitment to the local ecosystem.

MEXICO

Supporting local communities

→ Employees at Albéa Matamoros, as members of Voluntarios de Corazón, continued to lend support to their local community in 2021. Three metric tons of food were distributed to vulnerable groups, as well as antibacterial kits to military personnel, organizations and hospitals. Volunteers also helped to open two schools.



FRANCE

An active engagement committee

→ In 2021, more than 150 employees took part in the initiatives offered by the engagement committee in Gennevilliers: activities with coworkers (cooking workshop, book club, etc.), wellness sessions (activities and remote work wellness training), charity initiatives (Octobre Rose and No Finish Line charity race) and environmental efforts (recycling waste and Awareness day) have helped maintain social bonds. Albéa Gennevilliers also won the 4th edition of the Feet Week for Arthritis charity race organized by Clarins. In early 2022, the committee also contributed to efforts to support Ukrainian refugees in Poland.

CANADA

A day for the Earth

→ For Earth Day on April 22, 2021, teams at Albéa Brampton held a cleaning session to eliminate waste near their site.





GROUP

The power of a global innovation network

→ Our 14 industrial packaging sites for cosmetics and fragrances have set up a global network of injection experts to share best practices, ideas, successes and failures, as well as new supply sources. They have made advances in recycled materials, notably by using coPET (Copolyester) for an aesthetic result similar to virgin plastic, as well as mechanical PCR such as r-PET (recycled PET) to make high-quality packaging. At the end of 2021, four of our sites held International Sustainability & Carbon Certification (ISCC) for injecting chemically recycled materials: three sites in China and Simandre in France. In May 2022, Albéa included 11 sites with ISCC certification.



ROYAUME-UNI

An exceptional supplier

→ Thanks to the high-quality work and team spirit of its employees Albéa Colchester received the Exceptional Supplier Award given out by Church & Dwight UK. With a score of 84%, the site ranks first among the 23 suppliers evaluated in this category.



INDONESIA AND ITALY

Inclusion for the disadvantaged

→ Albéa's three Indonesian sites in Semarang and Surabaya promote job placement for people with little education and recognized by the Government as disadvantaged. Similarly, the Italian site of Bottanuco, in partnership with provider Ci Group, hires people facing difficulties in the job market: the long-term unemployed, under 25 or over 50, without a degree, etc.



FRANCE

Recognition for a road safety commitment

→ At the last edition of the 24 Heures du Mans, Marlène Schiappa, then Minister Delegate in charge of Citizenship, and Jean Todt, President of the International Automobile Federation, presented Albéa Parigné with the Road Safety Commitment Award for its awareness campaign. Before the summer vacation period every year, Albéa Parigné organizes an accident prevention week that is widely attended by employees.



CHINA

Working for women's rights

→ HERproject is a collaborative initiative that connects global brands and suppliers with local NGOs to help women working in logistics become more independent and less vulnerable. Albéa Shanghai joined the program in May 2019 for a period of two years, in partnership with Estée Lauder, in order to improve living conditions for its employees. Through female health ambassadors, training sessions on women's health conditions, promoting gender equality

among managers and more, respect for these women has improved considerably and several concrete initiatives were put in place, such as the creation of a nursery at one plant. Following the two-year period, a ceremony took place where the management team applauded the notable progress made and delivered a diploma as a sign of recognition for the advances achieved by the team of ambassadors.



MEXICO

Jobs for single mothers

→ Albéa's site in Querétaro encourages inclusion for single mothers by offering them a job, regular salary and training. 53% of single mothers in Mexico have little or no education, and only 42% over the age of 15 work - often in the informal or domestic sector, sometimes for no pay.

