



**400 YEARS
YOUNG**

DESIGNING FUTURE.
SINCE 1622.
HEINZGLAS



HEINZGLAS

family-owned since 1622

NEWS



CARLETTA HEINZ
CEO

More than 3000 people will have taken part, over three consecutive days, in this exceptional and moving 400th-anniversary celebration of the birth of our Piesau factory.

Exceptional (!), the term was purposely chosen. Because this age-old factory is going to be the subject, in the next three years, of an unprecedented industrial reorganisation to become the «flagship» unit not only of our Group but also of all the glass factories in the world. Full details are given on the following pages of this third issue of this newsletter. Moving, because this anniversary was an opportunity for our Group's large family to demonstrate once again the dedication, commitment and trust that prevail at all levels of our company. These three notions are particularly important today at a time when we are facing, have faced and will continue to face many challenges: the energy challenge, of course, but also the technical challenge and the economic challenge. Everyone knows that at their level, each decision made will have increasingly far-reaching consequences. I am proud to belong to a family group that has successfully withstood past difficulties, I am proud to belong to this heavy industry that has constantly managed to adapt. The past few weeks have only validated what we had already undertaken, namely the vital transformation of our energy model. There is no more time to dither, time is of the essence. We are fortunate, glass is «THE» environmentally friendly material par excellence. On the other hand, the tool that produces it must be beyond reproach. High standards are the keywords that drive us.

Carletta Heinz.

N°3

P2 : Carl-August Heinz : « Past is fundamental to a better understanding of the future. »

– Peter Traut : «Only those who are strong can help others.»

P3 : Carletta Heinz : «We claim to lead the way in renewable energy for glass-making!»

– Environment : Piesau aims for the top step of the podium.

P4 : Rudolf Wurm : «Satisfying customers to the fullest!»

– Products : «Pure Answer», «Senoglass» protects against viruses.

P5 : Maurice Corrigan : «HEINZ-GLAS delivers in the United States!»

– China is operational.

– Poland: all new, all beautiful.

– Products: « Pocket Line », stays handy on all occasions.

400 years of glass making and planning for the next 400 years !

CARL-AUGUST HEINZ : PAST IS FUNDAMENTAL TO A BETTER COMPREHENSION OF THE FUTURE

You know the history of the Piesau factory better than anyone else!

CARL-AUGUST HEINZ : The history of Piesau began in 1621 when a «Heinz» and three other master glassmakers started to build a small glass factory in the Thuringian forest next to a hunting lodge (which was the only building in the area at that time). In the spring of 1622, they started to manufacture glass and it was not until 1627 (or 1629?) that authorities granted them permission to make their business official. From then on, they also constructed buildings around the factory to attract more and more workers and their families. The village of Piesau thus developed around this first factory which operated until the 19th century. At that time, a second factory was built. The first factory was eventually replaced by a new production unit. It is located on the site of the current HEINZ-GLAS factory. But the «Heinzes» were no longer the owners of these first factories. Many of them had decided to settle in the Kleintettau area from 1661 onwards, either as workers of this new glass factory or as co-owners. Concerning the industrial sites of Piesau, with the partition of Germany in 1949, the glass factories located on the East side of Germany fell into the public domain and this, for almost 40 years! The factories were taken over by the state, which built a completely new glass factory in the same location as the existing one. During this period, the second factory was not maintained and when Carl-Aug. Heinz took it over, it was in such a state of dilapidation that we decided to only keep the most recent one which then was renovated in 1992, expanded in 1996/97 and which is still in operation today! When I took over this factory from the State in May 1991, CAH committed to keep 90 of the 120 employees and to invest 9 million Deutschmark over the next two years. Since then, HEINZ has invested 130 million euros and another 25 million for further investments planned for this year

and the coming one. Today HEINZ employs about 300 people in Piesau and is going to add one or two more lines which will be powered by a new electric furnace that will be built next year, increasing the number of employees from 300 to 350.

400 years! It seems almost incredible in today's world to be celebrating such a long lifespan for an industrial group. How do you explain this?

CARL-AUGUST HEINZ : Yes, 400 years of history of a company and especially a company in the hands and under the management of the same family, it seems almost unbelievable! The explanation for this long story is not so simple. One could speak of a «miracle» and indeed God may have something to do with it (?!).

