

CSR
Report
2022

texən





Editorial

2022 has been a year of growth in many ways!

We have seen business growth with double-digit revenue growth.

Generally, and most importantly, there has been a growing common awareness of CSR challenges within the Texen group, which has radiated outwards to our customers, our suppliers and all the people who work alongside us.

With our 2021-2025 CSR roadmap, which meets nine of the seventeen UN Sustainable Development Goals, the group and its employees have now committed their daily actions to playing their part in human development, while protecting the environment and acting ethically and responsibly.

In 2022, the Texen team pushed themselves beyond the limits and exceeded the 28 objectives that were set for them. Below are some examples of our achievements:

- This year, our use of recycled materials for launches increased four-fold to 10.5%.
- Training remained a priority with more than 15 hours completed per employee.
- Inclusion was a key focus area with the expansion of our disability policy and the recruitment within our teams of over 6% of employees with disabilities.

In 2022, energy was a hot topic and, in particular, carbon emissions were central to our environmental and economic concerns. With the actions undertaken over the last several years and the new initiatives launched, we have made a significant impact despite the challenges of 2022. As a result, emissions for scopes 1 and 2 fell by 12.4% compared to 2019.

All these factors give us confidence in the ability of the Texen group to make an active contribution towards reconciling the apparent contradiction between consumption, pleasure and the social responsibility of every individual.

We believe that, at Texen, by adopting proactive CSR policies involving our employees and new technical expertise, we can help building an eco-friendlier world and continuing to offer consumers a unique experience while using their every day.

In light of the current situation and driven by its mission "to transform materials into experiences", the Texen group has launched a magazine entitled "Packaging transformation(s)", in collaboration with Usbek & Rica, the magazine that explores the future, and the Gardeners agency. Find out more about this initiative by visiting our website: <https://explore.texen.com>.

Happy reading to all!

Rémi Weidenmann
Chief Executive Officer

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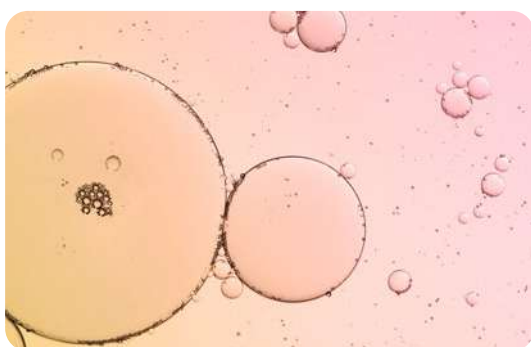


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01



Texen, a leader in the responsible packaging industry

Who are we?



1,400 employees

15 hrs **44** mins
average training time per employee



€170 M in 2021

€190 M in 2022

3/4 of sales in Europe

1/4 in the Americas zone



3 continents

5 countries

7 sales and development offices

40 years
of the "French touch"

* BESST : Beauty Experience
Sensation Surface by Texen

* SMART : Speed Modularity Agility Reliability Texen

* R&I : Research and Innovation

Key figures

Key French player in the responsible packaging industry with international renown.



8 industrial sites

30 partner sites



Flexible and modular industrial processes geared towards agility

BESST®

SMART®



« **One stop shop** » : catalog of parts, assemblies and accessories

88% of our production sites are ISO 14001 certified

50% of our production sites are ISO 45001 certified

75% of our commercial offers include an eco-designed proposal



A major focus of Texen's evolution has been our transition to sustainability

Since our creation in 1984, the Texen group has become a key player in the global Luxury and Beauty packaging industry. Since 2021, our roadmap has focused on continuous improvement in all areas of CSR. Driven by our belief that saving the planet is a matter of urgency, Texen is continuing its mission to: **"transform materials into experiences"**. We are therefore ensuring we have the means as a company to invest in product optimization and the consumer experience in today's circular economy. Following our global strategic review, the Texen group has adopted a new governance structure based on a strong industrial, marketing and commercial positioning.



Mission and strategic direction



Vision

To reconcile consumption and responsibility by driving the eco-transition for cosmetic packaging.



Mission

To transform materials into experiences.



Ambition

To be a major player in the eco-transition for cosmetic packaging.

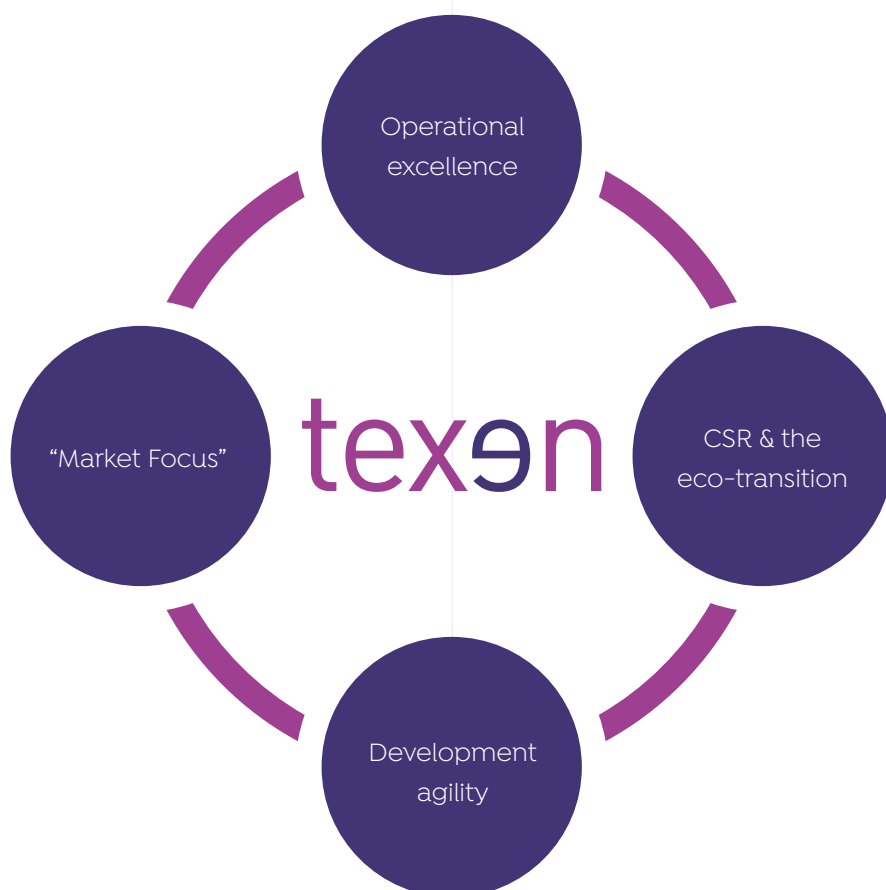


The Texen group

A united organization with a common goal.

The Texen group

Diverse fields of expertise, a common project and local initiatives to support key players in the cosmetics industry.



Key points

- Market Focus: strategy to develop an offer that meets market needs.
- Product development: shared expertise for international development.
- Operational excellence: agility and competitiveness – continuous improvement and international development.
- CSR & the eco-transition: sustainable development strategy communicated to the entire organization.



Testimonial

Alexandre Reynaud, Director of Industrial Development



“

It is essential that we see all the initiatives identified through to the end in order to reduce our environmental impact and accurately measure the gains from each of our actions.

“

In line with our CSR policy, and as a result of the sharp rise in energy costs, we have ramped-up work on the initiatives defined in our improvement plans. To this end, we have set up work groups made up of the HSE, purchasing and technical teams from our factories. Among some of the actions taken, we have begun installing insulating sleeves on 150 presses across our 8 sites, we have been monitoring leaks in the compressed air network using a detection device with ultrasonic sensors and we have also optimized our process temperatures, as well as the nominal pressure of our compressors, heating and lighting. The actions implemented in 2022 and those planned for 2023 should potentially reduce our electricity consumption by 5.9% and our gas consumption by 12%. This represents a saving of 738 tons of CO₂ equivalent. Personally, I found working on these various initiatives with the teams in the field a rewarding and inspiring experience: they have excellent knowledge of our facilities and tools and know which actions are needed to improve. Our efforts have gained positive momentum and we must keep it going.



Markets

A comprehensive offer for an optimal experience.



Make-up

- Mascara
- Lipgloss & lipstick
- Compacts & palettes
- Liners & accessories



Fragrance

- Caps
- Accessories



Skin care

- Caps & jars
- Applicators & bottles
- Cases
- Airless packs
- Droppers



Spirits

- Stoppers
- Gift boxes

Additional markets

With its synergistic and multi-market benchmark approach, the Texen group also provides highly technical and competitive solutions for the health, hygiene and automotive sectors.





Our solutions



Packaging



Basic

Standard packaging



Decorated

Customized packaging



Customized

Semi-specific packaging



Iconic

100% brand-specific packaging



Accessories & applicators



Turnkey solutions/Full service



Testimonial

Jean-Christophe Lemerle,
Industrialization Manager of
the Texen CEICA site

Pierre-Yves Choley,
Serial Life Manager



“

This industrial transfer was performed without any product breakage and according to the schedule planned.

Pierre-Yves Choley

In one year, we exceeded our original industrial performance level and optimized our processes, halving the rejection rate for certain products.

Jean-Christophe Lemerle

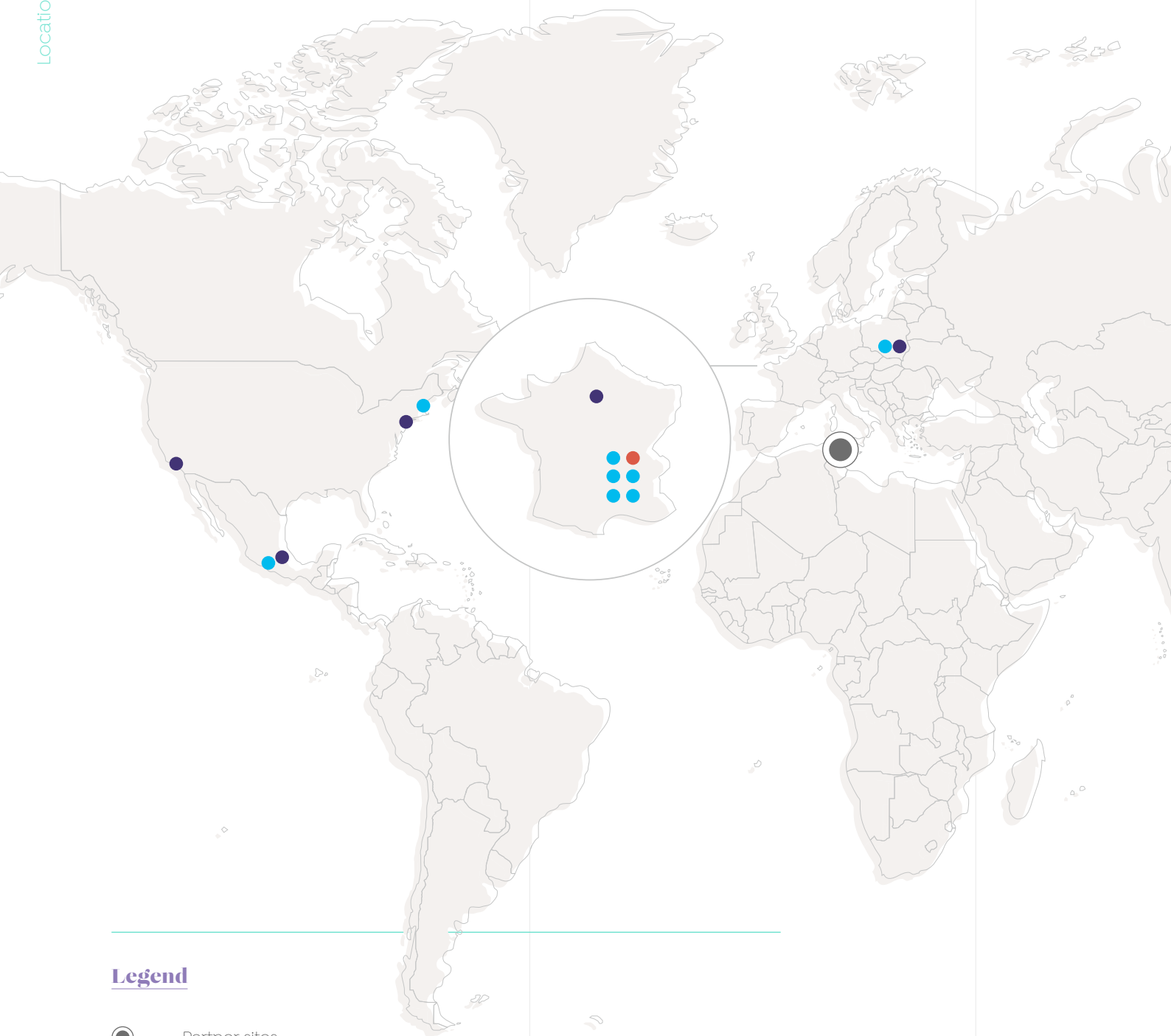
“

The acquisition of PRP's flexible packaging business in February was a key highlight of 2022. We have adopted new and innovative technologies that are strongly CSR-focused, with the main aim being to manufacture flexible packs and develop techniques for assembling pouches in bottles. We now produce the STELLA by Stella McCartney skincare line, which has the unique characteristic of being refillable and recyclable. The packaging is also dual-purpose, designed to be refillable, it can also be used alone, or as a travel pack. The refills also provide all the barrier effects required for optimal formula protection. The refill is equipped with an airless pump which means you can extract the very last drop of product. Compared to products in rigid packaging, they have a higher restitution rate. One last point: the packaging weight is significantly less for refills than standard bottles.

With this acquisition, the Group has taken another step forward in its aim to play a major role in the eco-transition. Integration has been a key challenge for the Texen CEICA and Texen POLAND sites: we have redesigned the production area and integrated machines and new processes which we have calibrated to our required standards of safety, quality and productivity.

Not only have we integrated new products into our catalog, we have also welcomed three PRP employees, helping us to learn faster. We now have the expertise required to support our customers with their new flexible packaging projects!