FRANCE

Promoting employment for people with disabilities

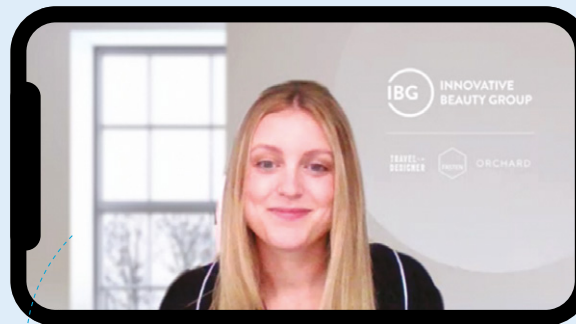
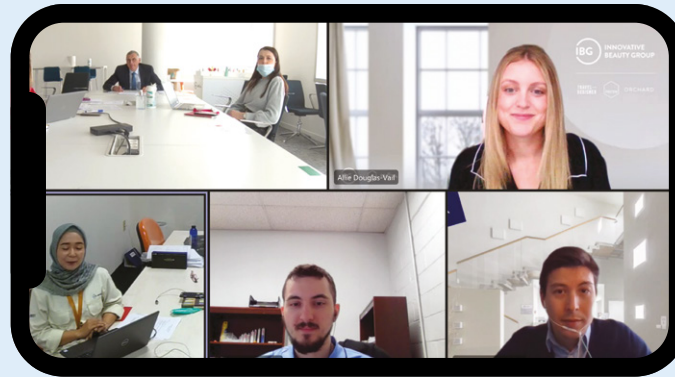
→ Workers with disabilities account for 8% of staff at the Simandre site. Albéa offers them an adapted workplace and educates all employees to change their perspective on disabilities.

ROUND-TABLE

With 37 years of seniority for one and 1-3 years for the others, a passion for sustainable packaging does not depend on the number of years in the business. During an informal conversation, François Luscan, President and CEO of Albéa, answered questions from Allie (Canada), Zelika (Indonesia), Joseph (United States) and Arthur (France), four employees driven by the same urge to promote sustainable packaging within and around their company.

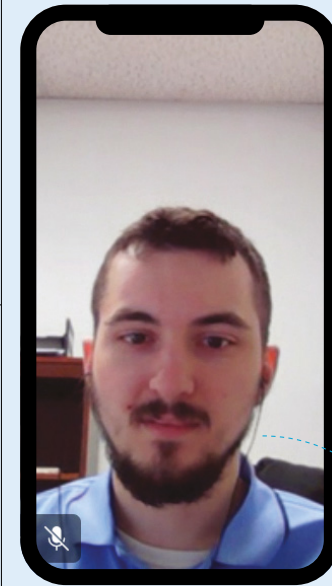
Revolving around the sustainability and CSR maturity of markets, the discussion delved into some of the younger generation's biggest concerns. What does "being sustainable" mean? How can we replace materials even when customers are not asking for it? How, and why, can we invent new products if the market is not demanding them? How can we help customers understand the stakes and associated costs? And for consumers: how can we get them to recycle and understand the importance?

François Luscan shared his answers to all these questions, while emphasizing the solutions already in place (reuse, recycling, reducing, downgauging, etc.), citing examples from every continent and highlighting the importance of recycling in some regions as others lag behind. "We need to shift from a linear economy to a circular economy. Even if it forces us to rethink all our processes, our organization and our



"What attracted me to IBG was the chance to contribute to sustainable initiatives on everyday consumer products. If we can make even a quarter of beauty products sustainable, refillable, recycled and recyclable, and consumers go along with it, it will already be a great first step."

Allie Douglas-Vail, Orchard (IBG), in charge of CSR for her region, Canada, 27 years old



"I was born with sustainability! I grew up with the idea that we should produce as little waste as possible, that we should recycle, reuse, sort... The hardest part of sustainability is that first step, where you may not see any immediate effect. This is one of the biggest challenges of sustainability: getting started! Because after that, it's very easy to keep going."

Joseph Hurban, Engineer, New Product Development, USA, 26 years old



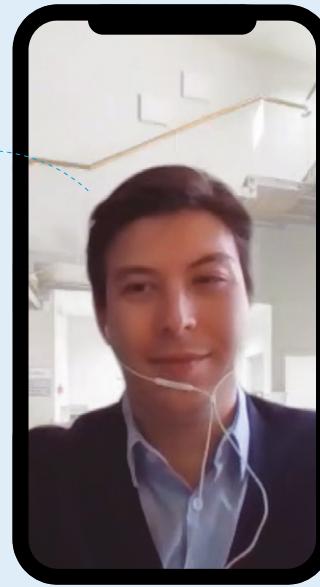


“We have a challenge to overcome as packaging manufacturers, we have a responsibility to give our customers, teams and suppliers a big picture vision and precise information. In Europe and America, sustainability is already a social issue. In Southeast Asia, we need to catch up and get up to speed.”

Zelika Nidya, Engineer at Semarang, Indonesia, 27 years old

“The key is to understand that we, as consumers, have the power to change companies, their behavior and what they offer to markets. Knowing that we have that power changes everything for me. Knowing that I can have an impact through what I buy, for example, is essential.”