We must not only think about the future but also act for the future while being aware that many uncertainties remain and will remain. Nevertheless, it is necessary to plan and act to ensure the future of the company and, if anyhow possible, to make sure that it remains a family business. The first objective is to act not only for the sake of the company but also for the sake of the people who work there.

The environment and more particularly the preservation of resources have always been among your key concerns.

CARL-AUGUST HEINZ : When it comes to the



environment and the conservation of resources, there is a close link between the owners of a very ancient industry like ours, which is concentrated in a very small area around Kleintettau and Piesau, and the employees and their families who have been there sometimes for many generations. We have to act in such a way that this bond remains strong and that these family homes remain as such, and that work continues for ages. Carletta, my daughter, has made this very clear and made this an intrinsic part of our company's strategy.



PETER TRAUT, PRESIDENT OF IHK SÜDTHÜRINGEN: « BEING DEEPLY ROOTED, CONNECTED TO YOUR REGION AND KNOWING WHERE YOU COME FROM ARE ESSENTIAL NOTIONS. »

In a moving and well-documented speech, Peter Traut, President of IHK Südthüringen, congratulated all the teams and managers of the HEINZ-GLAS Group for the work achieved.

He recalled the importance of HEINZ-GLAS in a particularly dynamic region industrially speaking. By employing directly around 1.800 people by HEINZ-GLAS and another roughly 5.000 by other glassmaking companies, it is a whole region between Thuringia and the Franconian Forest,

between Erfurt in the north and Nuremberg in the south, which is impacted by the presence of the glassmaker. «Today,» insists Peter Traut, «the glass industry makes the small village of Piesau a benchmark city in the world!» He reminded the audience that the glass industry is a very important economic driver in Germany, where there are no fewer than 400 glass factories. He also recalled the strong economic, social and cultural commitment of Heinz-Glas in a sparsely populated

region. «Sixty apprentices work on the German sites,» he stressed. He also mentioned the presence of the «European Flakonglasmuseum» and the creation of the «Tropenhaus am Rennsteig», a genuine reference in terms of energy recovery, which uses the heat from glass production to power a greenhouse. Not to mention the support HEINZ-GLAS gives to the Children's University and its voluntary involvement in the Chamber of Commerce and Industry. «Being deeply rooted,



connected to the region and knowing where you come from are essential notions,» he was to remind.

CARLETTA HEINZ : «LEADING THE WAY IN RENEWABLE ENERGY FOR GLASS-MAKING!»

After two difficult years due to the health crisis, during which all of the Group's forces pulled together to successfully overcome this situation, you are now faced with a new challenge due to the war in Ukraine and the direct consequences this has on your energy supplies.

CARLETTA HEINZ : We are faced with a challenge that allows us to develop further. We want to seize this opportunity in the same way as we have done for the past 400 years. As a glass producer, we can take an even more environmentally friendly stance and thus further increase the reliability of our energy supplies. With the conversion of our gas furnace into two electric furnaces, we are making a significant step forward. Not only are we radically changing the



CARLETTA HEINZ
CEO

Apart from this challenge, 2022 seems to be a good year for your business?

CARLETTA HEINZ : Our customers are doing very well in the market. Overall, consumption has recovered well after the pandemic and consumers are buying perfumes, skincare and cosmetic products again. But at the same time, we have noticed a wait-and-see attitude in many markets due to the war in Ukraine. Many people feel insecure and are spending less money. Nevertheless, it is true that our order books are still full. Unfortunately, this increase in sales volume is less comfortable than it seems. Because the increase in energy costs is extremely high and leaves little or no leeway.

The environment is of course another major issue.

CARLETTA HEINZ : As I have already said, we are opting for all-electricity instead of gas and are thus completely doing away with the use of fossil fuels. In addition to this massive electrification process, we will also use hydrogen as much as possible in certain production areas (fire polishing) that require special treatment. Let me remind you that we have always been pioneers in the electrification of glass melting.

melting technology, but we are going to completely do without fossil fuels at the Piesau site. This will make us the first glass production site in the world to be able to do so. Going gas-free is not only good for the environment, it also makes us less dependent on foreign sources of supply. If Germany can make rapid progress with this energy transition, we will be supplied with affordable «green» electricity directly from domestic sources.

ENVIRONMENT

PIESAU AIMS FOR THE TOP STEP OF THE PODIUM



CHRISTIAN FRÖBA
COO

You have been in charge of the Heinz Glas Group's industrial tool for a few weeks now. Please recall the key elements of your professional career... You are familiar with the glass industry!