Location and History

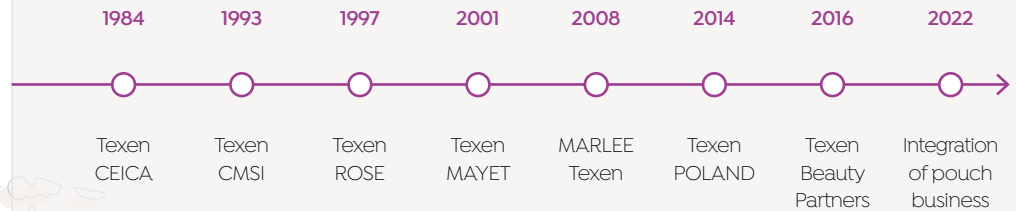


Legend

- Partner sites
- Headquarter
- Texen's industrial sites
- Sales and development offices

History

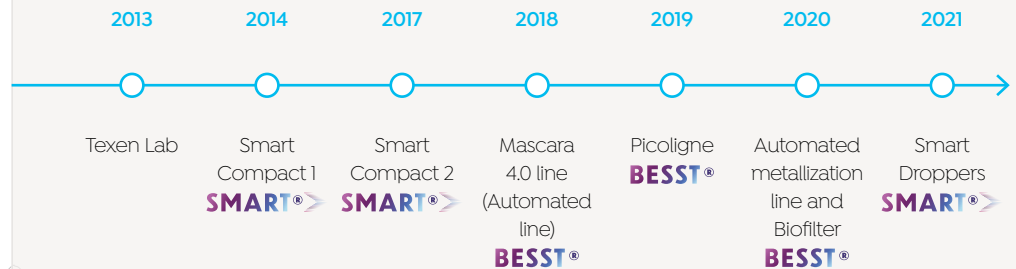
Aquisition



Launch of sales offices



New sites and agile industrial systems



Acceleration of the ecological transition for cosmetic packaging



Our CSR commitments

The Texen group's CSR strategy was formalized based on the results of the materiality analysis, extra-financial risks, and the policies implemented on social and human rights, the environment, business ethics and responsible purchasing.

This strategy was updated in 2020 following the positive outcome of the first 2017 CSR roadmap.

It now includes our achievements and new initiatives launched.

This strategy, which is aligned with 9 of the 17 United Nations Sustainable Development Goals, is structured around three main areas and nine commitments with quantitative targets set for 2025 (compared to 2019).

Reinventing cosmetic packaging

Objective:

Be a major player in the responsible packaging industry to help drive the ecological transition.

Aims for 2025:

Commitments: offer eco-friendly packaging to our customers

- 100%** of our offers to include an eco-designed proposal
- 25%** recycled or biobased materials to be used for new products

Commitment: fight against climate change

- B** Obtain a CDP¹ Climat Climate change score of B
- 10%** carbon emissions associated with Scopes 1 and 2¹ (base year: 2019) in terms of absolute value and intensity (ratio of emissions to our commercial sales)
- 10%** Reduce carbon emissions related to the use of plastics (Scope 3)



Commitment: reduce the environmental impact of our sites

- 50%** Reduce the proportion of organic solvent used to 50% for surface treatment lines
- 50%** Achieve a material recycling rate of 50% for non-hazardous waste
- 20%** Reduce water consumption across our sites by 20% compared to 2019
- 100%** Achieve "zero landfill" for all Texen sites
- 100%** Roll-out at least one Biodiversity initiative at each of our rural sites

¹ see definitions on page 27

Putting our employees at the center of our transformation

Objective:

Be an attractive and innovative company that supports business transformation.

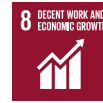
Aims for 2025:

Commitments: attract and retain talents

- 100%** of sites benefiting from a profit-sharing agreement
- 85%** employee retention rate after 3 years
- 35%** of managers promoted internally

Commitment: develop the employability of our staff

- > 5%** Number of qualification-based training courses to be completed by employees
- > 14 h** Average number of training hours to be completed by employee per year



Commitment: guarantee the health and safety of our employees and service providers and promote quality of life and good working conditions

- 100%** of our production sites to be ISO 45001 certified
- > 75%** of our employees to recommend The Texen group as a "good company to work for" (via periodic QWL survey)
- < 7** Reduce the frequency rate of workplace accidents with and without stoppages (employees, temporary staff) to less than 7

Acting ethically and responsibly

Objective:

Align our activities with our values.

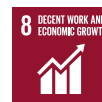
Aims for 2025:

Commitments: conduct our business ethically

- 100%** of the most exposed employees to be trained in ethics in France and abroad.

Commitment: promote responsible purchasing practices

- 100%** of our strategic and panel suppliers to have signed the responsible charter
- 100%** of our strategic suppliers to have completed a documented CSR self audit
- 15%** of our turnover to be allocated to socially responsible procurement



Commitment: Respect human rights and promote inclusion

- < 7 j** Processing of related alerts in less than 7 days
- > 80** Gender equality index above 80
- 30%** of technical job roles to be held by a woman
- 6%** Increase the number of employees with disabilities or via equivalent value units to 6% Irrespective of workforce threshold
- 90%** of managers to be informed about anti-discrimination measures

Our governance commitment

Texen's governance consists of a **Board of Directors and an Executive Committee**.

The **Board of Directors** is made up of representatives of the three shareholders, leading French entrepreneurs, two of whom have been supporting our company's growth since 1984. The Board defines the group's vision and monitors its implementation by the Executive Committee according to the group's mission and aims. To this end, the Board of Directors must ensure that CSR challenges are effectively incorporated into our corporate strategy. To achieve this, the Board has asked the Executive Director to be the CSR representative to ensure that extra-financial performance remains a top priority and is exemplified at the highest level. Once a year, the Board of Directors reviews the group's performance and ensures all actions and initiatives are consistent with our belief that for businesses nowadays, CSR is a key element of performance.

The **Executive Committee (ExCom)** is composed of the Chief Executive Officer, the Human Resources Director, the Chief Financial Officer and the Industrial Operations Director. It defines the group's mission and aims according to the shareholders' vision. In this respect, it defines and leads the group's day-to-day policy on extra-financial performance. It monitors the progress of the action plans of the various departments within different areas of the company and stimulates individual and collective initiatives. The ExCom ensures that our various policies, aim and commitments are meaningfully implemented for everyone and that they provide a way for each employee to increase their own personal sustainable development agenda.

The **Business Divisions** (mainly Industrial Operations, Human Resources and Purchasing) are responsible for including extra-financial performance in their business policies. They suggest roadmaps and associated actions, particularly when devising the budget and the multi-year plan. They are committed to achieving their objectives and to implementing and closely monitoring their plan. For consistency and where appropriate, these factors are also taken into account in individual appraisals, as well as the managerial investment required.



François-Xavier
ENTREMONT

President



Rémi
WEIDENMANN

General Director and Sales/Marketing Director



Fabien
BLANCHET

Human Resources Director



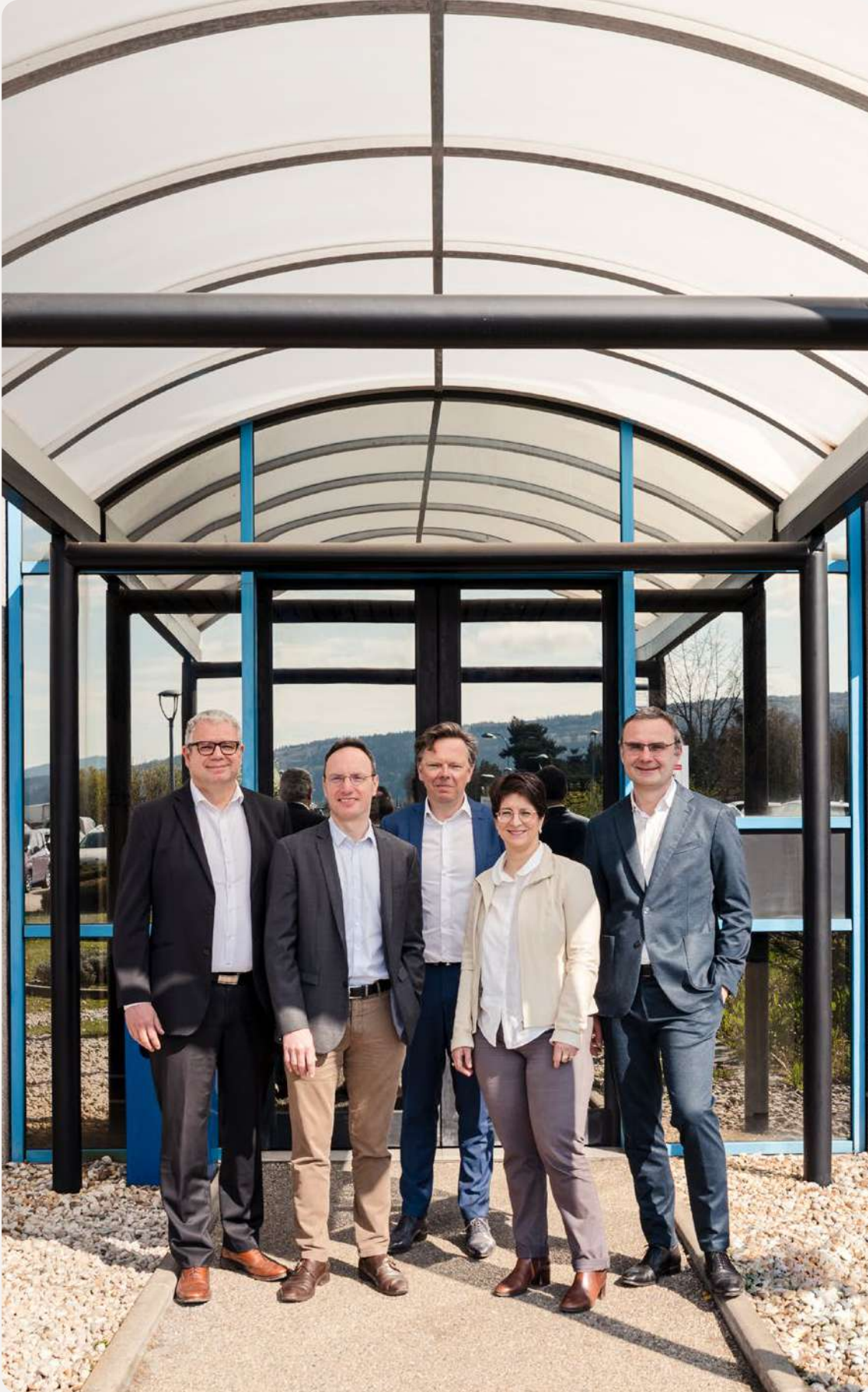
Catherine
OLIVERI

Finance and Administration Director



Christophe
CABUT

Operations Director



Our CSR pillars

(CSR committee)



Ethics

Rémi Weidenmann



Labor & Human Rights

Fabien Blanchet



Environment

Christophe Cabut



Responsible purchasing

Olivier Valin

Our value creation

Resources

Human resources

- 1,400 employees
- 50 apprentices & interns
- Over 15 nationalities
- Ambitious labor policy

Financial resources

- 3 family and business shareholders (equity > €100 M)
- Financial stability

Innovation & development resources

- 1 international and global development team > 55 employees
- 1 internal startup: innovation cell
- > €6.5 million invested in development and R&D

Operational resources

- 8 industrial sites (Poland, France, Mexico, USA)
- +500 presses and finishing machines
- 7 sales and development offices (France, USA, Mexico, China)
- 30 partner sites in Asia and North Africa
- 50% of industrial sites ISO 45001 certified
- 1 ambitious HSE roadmap

Environmental resources

- 88% of industrial sites ISO 14001 certified
- 38% of factories ISCC+ certified

Societal resources

- > 40% of turnover allocated to procurement

Impact in 2022

Human resources

- Gender equality index: 81/100 (French sites)
- Ratio of employees with disabled worker status: 5.4% (French sites)
- 9.7% of the workforce have completed qualification-based training
- Frequency rate of accidents with and without work stoppages: 9.3

Financial resources

- Turnover: €190 M
- Gross Industrial Assets: €205 M
- 100% of sites benefiting from the profit-sharing agreement

Innovation and development resources

- > 150 projects currently in development
- 75% of offers with an eco-designed option
- 5 enveloppes Soleau & Patents filed

Operational resources

- €10 M invested per year
- > 100 new product launches

Environmental resources

- 3% of the materials processed are recycled or biobased
- 37% of carbon emissions linked to plastic use (2022)
- CDP Climate Change Score: B

Societal resources

- 48.5% of our strategic suppliers have completed a CSR self-audit
- 13% of turnover allocated to socially-responsible procurement
- Community outreach and environmental preservation actions (Reforest'Action, Secours Populaire, French Deaf Volleyball Federation, etc.)
- Ecovadis Platinum Medal (CSR)

Trends & challenges

Consumer experience & new uses

(Quality, aesthetics, sensory appeal)

Environmental awareness

(Materials, sustainable product lines, regulations)

Volatile consumption

(Digitization, evolution, GDP growth, middle classes, regionalization)

Our strategy

Our mission

"Transforming materials into experiences"

Our objective

"Be a major player in the eco-transition for cosmetic packaging"

Our values

- Kindness & high standards.
- A daring approach & teamwork.
- Sustainable development and knowledge-sharing.

Our CSR commitments

- Reinvent cosmetic packaging.
- Put our employees at the center of our transformation.
- Act with ethical and responsibility.