Arthur Bresseau, Key Account Manager, France, 33 years old



“Sustainable development is a topic that is close to my heart. I’ve always believed that we should leave a better world for our children. I’ve always thought it should be part of a modern company that is attractive to young people, customers and investors.”

François Luscan, President and CEO of the Albéa Group

entire company,” he stressed as a recurring theme. He also pointed out several positive signs, the collective priority around climate change and the energy transition, rising awareness among consumers, the pioneering vision of certain brands ready to shake up the market and, of course, the regulatory calendar. And his tremendous confidence in the convictions and commitment of the next generation, who will force companies to adopt new strategies based on social and environmental responsibility if they hope to attract young talent.

Investing will always pay off

— François Luscan of course emphasized the role of innovation and the opportunities offered by technology and the digitalization of organizations, as well as the nascent but significant use of both mechanically and chemically recycled materials, which opens up the path to near infinite recycling. His conviction is that Albéa is ahead and must continue to move forward, step by step, and convince its customers, even when they focus above all on the cost or technical complexity. Albéa is investing to make progress. Questions from these four young people included: “Is it expensive to work on solutions that the market does not buy? Are we ready to invest at a faster rate than the market? Are we not taking enormous risks?”

These are all valid questions, and François Luscan showed determination and optimism: “We rarely invest at a loss: in training, in our industrial processes... We must remain financially viable, of course. But when sustainability becomes THE major purchasing criterion, an international obligation, and central to product specification for beauty brands, then we will be ready, with both confidence and humility. Because we are ready now, to the great delight of customers who share our bold conviction.”





RESPONSIBLE PACKAGING 2020-2025





2021 PERFORMANCES

Our 2020-2025 CSR strategy is based on a commitment rooted in our daily activities. Our roadmap*, which takes 2019 as the baseline, is ambitious, comprehensive, voluntary, transparent and integrated.

	Priority areas	Indicators	Performance			Progression	2025 Targets
			2019**	2020	2021		
Earning your trust every day	Health & safety	Accident incidence rate requiring one or more days off	0.11	0.05	0.16	↘	<0.07
	Human rights	Percentage of sites to have completed a physical or documentary social audit	57%	72%	80%	↗	100%
	Business ethics & compliance	Percentage of employees to have completed the Code of Conduct e-learning	30%	49%	51%	↗	>90%
	Product quality	Complaint rate on first delivery of a new product	0.76%	0.75%	0.55%	↗	0.53%
Delivering sustainable growth	Customer experience	Results of the survey conducted among our customers to measure our CSR support (Net Promoter Score)	-	6.7/10	7.0/10	↗	7.5/10
	Supplier relationships	Percentage of key suppliers to have signed the Sustainable Procurement Charter	52%	57%	59%	↗	100%
	Employee engagement	Average number of actions implemented on each site to foster engagement	-	3	4	↗	6
Creating a positive future	Responsible packaging	Percentage of plastic packaging that is recyclable or reusable***	13%	14%	18%	↗	100%
	Climate change	CDP Rating - Climate change	B	B-	B	↗	B
	Skills & employability	Average number of training sessions attended by each employee****	5.17	5.84	10.17	↗	7

*Does not include the IBC activity.

**Baseline year.

***According to the Ellen MacArthur Foundation's New Plastics Economy Global Commitment (Progress Report 2021, data 2020).