CHRISTIAN FRÖBA : I grew up in the Heinz-Glas region and then moved to Switzerland after graduating as a mechanical engineer, where I worked for Emhart Glass for almost 18 years in various departments. I started at Emhart Glass in the engineering department and then moved on to product management. After my MBA at ESSEC & Mannheim, I set up the company's after-sales service. Later, I reorganized the global supply chain and led a compliance project in cooperation with Emhart's parent company, Bucher Industries. During my time at Emhart Glass, I gained significant experience in the global

glass industry, which I am very pleased to use today as the COO of the Heinz-Glas Group.

The stakes are huge! In particular, the transition from an energy consumption based on gas (53%) to complete independence from this fossil fuel energy. The Piesau factory is going to serve as a full-scale test. What technical challenges does this entail?

CHRISTIAN FRÖBA : For the Piesau plant, it was decided to extend the activity of its gas furnace to 135 tonnes until the end of 2023. As you know, it has five production lines. After commissioning the first furnace, we will replace the gas furnace in the same location with a 70-tonne electric furnace (three lines). The factory currently manufactures jars and bottles for the cosmetics and flacon sector with a mid-range but also selective positioning, especially for skin care. The ambition of the Piesau plant is to manufacture products at all levels using only non-fossil fuels. It will be the first of its kind in the world. This project depends on transformation support.

Using electricity to heat a furnace is by far more energy-friendly than using gas, since up to 30% less energy is required to obtain the same temperature level for melting glass. Electricity, therefore, is the future, provided its cost levels do not stay as high as

they are now in Germany. Hence your commitment to the wind power development programme.

CHRISTIAN FRÖBA : Electric heating requires less energy than a gas furnace due to direct heating in the glass bath. However, the current price of electricity is still much higher than that of gas and there is to date no financial advantage for electric furnaces. We at Heinz-Glas believe that in the future, with the increase in installed capacity of renewable energy, in particular wind energy, electricity prices vs. gas will be balanced. In addition, we use only CO₂-free electrical energy to move forward in our decarbonisation effort in combination with electric melting to be the leader in our industry.

What are the main ongoing projects at the Group's industrial sites around the world? For instance, the new furnace at the Po-

lish factory. The Chinese plant, which was commissioned on 15 March. What about Peru?

CHRISTIAN FRÖBA : Apart from the project in Piesau, we started our new electric furnace in our Polish plant at the end of last year and we are currently producing opal glass. It is a new, modern facility that allows us to be very flexible to demand. We also commissioned our new Chinese plant in the first quarter of this year and are currently increasing the production of white glass and PCR glass before installing a decoration line planned later this year. The Peruvian plant is developing very well and serves the region with white glass and in combination with our decorating capabilities.



RUDOLF WURM : «SATISFYING CUSTOMERS TO THE FULLEST!»

Can you draw a first mid-term assessment of the HEINZ-GLAS Group's business activity in 2022 compared to the two previous years? Are results and trends the same from one continent to another (USA, Asia, Europe, South America)?

RUDOLF WURM : We are posting excellent double-digit growth compared to 2019. The skin care activity is growing as expected and the fragrance business is booming. Our production capacities are «sold out» and we are, of course, doing our best to satisfy our customers. The European continent is doing well as well as the Americas. As you know, we recently started our production lines in Asia, which allows us to considerably strengthen our commercial potential in this region.

This year 2022 is already marked by several «flagship» launches in which you are involved. Can you name them? There is of course Paco Rabanne's Phantom...

RUDOLF WURM : That's right. We can proudly claim to be involved in the following launches: Burberry Hero, Miss Dior Rose Essence, Armani aqua Di Gio Eau de Parfum (refillable), and the new flanker Cacharel «Yes I am delicious». Not to mention «Fame» by Paco Rabanne and «D» by Diesel. As for Phantom by Paco Rabanne, it is without doubt one of our finest creations.

Your Group's environmental commitment is total. A strong response to customer demand. What is your vision for the future in this area?

RUDOLF WURM : Our goal is to achieve leadership in fossil-free energy production. By the end of 2023, our german glass production plants will be using only this type of energy. This is a considerable asset in the face of the challenges we have to face and which can only reinforce our customers' choice to choose glass and, of course, HEINZ-GLAS.