Our contribution to the Sustainable Development Goals:



Our markets



Make-up



Skincare



Fragrance



Spirits

Our offering

Innovative packaging and product solutions to enhance the consumer experience

Our customers

ANCOROTTI
COSMETICS

AVON

BACARDI MARTINI
FRANCE

CHANEL

COTY
SINCE 1904

EMBELIA
LA PRODIGEUSE PARIS

ESTÉE LAUDER

LABORATOIRES
FILORGA
PARIS

BOGART

GOTHA
COSMETICS

GROUPE
CLARINS

GR
GROUPE ROCHER

HERMÈS
PARIS

intercos
GROUP

interparfums

JAFRA
L'ÉLÉGANCE PARFUMS

LVMH

NAOS

natura
When you care, you create beauty

NOCIBÉ
LA BEAUTÉ PARTAGÉE

NUXE

L'ORÉAL

ORIFLAME
SWEDEN

Orveon

Pierre Fabre

PUIG

REVLON

SHISEIDO
GINZA TOKYO

SOTHYS
PARIS

sisley
PARIS

YANBAL

Our multi-faceted performance in 2022

Texen CSR Strategic Focus Area	Commitments	KPIs	2025 Objectives	2022 Objective	2022 Results
Reinventing Luxury & Beauty packaging	Offer eco-friendly packaging to our customers	% of tenders including an eco-designed proposal	100%	73%	75% (102 eco-designed offers out of 136 RFQs)
		% of recycled or biobased plastic materials for new products	25%	10%	10.6% (36,599 Tons of PCR and biobased materials out of 344,043 Tons of plastics used in 2022)
	Fight against climate change	Result of the Carbon Disclosure Project scoring	Obtain a CDP Climate Change score of B	Maintain CDP score of B- Implement carbon accounting in GHG format	CDP response obtained in December 2022 Texen obtained a B in Climate Change
		Carbon emissions linked to scopes 1 and 2	Reduce our carbon emissions linked to scopes 1 and 2: • In absolute value , reduce our emissions by 10% compared to the base year of 2019* • In intensity , reduce these carbon emissions by 10% compared to our commercial sales, i.e. CO ₂ emissions/turnover ratio of 70.04	Reduce our scope 1 and 2 carbon emissions by 4% in absolute value Reduce our scope 1 and 2 carbon emissions by 4% and in intensity	Scope 1 and 2 in absolute value • 2019: 11,830.64 t CO ₂ e • 2021: 11,955.90 t CO ₂ e • 2022: 10,365.75 t CO ₂ e • Decrease of 12.38% Scope 1 and 2 in intensity Carbon emissions compared to turnover • 2019: 77.82 kg CO ₂ /k€ • 2021: 85.69 kg CO ₂ /k€ • 2022: 63.54 kg CO ₂ /k€ • Decrease of 18.35% vs 2019*
		Carbon emissions related to the use of plastics for scope 3 (Teq CO ₂)	Reduce the carbon emissions produced by our packaging (related to the processing of plastics, Scope 3) by 10% (base year 2019*) i.e. 13.75% recycled plastic or ratio of CO ₂ emissions to tonnage processed to 2.64	Incorporate at least 5% recycled materials into products Reduce our carbon emissions by 4%	Recycled materials • 2019: 0.36% • 2021: 2.38% • 2022: 3.02% Scope 3 plastic, in absolute value • 2019: 31,451 t CO ₂ e • 2021: 30,899 t CO ₂ e • 2022: 28,334 t CO ₂ e • Decrease of 9.91% vs 2019 Ratio of t CO ₂ e/Material tonnage • 2019: 2.91 • 2021: 2.9 • 2022: 2.69



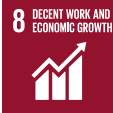
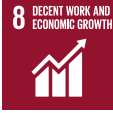
Definitions	Contribution to Sustainable Development Goals
Percentage of eco-designed tender submissions (inclusion of at least one of the 3Rs, Reduce, Reuse, Recycle)/total number of tender submissions. Scope = projects under the scope of categories 1, 3 and 4. For projects started in year N, based on forecast customer volumes for the launch, the indicator is calculated according to the project phase: • End of phase 2: take into account the launch quantity stipulated upon allocation + take into account the weight of the theoretical parts of plans. • End of phase 3: keep the same quantity unless there is a significant change + take into account the actual part weight. • If the first delivery of the launch quantity is made on 31 Dec. 2021, apply the 2021 indicator. Calculation: Σ quantities of recycled* and/or biobased* plastic materials (No. of parts X weight of parts)/Σ quantities of total plastic materials (No. of parts X weight of parts). *If the plastic material contains up to X% recycled materials (Ecotria contains 30% for example), I apply the ratio to my calculation. PIR materials are not taken into account. Plastic materials containing recycled and/or biobased materials only excluding ballasts, seals, surface treatment, glue, mirrors, pins, etc.	
Result of the Carbon Disclosure Project assessment The responses to the CDP questionnaire in year N concern data for year N-1. Carbon emissions = Σ[energy emissions factors (Gas/Elec/Fuel) x Energy consumption] + Σ[coolant fluid emission factors x quantities of degassed fluids] + Σ[vehicle fuel emission factors x service vehicle consumption]. In Teq CO₂. Carbon emissions compared to turnover = Σ[energy emissions factors (Gas/Elec/Fuel) x Energy consumption] + Σ[coolant fluid emission factors x quantities of degassed coolant fluids] + Σ[vehicle fuel carbon emission factors x thermal vehicle consumption]/commercial sales (without mold, project and interco sales). In Kg CO₂/k€.. Energy consumption = ELECTRICITY consumption (kWh) + GAS consumption (kWh PCI) + FUEL consumption (excluding vehicles and fire detection system) (kWh PCI).	
Scope 3 plastic in absolute value => Σ[plastic material emission factors x plastic material consumption]. % of recycled materials = Quantity of recycled plastic materials used (processed or components)/Total quantity of plastic materials used (processed or components). * Base year 2019 = 2019 results (energy consumption, tonnage of plastic and equivalent CO₂ emissions) calculated based on an industrial scope equivalent to that of 2021.	

Texen CSR Strategic Focus Area	Commitments	KPIs	2025 Objectives	2022 Objective	2022 Results
Reinventing Luxury & Beauty packaging	<i>Reduce the environmental impact of our sites</i>	% of ISO 14001 certified production sites within the current scope	100%	Obtain certification for the Texen DECORATION site 88% of Texen sites certified	Texen DECORATION was ISO 14001 certified in July 2022 87.5% of Texen sites are certified
		% of organic solvent used for surface treatment lines	Reduce the percentage of organic solvent used on our spray application lines to 50% by 2025	65%	69.96% 303.08 Tons of sprayed products including 212.02 Tons of solvents
		Material recycling rate for Non-Hazardous Waste (NHW)	50%	42.5%	48.22% 1,075.51 Tons of NHW recycled out of a total 2,230.36 Tons of NHW
		% of waste sent to landfill	Achieve "zero landfill" for all Texen sites	No defined objective	FR sites = 0% International sites = 162,345 Tones out of 2,230.36 To,s in total, i.e. 7.27%
		Water consumption at production sites	Reduce site water consumption by 20%	-8% vs 2019	• 2019 = 18,670 m³ • 2021 = 17,698 m³ • 2022 = 28,541 m³ Increase of 52.87% vs 2019 DECO Biofilter A Conso. 2022 = 5,166 m ³ Results without DECO Biofilter = 23,375 m ³ Increase of 25.2% vs 2019
		Number of sites located in rural areas that have launched an initiative to protect biodiversity	Roll-out at least one Biodiversity initiative at each of our rural sites	No defined objective	100% of the Group's factories have completed level 1 of the Road Map (Group average of 3.25 over 6 stages). Each factory launched at least one initiative to protect biodiversity in 2022
Putting our employees at the center of our transformation	<i>Develop the employability of our staff</i>	Percentage of qualification-based training	> 5% of workforce	> 5%	9.67%
		Average number of training hours per employee per year	> 14 hours per employee	> 14 hours	15,44 hours
	<i>Attract and retain talent</i>	Employee retention rate after 3 years	> 85%	> 75%	79.84%
		Percentage of internally-promoted management	> 35%	> 30%	69.75%
		Percentage of sites benefiting from a profit-sharing agreement	100% of sites	100%	100%



Definitions	Contribution to Sustainable Development Goals
Number of ISO 14001 certified production sites out of total number of sites (2021 scope).	
Quantity of solvent content in the sprayed products (T) out of total quantity of products sprayed by the sites.	
Non-Hazardous Waste – Recovered material (T) out of total Non-Hazardous Waste produced.	
Disposed Non-Hazardous Waste (landfill – waste code DI) out of total Non-Hazardous Waste produced.	
Mains water consumption (m³).	
Excerpt HSE Road Map. 9.4 Level 1: Our green spaces are maintained without the use of pesticides. The clippings are left in place and should be positioned under the hedges and at the foot of the trees for reintegration into the soil or mulching.	
(Number of CQPs completed + number of work-study students + number of end-of-year interns + number of diplomas obtained with the company's support)/average total workforce.	
Number of hours of training provided (internal or external)/average total workforce. All personnel present from January 1 to December 31 for the year in question are to be taken into account.	
Number of employees who joined in the last 36 months and are still present/Number of employees who joined in the last 36 months (only positions on permanent contracts). 36 months between year N-3 and year N.	
Number of employees occupying a management position who have previously held another position in the company or group/Number of employees working in a management position. By management position, we mean positions of executive or equivalent status outside of France and involving the line management of other employees (2 pieces of information to be checked: manager and executive).	
Number of legal entities offering a profit sharing system (legal and/or voluntary)/total number of legal entities. A profit-sharing system is used to redistribute a share of the positive results to the entity's employees according to calculation criteria that has been determined and disseminated.	

Texen CSR Strategic Focus Area	Commitments	KPIs	2025 Objectives	2022 Objective	2022 Results
Putting our employees at the center of our transformation	<i>Guarantee the health and safety of all our employees and service providers and promote QWL</i>	Percentage of ISO 45001 certified production sites	100%	Maintain certification at the 4 certified sites	Certifications maintained for CEICA, CMSI, MAYET and MEXICO. 50% of Texen Group production sites are ISO 45001 certified
		Workplace accident frequency rate (with and without work stoppage)	Reduce the frequency rate of work-related accidents with and without work stoppages for employees and temporary workers to < 7	8.39	9.3
		Proportion of employees in % who recommend Texen as a "good place to work"	More than 75% of our employees to recommend Texen as a "good place to work" (via periodic QWL survey)	NC	NC
Acting ethically and responsibly	<i>Conduct our business ethically</i>	Percentage of the most exposed employees trained in ethics in France and abroad	100%	100%	84.29%
	<i>Promote responsible purchasing practices</i>	Proportion of suppliers in % having signed the Texen responsible charter			
		• Strategic status	100%	100%	100%
		• Panel	100%	85%	75%
		• Customer-imposed	100%	60%	27%
		Proportion of strategic suppliers in % having completed a documented CSR self-audit	100%	50%	48.5%
	<i>Respect human rights and promote inclusion</i>	% of turnover allocated to socially-responsible procurement	15%	15%	13%
		Number of days to process alerts	< 7 days	< 14 days	1.58
		Gender Equality Index	> 80	N/A quantified objective from 2023	81/100
		Technical positions held by a woman	30	25%	29.05%
		Percentage of awareness training completed by managers to prevent discrimination	> 90%	N/A quantified objective from 2023	61.62%
		RGTH ratio (Employees with disabled-worker status)	6%	> 5%	5.42%

Definitions	Contribution to Sustainable Development Goals
Number of ISO 45001 certified production sites out of total number of sites (2022 scope).	8 DECENT WORK AND ECONOMIC GROWTH 
TF2 = Number of work accidents with and without work stoppage * 1,000,000/hours worked. Concerns employees + temporary workers.	3 GOOD HEALTH AND WELL-BEING 
Number of employees who responded with a score of 4/5 or 5/5 to the question "Would you recommend the company to your friends and family?" /Total number of participants in the engagement survey. The engagement survey is conducted every two years on an international scale. All personnel present on the date of the survey have been taken into account. For 2022: not calculated.	16 PEACE, JUSTICE AND STRONG INSTITUTIONS 
Number of exposed employees present on 31/12/N (finance, purchasing, HR, plant manager, plant management committee representative, maintenance manager) having completed group training during year N or in previous years (without limitation), (in person or by Webinar) in Ethics, Corruption and Sapin II. For 2022: France scope only.	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 
Strategic supplier: Preferred Texen supplier with whom we have a reciprocal relationship and a common strategy. Panel supplier: Supplier approved by Texen to meet recurring needs. Customer-imposed supplier: Supplier with whom we are obliged to work.	8 DECENT WORK AND ECONOMIC GROWTH 
CSR self-audit: Questionnaire consisting of 11 questions used to assess the CSR maturity of our suppliers.	5 GENDER EQUALITY 
Texen's socially responsible procurement involves small and medium-sized enterprises (SMEs) with fewer than 100 employees and a turnover of less than €20 million per year that do not have a dominant market position.	10 REDUCED INEQUALITIES 
Average (arithmetic sum) of the number of days between the date of the complaint and its being processed, i.e. upon the launch of an action plan if necessary, with feedback to the "complainant". Calculation in calendar days. Establishment of ethics representatives at the sites and of an annual ethics report to monitor complaints.	
Based on the French legal calculation (pay gap, increase, promotion, highest pay). Possible neutralization of the notion of valid workforce. The One Texen overall rate is calculated based on all the data collated in the same database.	
Number of women holding a technical position/Number of employees holding a technical position (Project manager, Setter, Technician, Production Team Leader, Technical Service Manager, Automated Line Operator, Toolmaker, Metrological Engineer, Quality Technician, IT Engineer, Engineering/Tech).	
Number of managers who received discrimination training/total average number of managers. Manager means any employee who supervises a team (without executive status):Head of Department, Team Leader, etc. We take into account all the training provided.	
Number of employees with a disability/with disabled-worker status at the company/average total workforce. Addition of units of equivalent value (use of companies who employ workers with disabilities), according to the possibilities of each local regulation.	



20



Our commitment to reinvent Luxury and Beauty packaging

The Texen group's vision is to produce exemplary cosmetic packaging in terms of environmental-friendly design and manufacturing, whose primary function is to preserve products and avoid waste. The Texen group's mission is to transform materials into experiences, and as market leader, our aim is to accelerate the eco-transition in the Luxury and Beauty packaging industry.

Together with our employees, customers, suppliers and consumers, the Texen group aims to make packaging responsible and environmentally friendly, while firmly rooted in the circular economy.

Offer eco-friendly packaging to our customers



Objective for 2025:

- 100%** of our commercial offers to be eco-designed
- 25%** recycled or biobased materials to be used for new products

Our results in 2022:

- 75%** of commercial offers are eco-designed (+18 points/2021)
- 10.6%** recycled or biobased materials are used for new products (+8.1 points/2021)



Why this commitment?