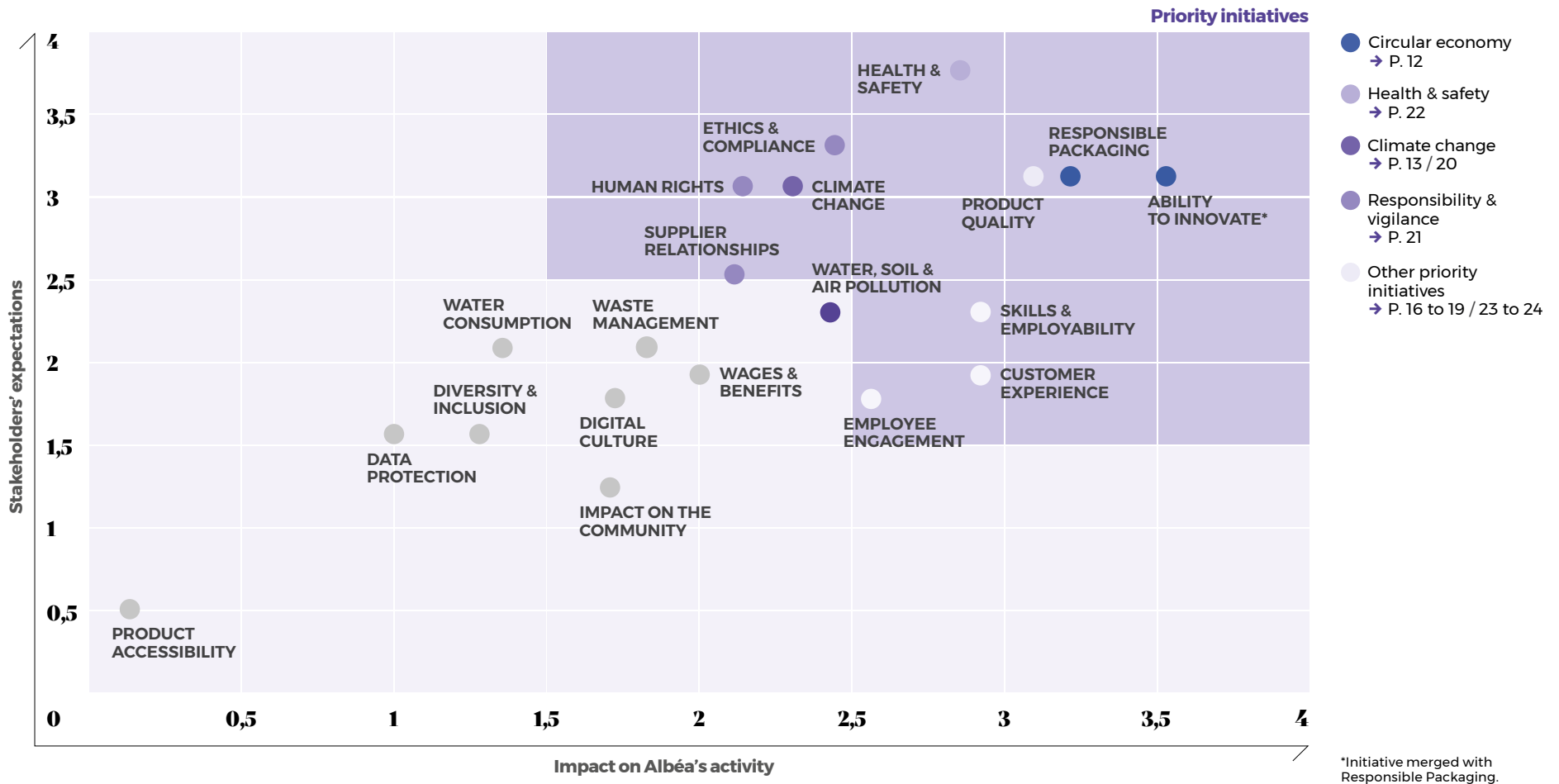
****Employees having access to Planet (see page 25). Includes IBC.

Listening to our stakeholders



MATERIALITY MATRIX

In 2018, Albéa built its first materiality matrix. It highlights the main stakes that represent strategic priorities, with dedicated roadmaps and objectives measured each year.





NON-FINANCIAL INDICATORS

General			Social			Quality		
Indicator	Value	Definition	Indicator	Value	Definition	Indicator	Value	Definition
Report scope	Albéa Group SAS	Countries or activities included in the scope of social and environmental reporting	Health and safety - external certifications ⁴	24	Number of sites certified OHSAS 18001 (ISO 45001)	Quality - External certifications ⁴	29	Number of plants certified ISO 9001
Total revenue	USD 1,200 million	End of financial year	Rate of recorded incidents ⁵	0.22	Number of accidents requiring treatment with medication or even days off work (excludes interventions of first aid) ⁶	Food and/or pharmaceutical certifications ⁴	16	Number of plants certified BRC, EN 15596, or ISO 15378
Geographic presence	13 countries¹	Countries in which Albéa has a direct industrial presence	Rate of days lost to injury or work accident ⁵	0.16	Number of incidents requiring one or more days of work stoppage ⁶	Rate of complaints ⁵	0.38%	% of customer complaints based on the number of deliveries
Number of plants	31 plants²	Number of plants and split per country	Rate of days of absence ⁵	3.77	Number of days of scheduled work in which employees did not work due to injury or illness ⁶			
Total number of employees	11,841³	Includes employees on temporary and permanent contracts as of 12/31/2021	% Women/ men among permanent employees ⁷	49% women 51% men	-			
			% Women/ men among managers ⁷	36% women 64% men	-			

¹Canada, China, France, Germany, India, Indonesia, Italy, Mexico, Poland, Russia, Slovakia, United Kingdom and United States. Does not include Abdos Lamitubes, acquired at the end of 2021 (5 sites in India, United Arab Emirates and Nigeria).