As part of the ecological transition, where brands are developing a new type of luxury that is aligned with consumer expectations, the Texen group aims to play a major role in transforming the packaging industry. By its very nature, packaging prevents waste by preserving products. As such, it has a key role to play in the ecological transition. As bearers of this responsibility, the packaging industry must lead by example. For this reason, the Texen group places eco-design at the heart of its strategy so that we can consistently offer our customers more responsible packaging and reduce the impact packaging has on the environment. As a result, right from the material sourcing stage, the Texen group is committed to incorporating recycled or biobased materials into new products.



Our approach: the 3 Rs (Reduce, Reuse and Recycle)

Eco-design is a proactive approach aimed at improving the environmental impact of a product for its entire lifecycle. The Texen group's strategy has three key pillars: Reduce, Reuse and Recycle.

This approach starts with a strict evaluation of the impact of our products, from the manufacture of the materials to treatment at the end of their lifecycle, including production, marketing and use. "If you can't measure it, you can't improve it."

To this end, the Texen group pioneered the roll-out of a Life Cycle Assessment (LCA) software package called EVEA, which was developed in 2016 with major and independent players in the assessment sector.

In 2022, the group upgraded to new LCA software, co-designed with our customers and colleagues with a view to speeding up the process for the entire industry. This software was created by a consortium entitled SPICE (Sustainable Packaging Initiative for CosmEtics), which is composed of 30 major companies in the cosmetics industry.

LCA assessments cover the main impact indicators for resources, biodiversity and health. With this multi-criteria approach, the group can provide our eco-system with ideas to align their design, materials and decorative elements with their CSR objectives and costs. It provides brands with useful information to identify the eco-design levers for optimizing packaging. As part of the group's industrial innovation process, our employees use this software to determine the most relevant and effective eco-design options.

At the same time, with the aim of incorporating more recycled and biobased materials into its products, the Texen group has defined a procedure for approving "new" materials (sourcing, regulations, compatibility, technical feasibility, functional and aesthetic finish and operational impact) which thus speeds up the selection and industrial roll-out process.

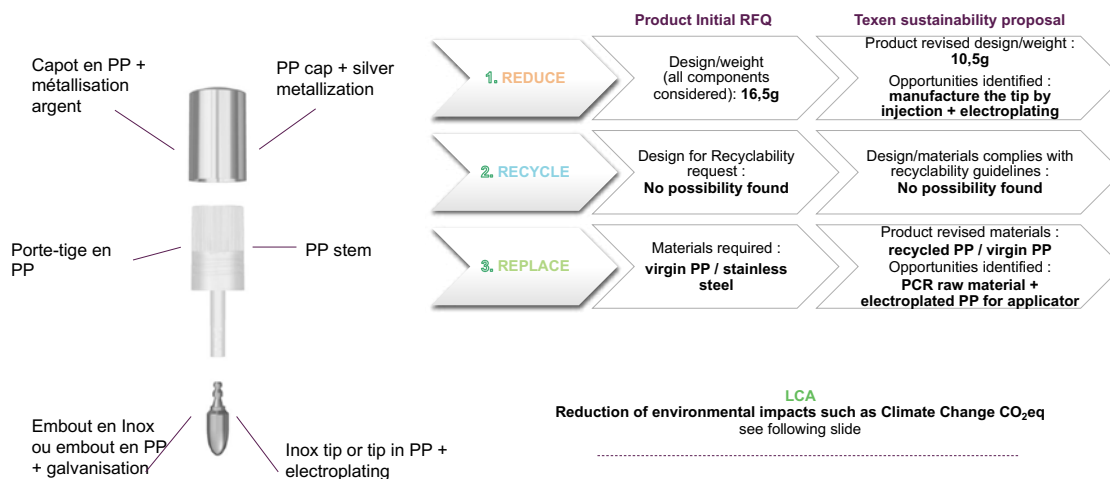


And in specific terms?

Throughout the last year, a new "3R" presentation tool designed for our customers' packaging development departments was finalized and rolled-out to support our Eco-Design (ED) offering. This tool is used to highlight our proposals for producing more eco-friendly products: from selecting the materials to optimizing the weight, reducing the number of manufacturing stages and using hydro-soluble primers and HS varnishes (High-Solid Varnishes i.e. varnishes with a low solvent content). In 2022, 75% of our offers included one of these 3R components. While using recycled materials has been suggested in the majority of cases – accounting for 87% of our eco-designed offers – we have also put forward a range of proposals to reduce the number of parts, eliminate steps in a process, or produce reusable or refillable packaging.

The relevance of our proposals and the Texen group's proven technical expertise in transformation and decoration processes have gained us many loyal customers, who are won over by our capacity to produce a more eco-friendly product without affecting quality, safety or aesthetics. In 2022, recycled or biobased plastics accounted for 10.6% of the materials used to manufacture new products. This result is in line with the group's target to incorporate 25% of recycled or biobased materials into new products by 2025, with the target for 2023 being 15%.

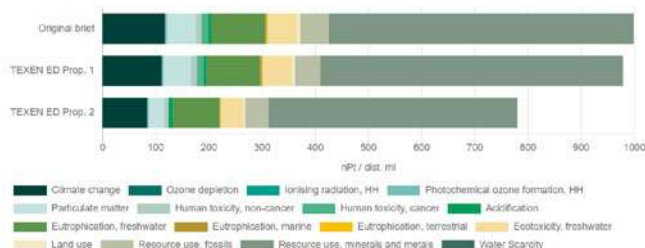
Texen Eco-design RFQ Proposal



Life Cycle Assessment – SPICE Tool

Scenario	Single – PPB / Distributed mL	Diff. from ref.	Modelization hypothesis
Original Brief	998		PP cap + silver metallization / PP stem / inox tip
Texen Eco-design Prop 1	978	- 22%	rPP cap + silver metallization / rPP stem / inox tip
Texen Eco-design Prop 2	780		rPP cap + silver metallization / rPP stem / rPP tip + electroplating

Breakdown by indicator



What has not been modeled

Pack out

Focus on environmental impacts

Scenario	Resource use, fos...	Resource use, minerals and m
Original brief	78.23 kJ	188.22 µg Sb eq
TEXEN ED Prop. 1	68.97 kJ (-12%)	187.03 µg Sb eq (-1%)
TEXEN ED Prop. 2	63.69 kJ (-19%)	153.79 µg Sb eq (-18%)

Interpretation

The reduction of weight, the use of recycled resin and the removal of one component lead to environmental gains with a Single Score reduction of **22%** compared to the standard.

As well, a reduction of **29%** on climate change CO₂eq and **18%** on resource uses (fossils and minerals) are observed compared to the standard.



Testimonial

Denis Paccaud,

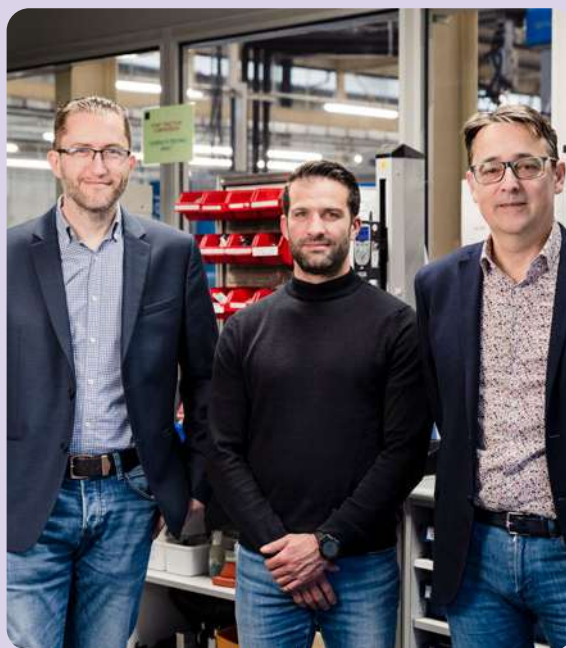
Innovation Director

Anthony Guittard,

Technical Product Line Manager

Christophe Cardi,

Eco-design Engineer



“

Eco-design is about a cultural mindset, supported by the group's management and the Innovation Cell.

Denis Paccaud

Eco-design calls into question everything we know how to do: it's about changing our habits, applying a different methodology and overcoming a challenge.

Anthony Guittard

Our experience in using recycled materials and our work on developing eco-designed products help reassure our customers.

Christophe Cardi

“

Eco-design is incorporated into our responses to calls for tender: 75% of tenders include one or more eco-designed components - even if the customer has not specifically requested as such. Eco-design covers more than just materials: it's about the mindset supported by the Texen group's management, and it's also a way of raising our customers' awareness.

We have created a material library that contains some 40 new recycled PCR, biobased, recyclable and/or compostable materials. The purchasing and development departments and the Innovation Cell are jointly responsible for keeping it updated. The Innovation Cell conducts preliminary testing on these materials and their transformation and decoration processes, so the Operations team can then use them.

This innovative industrial culture was recognized with an award at the PCD Innovation Awards in 2022. These awards celebrate the best packaging innovations and the most successful launches on the global beauty market over the last year: for Chanel, we produced the first premium case made of rPET. Our work involved a case made of 73% rPET. We used high-solid varnishes (HES) to minimize solvent discharge, and optimized the packaging to make it more eco-friendly. We also reduced the press tonnage and the weight of plastic used by decreasing the thicknesses, without affecting the perceived quality, using BESST Transform technology. This is a very exciting, long-term project which, step by step, should help us to achieve our goal for 2025: 100% of our products to be eco-designed.



Stella McCartney Pouches



XXL Chanel Case



Biotherm Cera Repair

*rPET = recycled PET
*rPP = Recycled Polypropylene

Examples of products developed by Texen in 2022 incorporating recycled or bio-based materials

1 Stella McCartney Pouches

Stella McCartney has joined forces with the LVMH Group, working with its Beauty division to develop a skincare line, STELLA by Stella McCartney. As a pioneer in sustainable luxury fashion, Stella McCartney wanted to offer Alter-Care™, an alternative approach to beauty that supports caring for ourselves and Mother Earth, with eco-designed packaging and exchangeable packs.

What technical constraints did we face?

Using these ISCC+ certified materials required careful attention and expert knowledge of our industrial resources. Working with these requirements pushed us to achieve exceptional results with these products, both in terms of aesthetics and functionality.

2 XXL Chanel Case

Chanel was planning to launch a new and very challenging make-up case for its "Les Beiges" franchise: the first extra-large CSR case with a bi-injected lid. In keeping with the strategy for eco-design and to eliminate styrenics, RPET (recycled PET) was chosen to create this case: a major technical challenge!

What technical constraints did we face?

Injecting recycled PET material into the thin walls (with a non-standard surface 10x10cm) while maintaining the high level of Chanel quality and industrial feasibility were the main challenges. The teams showed great tenacity in developing and using an HES varnish on PET materials which are known to be very static. Combining eco-design with developing a case was a challenge in terms of expertise and project management.

3 Biotherm Cera Repair

For the new Biotherm skincare collection, L'Oréal is continuously rethinking packaging that is increasingly eco-responsible. As a long-standing partner, Texen took up this new eco-design challenge, combining new materials, decorability and aesthetic results.

What technical constraints did we face?

Because of the way it is produced, rPP cannot be used directly in contact with the formula. So that this eco-designed material could be used, the product was designed to avoid contact between the product and the packaging.

In addition, Texen had to develop decorative techniques to obtain an aesthetically appealing product by smoothing out the rough edges of the recycled materials.

What are PET, rPET, PP and rPP?

PET stands for Polyethylene Terephthalate, the most common plastic used in packaging. It is a resin-based polyester made from crude oil and natural gas, then molded into plastic containers (e.g. water bottles).

rPET stands for Recycled Polyethylene Terephthalate, a material made from recycled PET, with up to 100% recycled content. This new material can also be recycled.

PP stands for Polypropylene a petrochemical plastic. New distribution channels for biobased PP are emerging as a result of the chemical recycling of food oils.

rPP stands for Recycled Polypropylene, which is produced by collecting household waste to be processed into pellets.

Fight climate change



Objective for 2025:

B

Obtain a CDP Climate Change score of B



-10%

Reduce our carbon emissions related to scopes 1 and 2 by 10% (base year: 2019¹) in terms of absolute value and intensity (ratio of emissions to our commercial sales)

-10%

Reduce our packaging carbon emissions (related to the use of plastics, Scope 3) by 10% through the use of recycled plastics with lower emissions than virgin materials (base year: 2019)

Our results in 2022:

B

CDP Climate Change score of B

-12%

Carbon emissions related to scopes 1 and 2 reduced by 12% in absolute value and 18% in intensity (ratio of our carbon emissions to our commercial sales). In 2021, our carbon emissions increased by 1.06% in absolute value and 10.11% in intensity

-10%

Carbon emissions from plastics processing reduced by 10% (scope 3). In 2021, we reduced these emissions by 1.8%



¹ The 2019 results have been calculated based on an industrial scope equivalent to that of 2021 and 2022.



Why this commitment?

The fight against climate change is a global challenge. Industrial carbon emissions account for 18% of global emissions and 13% of emissions in France.¹ Europe has set itself the target of achieving carbon neutrality by 2050 and meeting the objective to reduce its greenhouse gas emissions by at least 55% by 2030 (compared to 1990). To help in the fight against climate change, we are committed to reducing the group's scope 1² and 2³ emissions, as well as our packaging-related emissions (scope 3⁴), by using recycled or biobased materials in our new products.



Our approach

The Texen group has been measuring its carbon emissions using the "GHG protocol" method since 2022. It is an international protocol that provides a framework for measuring, costing and managing greenhouse gas emissions (GHGs). The environmental data on greenhouse gas emissions has been calculated by prioritizing the emission factors available in the ADEME (French Agency for Ecological Transition) database.

We have also improved our method for collecting raw data on quantities of plastic raw materials. Whereas previously, we took account of the quantities purchased, this year, we calculated the quantities actually used by the production sites.

This carbon accounting covers three scopes: scope 1, which assesses emissions released directly into the atmosphere (e.g. emissions from gas-fired boilers), scope 2, which relates to indirect energy emissions (mainly electricity in The Texen group's case), and scope 3, which includes other indirect emissions (consumption of raw materials, employee travel, end-of-life of manufactured products, etc.).

- 1 Source: International Energy Agency, 2020.
- 2 Direct emissions from fixed and mobile installations.
- 3 Indirect emissions associated with the production of imported electricity, heat or steam for the Group's activities.
- 4 Indirect emissions from the company (e.g. raw materials used to manufacture packaging, upstream and downstream transport of goods, etc.).



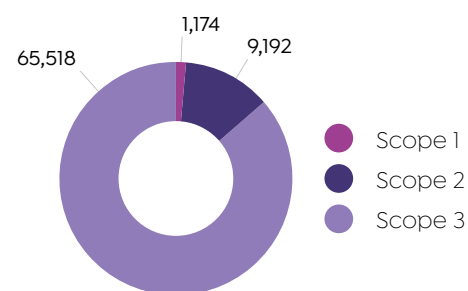
Our carbon emissions in 2022

The products and services purchased by the group account for 44% of the company's total carbon emissions with 33,612 Teq CO₂, of which 28,334 Teq CO₂ (i.e. 37.3% of the group's emissions) are caused by plastic use, whether due to processing or using plastic components.

The Texen group's energy consumption amounted to 10,273 Teq CO₂, i.e. 13.5% of the company's global carbon emissions. 12.1% of the group's total emissions come from electricity consumption (Scope 2) and 1.4% from gas consumption (Scope 1). The group's electricity consumption mainly relates to our industrial injection, decoration and assembly operations and the associated applications (production of compressed air and refrigeration). Our gas consumption is primarily linked to the heating and air conditioning for the surface treatment spraying facilities.

Texen's policy is to work on reducing or optimizing our energy consumption and to promote the least carbon-intensive fuels.

Our carbon emissions: 75,884 Teq CO₂



And in specific terms?

In 2022, the Texen group obtained a **CDP Climate Change score of B⁵**. This rating recognizes the group's efforts to manage climate change risks and reduce our greenhouse gases (GHG).

5 Grading scale from A to D.

In 2022, the group stepped up its efforts to significantly reduce its energy consumption. A project team has been set up specifically to identify all the technical, organizational and human means that must be deployed and standardized across all the group's entities. The actions already taken in 2022 and those planned for the first half of 2023 should ultimately result in a potential reduction of over 5% in electricity consumption and more than 10% in gas consumption.

For example, the group has undertaken to equip all of its injection press sheaths with insulating sleeves to limit heat loss. In time, 150 presses will be "insulated", with 92 having already been fully equipped to date. The temperature of the air handling units on our surface treatment lines has been reviewed and adjusted according to the time of year to limit gas consumption in winter or use of the chillers in summer. The nominal pressure of the compressed air system has been set to the strict minimum and a major operation to eliminate leaks has been launched across all of the group's production sites. The group has also completed its LED lighting roll-out program and all sites have now optimized their electricity consumption from lighting by turning off certain rows of fluorescent lights that are not needed, for example.

The group is also continuing its investment program in 2022 to replace its production equipment and machinery with more energy-efficient equipment. For example, at the Texen DECORATION site, the old compressors were replaced with variable speed units, while a heat recovery system was installed to preheat water and limit the consumption of gas from boilers.

Photovoltaic panels have been installed at the Texen POLAND site so that it can produce its own electricity, thus committing the group to a partial energy autonomy initiative. The group is also continuing to implement its policy of supplying renewable energy through partnerships with energy companies in France, Poland and Mexico.

All of these actions have reduced our carbon emissions related to scopes 1 and 2 by 12% in absolute value and 18% in intensity (ratio of our carbon emissions to our commercial sales), meaning that we have already met the targets set for 2025.

By using 3% recycled or biobased materials in our products in 2022, as well as a better product mixture (processing of lower-carbon materials), we reduced our plastic processing carbon emissions by 10%, which amounts to 3,117 fewer tons of CO₂ (compared to 31,451 tons of CO₂ equivalent in 2019 and 28,334 Teq CO₂ in 2022). The ratio for "Quantity of CO₂ equivalent to the quantity of material used by the group" thus dropped from 2.91 in 2019 to 2.69 in 2022.



What is the CDP?

- A global non-profit organization.
- The world's largest database on the environmental performance of companies and cities, voted the leading provider of climate research by investors.
- Its objective is to encourage companies and cities to take action to build a truly sustainable economy by measuring and understanding their environmental impact.
- 4 types of questionnaires: CDP Climate, CDP Water, CDP Forest and CDP Supply Chain.
- 13,000 companies responded to the CDP in 2021.



Installation of photovoltaic panels
at the Texen POLAND site



Detection of leaks
at the Texen CMSI site



Optimization of LED lighting
at the Texen ROSE site



Insulating sleeves on an injection
press at Texen CMSI



MORE label

Created by the French Plastics and Composites Federation, the MORE label is awarded to manufacturers who source recycled plastics for use in their production.

The Texen group is more committed than ever to adopting more environmentally-friendly practices.



Reduce the environmental impact of our sites



Objective for 2025:

- 100%** of our production sites to be ISO 14001 certified
- 50%** Reduce the proportion of organic solvent used to 50% for surface treatment lines
- 20%** Reduce water consumption across our sites by 20% compared to 2019
- 50%** Achieve a material recycling rate of 50% for non-Hazardous Waste
- 0%** Achieve "zero landfill" for all Texen sites
- 100%** Roll-out at least one Biodiversity initiative at each of our rural sites

Our results in 2022:

- 87.5%** of our production sites are ISO 14001 certified (7 factories out of 8) (75% in 2021)
- 70%** Products sprayed on surface treatment lines contain 70% organic solvent on average (69.0% in 2021)
- 53%** increase in water consumption across the group's sites compared to the base year in 2019 (water consumption decreased by 8.2% in 2021)
- 48%** of Non-Hazardous Waste (NHW) was recycled (41% in 2021)
- 7%** of Non-Hazardous Waste was sent to landfill (162.3 tons out of 2,230.4 tons of non-Hazardous Waste in total) (6% in 2021)
- 100%** of our rural sites have rolled out at least one Biodiversity initiative¹ (75% in 2021)



¹ These actions help preserve all natural environments and all forms of life, as well as the dependencies between ecosystems. For example, initiatives such as installing beehives, planting trees, stopping our use of pesticides or mowing late in the season have all been considered.



Why this commitment?

Our industrial activity involves the consumption of raw materials and, as a result, has a significant impact on the environment due to waste generation or greenhouse gas emissions.



Our approach

The environmental management systems are used by our ISO 14001 certified production sites to identify and manage the environmental impact of their operations and help us to continuously improve our environmental performance.

Consequently, the group is committed to reducing the environmental impact of our sites in five areas: reducing solvent consumption, complying with atmospheric volatile organic compound emission limits, recovering waste, reducing water consumption and protecting biodiversity.



And in specific terms?

Currently, **87.5% of our production sites are ISO 14001 certified**. The Texen DECORATION site, which specializes in surface treatment, was certified in June 2022. Awareness-raising and training are key to the environmental management system. As such, an awareness-raising session is organized for each new employee.

In 2022, 100% of new employees completed safety and environmental training.

Texen DECORATION is continuing its work on sprayed organic solvents, both upstream and downstream of their use. We maintained our performance in 2021 with 70% of organic solvents sprayed on our surface treatment lines (down 3.4% on the base year in 2019), despite an increase in the quantities produced and a more diverse range of plastics being processed.

As a result, from the development stage, new part references are steered towards using varnishes with a lower solvent content, known as "High-Solid" varnish, and primers with aqueous solvents (known as "Hydro-soluble solvents"). The quantities of organic solvents needed for application on our plastics can then be reduced, whether they are recycled or not. The same work is being carried out for products that have already been produced, with a view to continuously reducing our volatile organic compound (VOC) emissions.

This field of work is all the more important because the biological treatment systems at our sites are not only sensitive to the quantity of VOCs that pass through them, but also to the type of molecules making up these compounds. Instead of consuming natural fossil resources, biofiltration systems are dynamic and require specific maintenance and monitoring. We have significantly expanded our use of these particular systems this year, helping us to eliminate, as far as possible, emissions that could not be reduced at the source.



The Texen DECORATION biofilter in operation

In 2022, Texen DECORATION commissioned its new biofiltration system for treating volatile organic compounds. With this new system, the existing biofilter can be unloaded by recovering the flow from three of the site's seven paint lines, i.e. 75,000 m³/h. For its part, the Texen POLAND site trialed a pilot bio-percolation treatment system (a small-scale biological treatment unit) to prove the technology works and establish the correct size for a future facility.

In 2022, **our recycling rate for non-Hazardous Waste (NHW) increased to 48%**, i.e. 1,075.5 tons of non-hazardous waste recycled from a total of 2,230.4 tons of non-hazardous waste generated by the entire group, compared to only 41% in 2021.

The Texen production sites ensure day-to-day compliance with the recycling regulations in force, and are constantly looking for new waste recovery channels. For example, the Texen DECORATION site established a partnership with BROPLAST in 2022 to recycle a share of its production waste. BROPLAST, the Texen group's long-standing partner in thermoplastic waste recycling, repurposed the 353 tons of waste produced across all of our French



The Texen POLAND pilot biotreatment facility

sites by crushing it down to give it a second life. The Texen CEICA site should also be highlighted for setting up a waste recovery system for broken pallets, wood and glass.

In France, 100% of NHW, i.e. 1,768.5 tons, was recycled or recovered for energy purposes¹. We are now expanding our commitment to our international sites, with the aim of achieving zero landfill across all of our sites worldwide by 2025. In 2022, 7.3% of non-hazardous waste went to landfill in locations outside of France, amounting to 162.3 tons.

¹ Incineration with heat recovery performed in an authorized facility designed for this purpose

WASTE COLLECTION



The Texen group also relaunched its annual waste collection operation in the living and working areas of all its production sites in 2022.

In January 2022, the Texen DECORATION site launched a new system for treating volatile organic compounds, with a biomass that must be kept damp and a cleaning system that cleans the outgoing airflow from the booths before treatment. Although the system has been optimized during the year to limit consumption, water usage remains high and has led to a significant increase in the site's overall consumption.

The group has deliberately opted to use this treatment system which consumes a large amount of water because it prevents the use of energy and the generation of CO₂. The system's highly

positive results in terms of eliminating CO₂ emissions have been prioritized. However, the Texen group is working to reduce water consumption at this facility as much as possible.

Water consumption also increased at other sites due to the particularly hot summer in 2022. Some cold production facilities were sorely tested and had to be sprayed with water during the hottest periods.

LinkedIn excerpt: Waste collection.

In honor of Environment Day, Texen DECORATION organized a waste collection campaign for the areas surrounding its sites. As a result of this initiative, over 300 kilos of waste were collected.

The group would like to thank all of its employees for taking part to protect the planet!

In terms of water consumption, in 2022, we drew 28,541 m³ from drinking water supply systems, an increase of 53% compared to the base year of 2019 (18,670 m³).



Reforest'action

LinkedIn post: In line with its CSR commitments, Texen continues to take action to protect the planet. In 2022, Texen partnered with Reforest'Action once again to reduce its environmental impact and take part in reforestation initiatives. This year, the group planted 74 trees in Varages (83) with the help of 74 new employees.

This amounts to:

- 11 tons of CO₂ stored
- 222 animal shelters created
- 296 months of oxygen generated
- 74 hours of work created

Finally, regarding protecting biodiversity, all Texen sites implemented at least one initiative in this field in 2022. 100% of the group's sites now maintain their green spaces without using pesticides. The sites have been mowing late in the season or on a less frequent schedule, and most of the time, grass clippings are left on site, placed under hedges and at the foot of trees for reintegration into the soil. Other initiatives that were implemented in 2022 include the planting of fruit trees, the installation of birdhouses and insect hotels, and the continued maintenance of about fifty beehives at the Texen CEICA site. Furthermore, for the third consecutive year, Texen CEICA is renewing its partnership with Les Fées Léma, an apiary in the Ain region.

The group's beehives have been installed next to the Texen CEICA site since 2020, and help preserve local biodiversity by:

- Protecting bees
- Pollinating the local territory
- Supporting local beekeepers







Our commitment to putting our employees at the center of our transformation

We can support this transformation by being an attractive and innovative company.

Our corporate ambition is to offer all employees the opportunity for personal development, to the ultimate benefit of everyone.

Attract and retain talent



Objective for 2025:

- > 85%** employee retention rate after 3 years
- > 35%** of management to be promoted internally
- 100%** of sites to benefit from a profit-sharing agreement

Our results in 2022:

- 80%** employee retention rate after 3 years (France data) (73.2% in 2021)
- 70%** of management have been promoted internally (40.2% in 2021)
- 100%** of Texen sites benefit from a profit-sharing agreement



Why this commitment?

The Texen group has been evolving for 40 years thanks to the commitment and expertise of our employees. In an industry that is facing many challenges. The group wants to attract and retain talent from diverse backgrounds and sectors so we can strengthen our teams and take on the major challenge of transitioning to sustainable packaging. A diversity of talent is the key to innovation, our agility as a company and the durability of our expertise.

As such, we want to provide our employees with opportunities for long-term professional development at the company, particularly when it comes to our involvement in local manufacturing.

Our employees' career development is extremely important to us, not only in terms of improving individual skills but also taking on new roles and responsibilities through internal promotion opportunities at our various sites across the globe.

In order to improve performance and engagement among all our employees, we have implemented a profit-sharing scheme that is accessible to all.



Our approach

The Texen group has been developing relationships with schools (engineering and technical schools, etc.) in order to attract young talent through internships and work-study programs. The aim is to retain these students by offering employment opportunities (permanent contracts, fixed-term contracts, international internship programs, etc.).

We want to be known as an important economic player in all our local areas. As a member of the Association des Acteurs Economiques Plastics Vallée (AEPV), which promotes local business in certain regions of France, we plan to increase our visibility among local talents by participating in various events such as trade shows. We are also increasing our presence on social media in order to boost awareness and attract new talent.

Welcoming talented new recruits is the first step in retaining them. To achieve this, the Texen group has developed a complete induction program that includes a welcome booklet, training sessions and meetings with other departments. Each new recruit attends a personalized, day-long session known as "Vis MA VIE" (A Day in My Shoes), where they spend a day with a Texen plant operator to gain a better understanding of their daily operations. This also promotes collaboration between the company's various departments.

Career development and internal mobility are also key to retaining talent, namely offering employees opportunities to advance within the company and encouraging acknowledgment and recognition of performance. We use a variety of management tools (Flash Emploi, People Review, Annual Appraisals, etc.) across the company to help identify our employees' internal mobility needs and to support them in achieving their goals.