²Canada (1), China (4), France (6), Germany (1), India (2), Indonesia (3), Italy (2), Mexico (3), Poland (3), Russia (1), Slovakia (1), United Kingdom (1) and United States (3). Does not include Abdos Lamitubes, acquired at the end of 2021 (5 sites in India, United Arab Emirates and Nigeria).

³Includes IBC and excludes Abdos Lamitubes.

⁴Base: 30 industrial sites. The Chinese site of Huai'an, partially opened in 2021, and the Abdos Lamitubes sites, acquired at the end of 2021 (5 sites in India, United Arab Emirates and Nigeria), are not included in these indicators.

⁵Base: 30 industrial sites and 3 offices (Paris, New York and Shanghai). Our other offices, the Chinese site of Huai'an, partially opened in 2021, and the Abdos Lamitubes sites, acquired at the end of 2021 (5 sites in India, United Arab Emirates and Nigeria), are not included in these indicators.

⁶For 100 employees working a full year (200,000 hours).

⁷Excludes IBC. "Managers" means employees with a management role (team, operational or project).

Our 2021 results



Environment

Water and energy consumption

Indicators	Value	Definition
Number of plants certified ISO 14001 ¹	26	Includes all plants holding a valid certification as of 31/12/2021
Number of plants certified ISO 50001 ¹	6	Energy management system
Direct energy use ²	19,249 MWh	Includes natural gas, propane, butane, diesel and fuel oil consumption
Indirect energy use	285,409 MWh	
Total energy use ²	304,658 MWh	Total of direct and indirect energy use

Indicators	Value	Definition
% of renewable electricity ¹	51%	% of electricity use covered by EAC ⁴ certificates
Water use ²	442,200 m³	Any source and use

Emissions²

Indicators	Value	Definition
Scope 1 CHG ³ emissions	3,749 t CO₂ eq	Based on emissions factors from the 2021 DEFRA database
Scope 2 CHG ³ emissions (location-based)	126,674 t CO₂ eq	Considering national energy mixes (2020 IEA emissions factors), excluding EAC ⁴ purchases
Scope 2 CHG ³ emissions (market-based)	84,643 t CO₂ eq	Including renewable energy purchases (EAC) ⁴

Sustainable packaging

Indicators	Value	Definition
% of recyclable or reusable packaging	18%	According to the New Plastics Economy Global Commitment progress report published in November 2021 (baseline 2020)
% of technically recyclable or reusable packaging	32%	% of recyclable or reusable packaging in existing sorting streams (here, HDPE, PP, PET rigids & bottles) excluding size criteria. 2021 sales (weight data)
% of RPM ⁵ used in packaging on the market	2.5%	% of post-consumer recycled plastic resin used versus total plastic resin used in production (weight).

Waste¹

Indicators	Value	Definition
Non-dangerous waste – incinerated	2,020 metric tons	Including energy recovery
Non-dangerous waste – landfilled	540 metric tons	
Non-dangerous waste – recycled	8,170 metric tons	
Total non-dangerous waste	10,730 metric tons	
Dangerous waste – incinerated	930 metric tons	Including energy recovery
Dangerous waste – landfilled	40 metric tons	
Dangerous waste – recycled	470 metric tons	
Total dangerous waste	1,440 metric tons	

¹Base: 30 industrial sites. The Chinese site of Huai'an, partially opened in 2021, and the Abdos Lamitubes sites, acquired at the end of 2021 (5 sites in India, United Arab Emirates and Nigeria), are not included in these indicators.
²Base: 30 industrial sites and 3 offices (Paris, New York and Shanghai). Our other offices, the Chinese site of Huai'an, partially opened in 2021, and the Abdos Lamitubes sites, acquired at the end of 2021 (5 sites in India, United Arab Emirates and Nigeria), are not included in these indicators.
³GHG = Greenhouse Gases.
⁴EAC = Energy Attribute Certificate.
⁵RPM = Recycled plastic material.

THANKS

To all our Albéa teams and our stakeholders who work every day to protect our planet and preserve beauty. A special thanks to all those who have accepted to share their vision of responsible packaging in these pages. Together, we want to shape the sustainable cosmetics industry that is necessary for our planet and our future.

François Luscan
President and CEO



www.albea-group.com