And in specific terms?

In 2022, **the employee retention rate after 3 years was 80% and the internally-recruited management rate was 70%.** These results relate to the roll out of our mobility and internal promotion policy, designed to enable employees to devise a dynamic, longer-term career and development plan.

Some of the group's sites (Texen CEICA, Texen CMSI and Texen SAS) have signed a performance-sharing agreement for 2022, based on the group's results. The thresholds to be reached are now assessed on a global scale to ensure that this is shared more equally and uniformly between sites. Once the budget has been set, the site's results are evaluated in order to reduce or increase the amount allocated according to the intrinsic performance of each entity for the year in question. The aim of this new profit-sharing agreement is to promote collective success and to increase employees' sense of belonging to the group, while taking into account the changes in our organization (One Texen). The other sites will be invited to adopt this same system in the coming years. As of 2022, the Texen group had already distributed over €1.3 M to its employees around the world, allowing them to share in our financial success.

The Texen group has continued its work to engage with work-study students and interns in 2022, with massive recruitment campaigns across all of its sites and covering many sectors of activity. In total, 50 work-study students and interns were welcomed to our sites. This initiative has two aims: firstly, to attract young talents to our teams in order to retain them, and secondly, to introduce them to the often-maligned industrial sector and its potential job opportunities. We have continued to hold induction days for work-study students. These days are organized around discovering new things, transmitting knowledge and team-working through sessions with professionals and various group activities. They also offer an opportunity for the entire community of work-study students to get to know each other and interact.

The Texen group opens its doors!

In 2022, the Texen group held an open house event to present the group, its values and commitments, and, more broadly, to promote the industry as a whole. This event involved a general presentation, a workshop visit, meetings with professionals and discussion time.

On September 21, 2022, the Texen group opened its doors to the Ecole de la 2^e Chance (E2C) based in Oyonnax (01). The purpose of this School is to support young people with reintegration into the job market. This day focused primarily on presenting the industrial sector. The aim was to offer new job prospects and to inspire attendees to try new career paths.

During Industry Week in late November 2022, the Texen group also hosted two groups of students from INSA. The goal was to promote the industry and meet potential future interns and work-study students prepared to join our company. The topic of the week "Taking Action for Future Industry" was presented as part of our CSR policy.

Day for work-study students



Increasing our visibility to raise our profile & attract new talent

As part of its commitment to "Attract and retain talent", the Texen group attends a number of job fairs.



REEP Fair in Oyonnax, November 8, 2022 – Valexpo, 01100 Oyonnax



SOFEO – Salon de l'Orientation, de la Formation et de l'Emploi d'Oyonnax (Orientation, Training and Employment Fair in Oyonnax), December 15, 2022 – Valexpo, 01100 Oyonnax

Remuneration policy

As part of our labor policy, we are taking a range of measures to attract and retain talent, particularly through our remuneration policy.

Namely, we have decided to review the salaries of young managers and technicians on a more regular basis to reflect their increased experience and skills.

Consequently, intermediate salary reviews were put in place for young or future managers (managers < 30 years old) in 2022. Therefore, by September, the entire target workforce had attended a review with management. As a result of these reviews, "intermediate" (between the two annual appraisal campaigns) wage increases were given to a large proportion of these employees.



Testimonial

Andréa Marto,

Human Resources & Employer Brand Manager



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The Texen group strongly believes in the contribution of young talent, and is giving them the opportunity to thrive during their first experience in the business world and develop their skills.

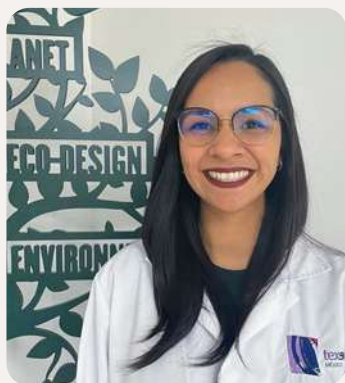
“

The implementation of an HR policy geared towards young talent is a key part of our social commitment. Our aim is to hire young people through internships, work-study programs, the French international internship program and permanent contracts to give them introductory professional experience, develop their employability and strengthen the Texen teams with new talent.

In 2022, we organized another “Day for work-study students”. The aim is to forge stronger ties between the more than 30 work-study students at our sites across France and to give them the chance to learn more about our group’s scope of activity and the prospects for career development. At the same time, we are implementing an ambitious internship policy by taking on around 20 young people.

Whether operating within or outside the walls of our company, our mission is also to promote our fields of activity as well as plastic processing and the industry as a whole. To this end, one of the highlights of 2022 was the “Industry Week” last November: we hosted two groups of students from the National Institute of Applied Sciences (INSA) to whom we presented our CSR policy. The theme of this 11th edition was “Taking Action for Future Industry”. For us, and this is what we would like to communicate to young people, this is our everyday work... so why not theirs tomorrow?

Young talents to drive our strategy



Carolina GARCIA Logistics Technician – Texen MEXICO

After finishing my studies in industrial engineering on a work-study program at the Texen MEXICO site, I was offered a job. I immediately accepted a position in the logistics department.

At first, I was in charge of scheduling for national customers. Then, as time went by, I was given more and more duties (invoicing, raw material management, customer portfolios in North America, etc.). Since September 2022, I've been managing two employees and I have more responsibility.

Texen has given me the chance to develop gradually, and has provided me with support to reach the position I hold today, which is very rewarding and varied.

How do I see myself in the future at Texen? I've been toying with an idea for a while now... Working for the logistics department at one of our French sites. I've always dreamed of going to France!



Michele GIANNANDREA Administrative & Financial Manager – Texen MEXICO

After graduating from a Master's Degree in management control and auditing as an apprentice for the PSA Group, I worked for a number of organizations on permanent contracts. Finally, in late 2018, I decided to step out of my comfort zone and join the French International Internship Program (VIE) on the other side of the Atlantic in the United States.

Texen helped make this wish come true by giving me the opportunity to work as a financial controller for the Texen branch in Jersey City (next to New York). This experience totally exceeded my expectations: **to broaden my skills and immerse myself in another culture** for two whole years.

In keeping with this project, Texen **has encouraged my development and helped me advance in my professional career**. That's how I ended up in Mexico City at the Texen MEXICO plant in late 2020, working as a financial controller. It was a challenge to adapt to this new culture, learn Spanish, manage the financial operations of the fast-growing plant and prepare for the SAP roll-out on site.

At age 30, I was promoted and now work as a Finance Manager.



Anthony GIRARDET

ERP Project Manager – Texen

After doing an internship at Texen as part of my Technical University Diploma (DUT) in information technology in 2018, I then completed four years on a work-study program. I wanted to work on the roll-out of an ERP and one of my professors had told me about the SAP roll-out project at Texen.

When I joined the company, the project had just started. It was a new team and I was involved in the project from the beginning. I feel lucky to have had the chance to take part in the SAP roll-out across all of the European sites (France and Poland).

On this project, I particularly remember how **I was provided with everything I needed to give it my all and that I was treated as one of the team from the outset**. It was an impressive project to be a part of.

I'm now working as an ERP Project Manager at Texen on a permanent contract. That was my goal and Texen helped me to achieve it. What am I working on at the moment? Participating in and co-leading on all the project phases to roll-out the software at the Mexican site.



Raphaël KIENER

Fitter/Setter on work-study program – Texen ROSE

After completing the STI2D Baccalaureate, I decided to go on to the Europlastics & Composites Advanced Vocational Training Certificate (BTS) offered by Polyvia & Texen. I'm currently on a work-study program in the workshop as a fitter and setter.

The structure is great for career development. It's a small factory, with a **good atmosphere** and **strong team support**. I really feel like my needs are **considered** and my **progress has been closely monitored** to help me improve because when I arrived, I didn't know anything about plastics manufacturing.

Last January, I was also lucky enough to go to Texen in Poland for one month as part of my BTS option module. This helped me to develop a more global vision of the company because I visited many different departments: quality, testing, logistics, projects, mechanics, etc. I enjoyed this experience and I learned a lot more about the industrial trades.

How do I see my future at Texen? I'd like to be working as a Fitter and Setter during the day or as part of a team.



Sarah OUCHACHE

Quality Work-Study Student – Texen

I'm a student at ITECH in Lyon and I joined the Texen group in September 2022 for three years as a work-study student in the Quality Department.

I've always been passionate about chemistry and I saw this experience as an opportunity to work with cosmetic formulators and better understand the packaging industry.

This year, my main responsibilities included overseeing the ISCC+ certification of the industrial sites and monitoring the development of the pouch business, in particular for the customer Chanel.

I particularly like working at Texen because it's **a dynamic company**, which **values its employees**, especially by providing training and great career opportunities.

Where do I see myself in the future? I'd like to do an internship abroad at one of the group's sites to gain international experience and develop my language skills.



Tony MATHEY

Project Manager – Texen MAYET

I completed my end-of-study internship (ITECH Lyon) from February to July 2022 at Texen MAYET. I then signed a permanent contract which included taking part in the French International Internship Program (VIE) in order to gain experience abroad. That's how my plans came about; I'm leaving to work at Texen Mexico in April 2023 for at least two years!

What I liked about the company's structure is that my managers **put their trust** in me directly, gave me **responsibilities and the independence** to work on my projects, while providing support where necessary.

I worked on the flagship project for Dior's Refillable Overcurl Mascara. It was an opportunity to improve my technical skills and work on new challenges in eco-design. I also came into contact with suppliers and customers.

As for the future, I'll have to see how I acclimatize to this new professional experience abroad. If all go well, I might stay in Mexico for a few more years, or I'll come back to one of the Texen's French sites.

Develop the employability of our staff



Objective for 2025:

> 5%

Higher rate of qualification-based training courses to be completed by employees

> 14 h

Average number of training hours per employee per year

Our results in 2022:

9.7%

Higher rate of qualification-based training courses completed by employees (9.5% in 2021)

15.44 h

Average number of training hours per employee per year (16.2 hrs in 2021)



Why this commitment?

In a constantly changing environment, faced with the demands of technological and societal innovation, developing the skill sets and employability of our workers is a core value at Texen.



Our approach

The Texen group provides training to help our employees within the company as well as professionals in the wider working world, including work-study candidates, interns and temporary workers. We promote the sharing and development of skills across our sites by offering training between our various locations.

As well as the training offered by external stakeholders, we have designed training courses specific to our needs as a company, teaching skills such as injection, blow molding injection, decoration, assembly and eco-design in collaboration with some of our preferred partners.



And in specific terms?

In 2022, an average of 15.44 training hours were completed per employee (18.81 in France). The average number of hours was down slightly from 2021 (16.2 hours), which due to COVID-19, was an exceptional year taken as an opportunity to increase the number of training hours available to employees.

In 2022, 9.7% of the workforce benefited from qualification-based training, including work-study programs, end-of-study placements and Professional Qualification Certificates (CQPs).

In 2022, 11 employees obtained a Professional Qualification Certificate (CQP):

- 8 employees were awarded the Fitter and Finisher CQP (Texen MAYET and Texen CMSI) via Polyvia Formation & the Institut des Ressources Industrielles (IRI).
- 3 employees graduated from the Automated Line Operator CQP (Texen ROSE) via Polyvia Formation.



BTS Europlastics and Composites with Complementary Cosmetics Option

In 2021, several major players in the Cosmetics industry entered into a partnership with Polyvia Formation, with the aim of creating a Cosmetics option for the existing BTS in Europlastics and Composites.

In 2022, the Texen ROSE site welcomed three students on this course (two in the second year and one in the first year) via Polyvia Formation Lyon.

The main objective of this customized training program is to better prepare employees to adapt to market challenges by equipping them with additional knowledge specific to the cosmetic packaging sector.

This training course has been designed and constructed to help young graduates better understand all the requirements, technics and skills that our industry demands.

For the next stage in this BTS in 2023: the two second-year students will complete an internship at Texen POLAND to learn more about the group's international operations. They will also be required to complete internships within the organizations of other Cosmetics companies (ALBEA, Aptar, Medicos, etc.) to broaden their knowledge of this business sector.

Guaranteeing the health and safety of all employees and service providers and promoting quality of life at work



Objective for 2025:

- 100%** of our production sites to be ISO 45001 certified
- < 7** Reduce the frequency rate of workplace accidents with and without work stoppages (employees, temporary workers)
- > 75%** of our employees to recommend Texen as a "good place to work" (from periodic QWL survey)

Our results in 2022:

- 50%** of our production sites are ISO 45001 certified (4 production sites certified out of 8)
- 9.3%** Frequency rate of workplace accidents with and without work stoppages (employees, temporary workers)
- 53%** of employees who responded to the 2021 survey recommended the Texen group as a "good place to work" (survey conducted every two years)



Why this commitment?

"Every employee comes to work at Texen do their job and to develop, not to get hurt." The health, safety and well-being of the company's employees and service providers are essential to the success of Texen's industrial activities and its social responsibility aims.



Our approach

The Texen group is continuing its roll-out of Occupational Health and Safety management systems at its production sites, with a view to obtaining ISO 45001 certification.

Employee safety also involves preventive measures, awareness-raising and the ability to review all accidents or incidents, including minor injuries and near-misses across the entire workforce. The causes of each incident are analyzed and the resulting corrective actions are communicated to all sites. We also ask employees, who play a significant role, to put forward measures to ensure that good safety practices are applied across the board. In 2022, 76 topics were identified, and the roll-out rate across our production sites was 84%.

We also supervise any assistance from external stakeholders in order to manage the risks that can be associated with joint activity.

We are developing ways to promote a better quality of life and working conditions for both individual and collective development. This strategy also covers employer/employee relations, with a focus on kindness, salary recognition, access to training, career development, a healthy work life for the benefit of everyone, and a good work-life balance, particularly the “right to disconnect” and opportunities to work from home.



And in specific terms?

In 2021, four sites (Texen MEXICO, Texen CEICA, Texen CMSI and Texen MAYET) obtained ISO 45001 certification, representing half of the group's scope of activity. In 2022, we focused on improving systems and maintaining our certifications, in order to establish and continue to develop a health and safety culture. The certification process for our Texen POLAND site is scheduled for 2023.

The frequency of workplace accidents with and without stoppage (employed and casual workers) was 11.2 in 2019 and 8.05 in 2021, meaning a reduction of 28%. In 2022, our frequency rate was 9.3, representing a 15% increase. However, this result is still down from the base year, and the downward trend is continuing faster than needed to meet our 2025 target.

2022 also marked the second year of implementing our roadmap, which comprises nine HSE topics and is subject to evaluation. The average progress made on this roadmap across our 8 production sites amounted to 45%, a clear improvement.

To mark the World Day for Health and Safety at Work on April 28, 2022, the Texen group organized a week-long event based on these themes, so that everyone could get involved and make the most of the activities planned. On the agenda for this first event: a full-scale risk hunt on the sites, workshops on “well-being at work”, competitions, quizzes and more, providing an opportunity to raise awareness among employees in a fun and positive way.

On this occasion, an award was presented to our Texen MEXICO site, for its 2021 Health and Safety performance.

While health and safety in the workplace are the group two top priorities for quality of life at work, these issues are not mutually exclusive. In addition to these crucial actions, the group is implementing a range of other initiatives to ensure that the group is “a good place to work”. Every two years, the group conducts an engagement



survey based on improving Quality of Life and Working Conditions (QLWC). The last survey was conducted in 2021. The first half of 2022 therefore provided an opportunity to present the results and to work, on a voluntary basis, at each site by running specific workshops on important issues for employees and management. The following topics were discussed: improving internal communication, better advertising of professional opportunities, HSE projects, Gemba Walk projects, communicating better and more regularly about our successes, etc. Action plans and working groups have been set up to ensure “progress and good relations”. The next survey is scheduled for Q3 of 2023 and will be used to evaluate progress but also to explore new initiatives that can be developed together.



The Texen Mexico site is presented with a safety award for its 2021 performance

The Texen group plans to continue implementing local and global actions to ensure a cohesive and friendly working environment. The following events were held in 2022: traditional summer barbecues at each site before the summer shutdown, participation in the AEPV sports challenge, organization of a Pink October event at Texen MEXICO, Movember at Texen MAYET, Christmas sweater day, Texen Day, etc. 2022 was also marked by the anniversaries of two production sites: Texen ROSE's 90th anniversary and Texen MAYET's 50th anniversary. These events offered all our employees a chance to socialize and have fun.

The group also pays close attention to its working environment and thus, in 2022, renovated a number of premises at the Texen Courbevoie site and Texen MEXICO sites and at the Texen Lab.

The group and all of our sites play an active role in the life of their local communities. This is why the Texen group is so committed to community outreach and social inclusion. The group once again took part in a Community-Focused Christmas by distributing some 60 gift boxes prepared by the Texen group employees and distributed by Secours Populaire to people in need. The group also provided support to Ukrainian refugees by sending goods (food, clothing, hygiene, etc.) to the Texen POLAND site for distribution to a refugee camp near the site.



5th AEPV intercompany sports challenge – May 21, 2022







Testimonial

Hilda Vilchis,

**HR Manager –
Texen MEXICO**

Yamineth Luna,

**HSE Coordinator –
Texen MEXICO**



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In 2022, all employees were encouraged to take responsibility for their own safety and to ensure the safety of others.

Hilda Vilchis and Yamineth Luna

“

Our major challenge in terms of CSR is to guarantee the health and safety of our employees. CSR is not a particularly widespread phenomenon in Mexico, but all our teams are particularly attentive to these issues. They work daily to ensure a safe working environment and prevent accidents in the workplace. The results are conclusive: it has been six and a half years since we have had an accident involving a work stoppage!

In honor of the World Day for Safety and Health at Work, Texen MEXICO organized a “Safety Week” from April 25 to 29, 2022, for all employees. It was an interactive and lively week, where everyone had the chance to take part and be heard. We organized various workshops to identify risky situations and work together on the best approach to adopt. Most importantly, it was an opportunity to exchange ideas and reinforce the company’s health and safety culture.

We plan to repeat this “Week” in 2023 and achieve our objective to reach seven years without an accident. Every week, we review our progress. It offers a chance to reiterate safety messages to our teams, and to flag up certain risky behaviors or situations.

More broadly, we are implementing our health and safety roadmap, which is updated every year, and focuses particularly on the use of collective and personal protective equipment (CPE/PPE), certain specific risks and workstation ergonomics. Employee safety is our top priority and guides all of our choices and decisions at Texen MEXICO: every employee is concerned and responsible for safety.



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Our commitment to behaving ethically and responsibly

At the Texen group, we are committed to working responsibly, ethically and sustainably to ensure everyone is treated with respect.

Conduct our business ethically



Objective for 2025:

100%

of the most exposed employees to be trained in ethics in France and abroad

Our results in 2022:

84%

of our most exposed employees were trained in ethics in France and abroad



Why this commitment?

Ethical¹ behavior and the utmost respect for our customers, clients, suppliers, employees and investors are values that the Texen group is committed to upholding and that form the basis of all our daily activity. These values are an integral part of the Texen group's corporate culture. Ethics also form the basis of the group's values: high standards, kindness, a daring approach, teamwork, sustainable development and knowledge-sharing.

¹ Anti-discrimination measures are covered in section 4.3. Respecting human rights and promoting inclusion. The ethical practices of our suppliers are covered in section 4.2. Promote responsible purchasing practices.



Our approach

The Code of Business Conduct sets out the ethical framework under which the company operates. It defines prohibited practices as well as practices where vigilance is required. It has been disseminated to all group employees and translated into the different languages of the countries where our sites are based. The upholding of ethical behavior requires regular vigilance by all, as well as preventive actions and a strategy of continuous improvement and performance. Providing ethics training to those most exposed to ethical risks due to their job or level of responsibility is key to preventing ethical risks.

The reporting or whistleblowing procedure is the method by which the advisory body can be notified of any non-compliance of the Code or serious breach of applicable legislation.

An Ethics Committee, comprising the ethics representatives in each country, meets annually to review ethics-related incidents.



And in specific terms?

In 2021, the company appointed 10 ethics representatives in each country, with at least one per site, to be the point of contact for employees with questions about ethical issues such as conflicts of interest, corruption or fraud. An ethics questionnaire was devised so the representatives could assess the ethical maturity of their site. In 2022, the Texen group only encountered one risky situation, which was resolved within a day and a half, thanks to the work of the responsible bodies.

In 2022, the Texen group organized another training course for its most exposed, so-called “at-risk” employees on business ethics to refresh their knowledge of ethical practices.

With the support of the ethics representatives, the group will continue to discuss and demystify the issue with employees in 2023 so we can initiate dialogue and develop a genuine culture of ethics. We will also continue to provide training to raise awareness and prepare the most exposed employees.

Promote responsible purchasing practices



Objective for 2025:

- 100%** of our suppliers (with Strategic, Panel & Customer-imposed status) to have signed our responsible purchasing charter (in revenue)
- 100%** of our strategic suppliers to have completed a CSR self-audit
- 15%** of our acquired turnover to be achieved through socially-responsible procurement

Our results in 2022:

- 100%** of our Strategic suppliers¹, 75% of our Panel suppliers² and 27% of our Customer-imposed suppliers have signed the Responsible Purchasing Charter
- 48.5%** of our strategic suppliers have completed a CSR self-audit
- 13%** of our turnover is generated through socially-responsible procurement³



- 1 Preferred Texen supplier with whom we have a reciprocal relationship and a common strategy.
- 2 Supplier approved by the Texen group to meet recurring needs.
- 3 Texen's socially-responsible procurement involves small and medium-sized enterprises (SMEs) with fewer than 100 employees and a turnover of less than €20 million per year that are not in a dominant market position.



Why this commitment?

Purchasing represents a significant part of the group's business activities, accounting for 40-50% of our turnover. The Texen group is committed to working with responsible suppliers to maintain the safety and reliability of our supply chain and to be part of a sustainable business model.



Our approach

We have formalized our commitments in a responsible purchasing policy as a way to communicate our social responsibility expectations to all our suppliers, evaluate the maturity of their CSR strategy, train our buyers in responsible purchasing and to encourage socially-responsible procurement.

Suppliers are invited to sign the Responsible Purchasing Charter, by which they commit unreservedly to implementing the Texen group's principles, which cover 5 areas: Respect for Human Rights, Health and Safety, Environmental Responsibility, Products and Processes, and Business Ethics.

We also intend to develop this further with our strategic suppliers by having them conduct a CSR self-audit to help assess their CSR maturity. If CSR self-assessments lead to data inconsistencies or lack of information, the Texen group may conduct on-site audits.



And in specific terms?

2022 was the second year of implementing this approach with the group's suppliers. All of Texen's strategic suppliers have signed its Responsible Purchasing Charter, compared with 75% of panel suppliers and 27% of customer-imposed suppliers. This year was also marked by the roll-out of a CSR self-audit questionnaire for our strategic suppliers to assess their CSR maturity levels. 48.5% of suppliers responded to this questionnaire in 2022. As part of the business review, Texen's buyers initiated a dialogue with suppliers on their approach to CSR in order to formalize an action plan for the following year.

In 2022, the Texen group created a supplier risk assessment matrix that includes an environmental section. A questionnaire concerning compliance with conflict minerals legislation was sent to suppliers who may use this type of mineral.

In 2022, the Texen group achieved 15% of its turnover in socially responsible procurement to promote the development of French VSEs/SMEs (industrial equipment, mold makers, subcontractors, etc.).



Testimonial

Jean-Louis Mazet, CEO, Mazet Group



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Mazet transport, like Texen, is firmly and genuinely committed to the energy transition and carbon neutrality.

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We have been working with the Texen group for about two years and have developed a relationship based on trust with common environmental objectives. Since this partnership began, the Mazet group has been providing vehicles fueled by rapeseed oil, a biofuel also known as B 100. We are undergoing an ecological transition, with products specifically made in France: the rapeseed is grown and produced in France, by farmers working on our lands, and used for French brands of trucks and tires. What is different about using rapeseed? We conducted some comparative studies with diesel and biofuel and it appears that the average result in 2022 was a 2,075-ton decrease in CO₂ equivalent, or a 60.85% reduction in greenhouse gas emissions. A journey of about 100 km goes from producing 77.86 kg CO₂ equivalent with diesel to 30.42 kg CO₂ equivalent with rapeseed. This represents a significant saving for our customers and, for Texen, we decided to power a second truck with rapeseed to meet their needs. Another major advantage of using biofuel is that it entitles us to the Crit'Air sticker 1: this means the vehicle is authorized to circulate in cities and therefore to supply urban areas.

This choice of biofuel shows that, in a field such as transportation, which has been criticized for its environmental impact, actions can be taken and companies can play an active role in the eco-transition.



Respect human rights and promote inclusion



Objective for 2025:

- 7 days** Related alerts to be processed in less than 7 days
- > 80** Gender Equality Index
- 30%** of technical positions to be held by women
- 6%** Increase the number of employees with disabilities or via equivalent value units to 6%
- > 90%** Rate of anti-discrimination training of managers

Our results in 2022:

- 1.6 days** Processing time for alerts
- 81/100** Gender Equality Index (84/100 in 2021)
- 29%** of technical roles are held by women
- 5.4%** employment rate for people with disabilities or via equivalent value units (5.70% in 2021)
- 61.6%** of the group's managers have been trained in anti-discrimination (14.81% in 2021)





Why this commitment?

The Texen group is committed to respecting and protecting human rights and fighting against all forms of discrimination wherever it operates in the world. We believe that diversity boosts performance and brings innovation to a company.



Our approach

We aim to be an agent of change for gender equality at work and to create workplaces that are better adapted to employees with disabilities.

We combat all forms of workplace harassment by ensuring any incidents can be reported, particularly via our network of in-house points of contact and a whistleblowing procedure.



And in specific terms?

In 2022, 4 incidents were reported by employees (worldwide) concerning inappropriate behavior. These incidents were handled within 1.6 calendar days by the Texen group, thanks to our internal network of ethics representatives and/or harassment representatives (present at each of our sites).

In terms of the gender equality index, the Texen group obtained a score of 81/100 for all our French entities. The Texen group is particularly focused on maintaining this low level of disparity.

In terms of disability, as of 2022, 5.4% of the Texen group's workforce are people with disabilities. In addition, we have established partnerships with service providers which employ people with disabilities (in particular for recycling our waste and maintaining our green spaces).

At Texen Day in June 2022, a seminar was organized by AGEFIPH for all group managers (in France and abroad), to raise awareness about disabilities and anti-discrimination measures. A total of 118 managers attended training on the subject. This also provided an opportunity to present the disability assessment launched by the group to all the attendees. In addition, some sites have also begun organizing local training sessions on this topic.

To date, 61.6% of managers have been trained and made aware of discrimination. We are therefore well on track to achieve our 2025 target.

The Texen group supports the French Deaf Volleyball Federation

The Texen group is proud to be a partner of the French Deaf Volleyball Federation which promotes volleyball for deaf and hard of hearing people.

The Texen group offered particular support to the French men's Deaf Volleyball team, at the 24th edition of the Summer Deaflympics which were held from May 1 to 13, 2022, in Brazil.

What an extraordinary human and collective adventure.



Promoting women at the Texen group

The group is aiming to make technical positions and/or positions of responsibility and management more accessible to women.

In 2022, this commitment was demonstrated with the promotion of 8 women to the position of Finisher and Fitter, after completing their CQP, as well as various other promotions to positions of responsibility.

The group discussed this issue in particular with the Association des Acteurs Economiques de la Plastics Vallée (AEPV) during a site visit for a conference: "Free yourself from impostor syndrome". The journalist and speaker, Maud Navarre, came to the site to find out more about our practices and values. The objective was to present our awareness-raising actions regarding diversity and equality at work, as well as to explain the options for professional development offered to women in the industry, a historically male sector.



Focus on the disability assessment

In line with our values and CSR approach, the Texen group decided to launch a disability assessment in late 2022, initially for France, in partnership with AGEFIPH (Association de Gestion du Fonds pour l'Insertion des Personnes Handicapées) and the firm JLO Conseil. The goal is to develop an open outlook and raise awareness of the subject.

The objective of this assessment is to identify ways to promote the integration and retention of workers with disabilities or health problems.

The first step in this process was to gather the necessary information internally. This was achieved via two methods:

- a confidential questionnaire sent to all the group's employees to find out more about their views on disability
- more detailed individual interviews with various people in the company.

Once all the results have been analyzed (1st half of 2023), action plans can be launched to make further progress on integrating workers with disabilities at our sites and providing the required support such as specially-adapted work equipment.



Testimonial

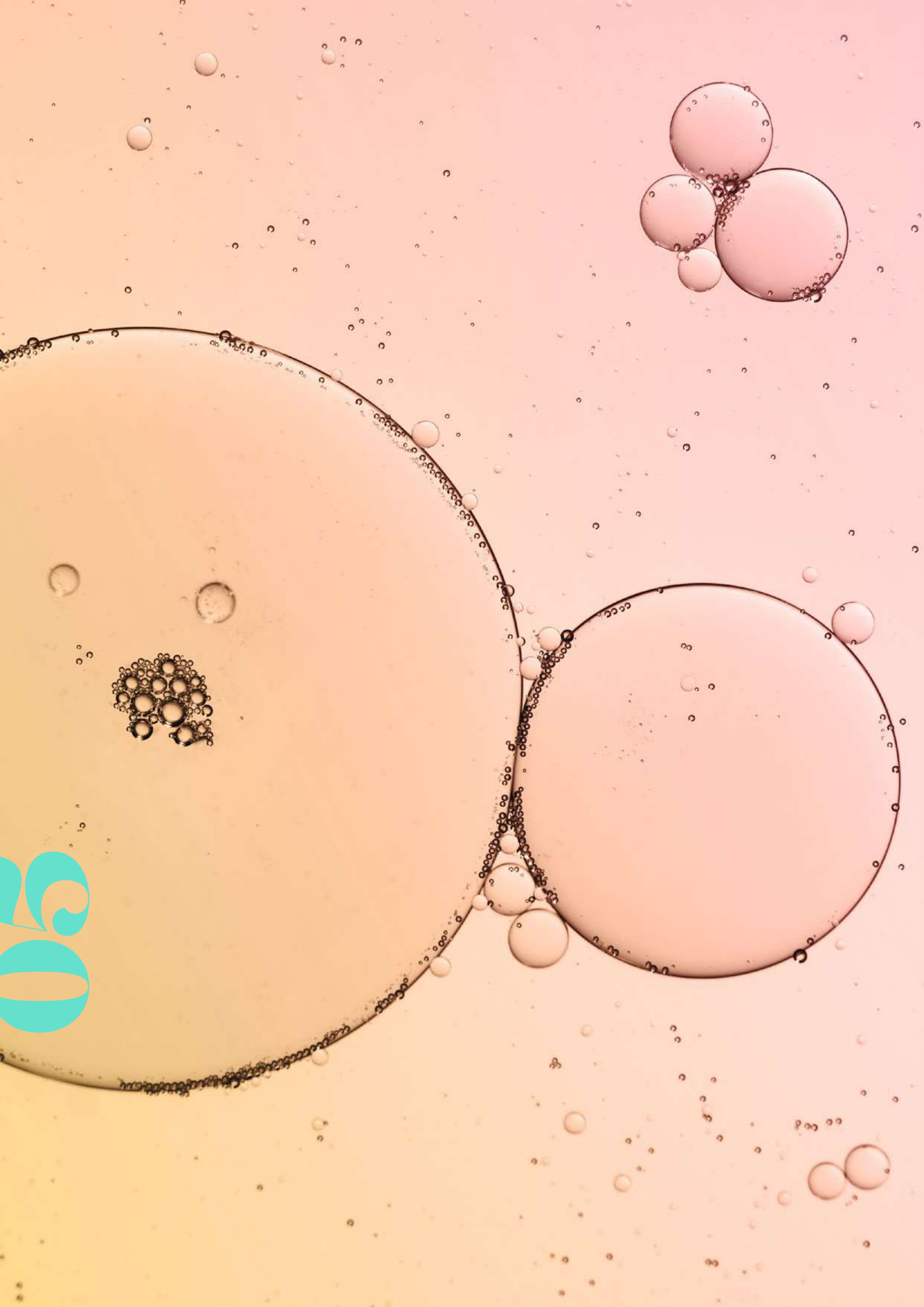
Jean-Pierre Rouillère, Texen IT Director



“ Protecting Texen from all cyber risks is our mantra, it is essential for the company's image and continued success. It requires a little effort from us all!

“ Assuming our corporate social responsibility requires the large-scale digitization of our operations. Increased digitization comes with the need for robust cybersecurity. At the Texen group, we take all the necessary measures to protect our own information system as well as our customers' data. Cybercriminals use Smurf attacks to exploit supplier failures in order to infiltrate reputable companies. As a major supplier of L'Oréal, in 2022, we completed a CyberVadis assessment, which involves answering 273 questions and providing the associated evidence. The aim was to evaluate our performance in terms of cybersecurity risk. L'Oréal required suppliers to obtain a high score on this assessment. With the actions taken in recent years, we lived up to this expectation with a well-above average score. To reinforce this strategy, we then decided to implement an ISO 27001 procedure. It specifies the requirements for information security management systems (ISMS) and focuses on three factors: confidentiality, integrity and availability.

Cybersecurity involves a lot of work under a number of constraints. In collaboration with the IT team, we try to minimize the impact on our colleagues and to raise their awareness. At the Texen group, everyone has an important role to play in this process and I would like to thank you all for your efforts because human behavior is a key factor in security issues.



A word on methodology

Foreword

The Texen group's Corporate Social Responsibility involves:

- A CSR steering committee made up of representatives from different departments and entities throughout the year, which is responsible for implementing the CSR policy;
- An information-gathering process that includes the entities listed in the scope below;
- A CSR report containing all the company's social, societal and environmental information;
- A data check and the publication of a report by an auditor.

Business model methodology

(1.4 Our value creation)

The business model presents The Texen group's operations and our value creation process for the benefit of our various stakeholders in a simplified and readable way. Our aim is to give an overview of the business and to demonstrate that all our actions are interconnected to best protect and serve our customers, clients, employees and society as a whole, from a social, economic and environmental perspective. We also show how we are supporting the UN's Sustainable Development Goals. Thus, the resources we produce are evaluated in relation to these issues and presented in this model. This model was approved by senior management prior to its inclusion in the report and distribution.

Reporting framework

The Texen/PSB Industries Group reporting protocol provides comprehensive guidance on the reporting process and the methods used to collect and analyze information are specified in the "CSR Reference Guide" (CSR Reference Guide.xls), available on request.

Reporting for 2022 pertains to the 12-month period from 1/1/2022 to 31/12/2022, unless otherwise specified.

Scope

With regards to social, health and safety, societal and governance indicators, the scope covers all the sites of Texen/PSB Industries group's fully consolidated subsidiaries (majority-owned joint ventures are included). Companies accounted for by the equity method are excluded (minority-owned joint ventures are excluded).

With regards to environmental indicators, the scope covers all production/manufacturing sites. To date, the sales offices and headquarters of fully consolidated subsidiaries of Texen/PSB Industries group (majority-owned joint ventures are included) and companies accounted for by the equity method are excluded.

With regards to environmental data, only the holding company PSB Industries and the sales offices do not report data on (insignificant amounts of) waste.



Contact

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Texen group / PSB Industries





Auditor's report



Parc des Glaisins
7, avenue du Pré Félin
Annecy-le-Vieux
74940 Annecy

Texen

Statutory auditor's limited assurance report on the quantitative sustainability information included in Texen's CSR report

Year ended December 31, 2022

This is a free translation into English of the statutory auditors' limited assurance report on the quantitative sustainability information included in Texen's CSR report, issued in French and it is provided solely for the convenience of English speaking users.

Texen
Simplified joint stock company
RCS Bourg-en-Bresse 330 318 536

Statutory auditor's limited assurance report on selected quantitative sustainability information included in Texen's CSR report

Year ended December 31, 2022

To the President,

In our capacity as statutory auditor of your company and in response to your request, we have performed a limited assurance verification on a selection of quantitative sustainability information of Texen SAS presented in Texen's CSR report for the year ended December 31, 2022, attached to this report, as prepared based on the methodological note (hereinafter referred to as the "Guidelines").

Our assurance engagement does not extend to information in respect of earlier periods or to any other information included in the Texen's CSR report, particularly the qualitative information published in this report or other information related to sustainability data, including images, audio files or embedded videos.

Limited Assurance Conclusion

Based on the procedures we performed, as described in the " *Summary of procedures performed to reach our limited assurance conclusion* " section, and the evidence we collected, nothing has come to our attention that causes us to believe that the quantitative sustainability information of Texen SAS presented in the Texen CSR Report for the year ended December 31, 2022, is not prepared, in all material respects, in accordance with the Guidelines used (see below the section "Understanding how Texen SAS has prepared the sustainability information").

We do not express an assurance conclusion on information in respect of earlier periods, or on any other information included in the Texen CSR report, particularly the qualitative information published in this report or other information related to sustainability data, including images, audio files or embedded videos.

We would also like to point out that it is not our responsibility that to verify and carry out procedures and, as such, we do not express a limited assurance regarding:

- compliance with environmental regulations in France and abroad by the entities included within the extra-financial perimeter
- the identification or assessment of current or future environmental liabilities and risks.

Understanding how Texen SAS has prepared the Sustainability Information

The absence of a generally accepted and commonly used reporting framework or established practices on which to base the assessment and measurement of sustainability information results in the use of different, but acceptable, measurement techniques that may affect comparability between entities and over time.

Consequently, the Sustainability Information in the CSR report should be read and understood together with the Guidelines that Texen SAS has used to prepare the sustainability information.

Inherent limitations in preparing the sustainability information

The information may be subject to inherent uncertainty due to incomplete scientific or economic knowledge.

Texen's responsibilities

Management of Texen SAS are responsible for:

- the selection or development of appropriate criteria for the preparation of sustainability information;
- the preparation of the sustainability information in accordance with the Guidelines describing the methods, procedures, main assumptions and interpretations used, which are annexed to the report;
- the design, implementation, and maintenance of internal control over information relevant to the preparation of sustainability information that is free from material misstatement, whether due to fraud or error.

Our responsibilities

We are responsible for:

- planning and performing the engagement to obtain limited assurance about whether the sustainability information is free from material misstatement, whether due to fraud or error;
- forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained;
- and the reporting of our limited insurance conclusion to the President of Texen SAS.

As we are engaged to form an independent conclusion on the sustainability information as prepared by management, we are not permitted to be involved in the preparation of the sustainability information as doing so may compromise our independence.

Professional Standards Applied

We performed a limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) *Assurance Engagements other than Audits or Reviews of Historical Financial Information* issued by the International Auditing and Assurance Standards Board.

Independence and Quality Control

Our independence is defined by the provisions of Article L. 822-11-3 of the French Commercial Code and the code of ethics of the audit profession.

We have complied with the independence and other ethical requirements of the *International Code of Ethics for Professional Accountants (including International Independence Standards)* issued by the International Ethics Standards Board for Accountants which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior.

Our firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Our work was carried out by an independent and multidisciplinary team of social, environmental, and

societal reporting specialists. We remain solely responsible for our assurance conclusion.

Summary of procedures performed to reach our limited assurance conclusion

The following quantitative sustainability information has been tested in detail:

- Average annual workforce;
- Percentage of eco-designed offers;
- Percentage of recycled or biosourced materials on new references (new products developed and evolution of existing products);
- Energy consumption (electricity, gas) in KWh and TeqCO₂;
- TeqCO₂ emitted related to the consumption of plastic material (Scope 3);
- Percentage of organic solvent used for surface treatment lines;
- Percentage of material recycling for non-hazardous waste (NHW);
- Percentage of waste sent to landfill;
- Water consumption of production sites in m³;
- Percentage of qualification-based training courses;
- Job retention rate after 3 years;
- Employees now in a managerial role (internal move);
- Frequency rate of accidents (with and without days lost);
- Percentage of most exposed employees trained in ethics in France and abroad;
- Percentage of our strategic suppliers who have carried out a documented CSR self-audit;
- Percentage of turnover dedicated to solidarity purchases;
- Number of days of alert processing time;
- Managers trained and made aware of discrimination (including disability);
- RQTH rate.

It is our responsibility to plan and perform our work to cover the sustainability information that may contain material misstatements. The work performed is based on our professional judgment. In the context of our limited assurance engagement on sustainability information, we:

- reviewed the activities of all the entities included in the sustainable development perimeter as defined in the methodological note of the Texen's CSR report;
- assessed the appropriateness of Texen SAS' use of the Guidelines as a methodology for the preparation of sustainability information, with regard to its relevance, completeness, reliability, neutrality and comprehensibility, taking into account, where appropriate, best practices in the sector;
- assessed whether the methods used by Texen SAS to develop estimates are appropriate and have been applied consistently, but our procedures did not include testing the data on which the estimates are based or separately developing our own estimates in order to evaluate those of Texen SAS;
- through interviews, obtained an understanding of Texen SAS control and risk management environment, the processes and information systems relevant to the preparation of sustainability information, and assessed the collection process aimed at ensuring the completeness and fairness of the information, as well as the consistency of its development, but we did not assess the design of the control activities, nor did we obtain evidence of their implementation or test their operational effectiveness;
- verified that the CSR report covers the non-financial perimeter as defined in the methodological note of the Texen CSR report;
- performed analytical procedures to verify the correct consolidation of the data collected and

the consistency of their evolution;

- performed tests of details on a sample basis, consisting of verifying the correct application of the Guidelines and reconciling the data with supporting documents. This work was carried out on a selection of contributing entities¹ and cover between 14% and 100% of the consolidated data selected for these tests;
- examined, to the best of our knowledge, the overall presentation and the notes relating to the non-financial information as presented in the Texen CSR report.

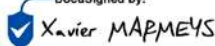
The procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.

Restrictions on the use and distribution of our report

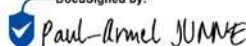
This report is made available to you in the context described above and is not to be used, distributed, or quoted for any other purpose.

Statutory auditor,
Mazars

Annecy and Lyon, April 26, 2023

DocuSigned by:

C2FD9F336672460

Xavier Marmey
Partner

DocuSigned by:

004ECA0B346F40B

Paul-Armel Junne
Partner

¹ CMSI SAS ; Texen Mexico.





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