Among the solutions you propose, there is



RUDOLF WURM
GLOBAL SALES DIRECTOR

your new product «Senoglass®». What are its advantages?

RUDOLF WURM : «Senoglass» was developed in collaboration with Weilburger. The surface of the glass is self-cleaning thanks to an invisible coating. In one hour, this protective film destroys more than 99% of viruses possibly found on the glass as a result of handling. It is a fantastic product for example for testers in shops. Senoglass really does make life safer.



PRODUCTS

«Pure Answer»

«Pure Answer» is one of HEINZ-GLAS answers to sustainability issues. It is a lightweight PCR glass with a refillable neck. The lacquering is water-based and the bottle finishing is achieved by spraying or printing natural glitters. How much more sustainable can you get? The main advantage of this bottle is its natural shine achieved with no use of plastic. This allows Brands to be demanding in terms of durability while maintaining high-quality finishes. This simply designed bottle is made of PCR glass. Its size and reduced weight allow sa-

vings on transport costs. In addition, it is produced in a CO₂-neutral electric furnace and the lime used is recycled. Thanks to the screw ring, the end-user simply needs to remove the pump and dispose of the two components separately. «Pure Answer» is an excellent solution for Brands looking to develop products that are both stylish and meet sustainability requirements.



«Senoglass» protects against viruses

The HEINZ-GLAS Group has developed in its Kleintettau plant in cooperation with the surface coating manufacturer Weilburger a bottle coated with an invisible protective film whose main function is to eliminate micro-organisms such as bacteria and viruses.

Thanks to this invisible protective coating called «Senoglass® Carecoating», the bottle can be picked up and handled safely. The sprayed clear coat destroys 99% of Staphylococcus aureus and Escherichia coli pathogens within one hour and more than 99% of coronaviruses within 24 hours.

Concerning the environment, this coating is water-based and does not contain any nanoparticles or naturally harmful biocides. In addition, the «self-cleaning» property of the glass saves disinfectant. This type of finish is resistant

MAURICE CORRIGAN :
«HEINZ-GLAS DELIVERS IN THE
UNITED STATES»

The United States is an important and growing market for the HEINZ-GLAS Group. What are your strengths in this market, as you do not produce locally?

MAURICE CORRIGAN : One of our strong points is our excellent connection to the US FMCG market because we are located in an area close to the headquarters of major brands as well as smaller independent brands. Having a warehouse near the port of New York allows us to supply bottles from all of our production sites depending on the customer's brief, decoration type, quality level and cost structure. We also offer decoration facilities located on the West and East coasts. We offer both custom solutions and made-to-order standards.

What were the main launches in which you were involved?

MAURICE CORRIGAN : Apart from our signature launches with the Estee Lauder Group, the most iconic brands are: LaMer Treatment Lotion, ANR, including all the LTD editions. Among the fragrance brands, we have Guess Uomo, Guess Seductive - Men and Women, Hollister Jake jumbo size, Jake Sport Malaia. While Indie brands include Azaran, The NueCo and

Odacite. For spirits, the brands include Garcia, Michigan Supply Co, CRWN and Saint Augustine Distillery Bourbon which uses our Obelisque bottle.

Americans obviously feel very concerned about environmental issues. Glass seems to them to be one of the best solutions ?

MAURICE CORRIGAN : Yes, of course. Over the last five years, a huge concern for environmental issues has emerged in the US. A focus on the overall carbon footprint of packaging. Glass has some disadvantages because of its weight and import constraints, but the balance we offer in terms of greener energy, lightweight and recyclability of cullet and raw materials (lime) help to offset these concerns. There is pressure from customers to source packaging as close as possible to the filling/manufacturing sites.

In the US in particular, consumers perceive glass as a symbol of quality and they value its infinitely recyclable nature.

Recycling bills are being passed at the state level, both to build a better recycling infrastructure and address these shortcomings in the future.



MAURICE CORRIGAN
TECHNICAL DIRECTOR
SALES ENGINEERING

CHINA IS OPERATIONAL!



This time it's done! Last January, the construction of the Changzhou plant was completed and it passed compliancy tests. The moving into the new premises took place in February, the furnace was commissioned on the 28th, glass production started on the 15th of March and the finishing workshop was also implemented at the end of March. In addition to the equipment, new skilled employees have been taken on. The unit currently has 41 people.

Commercially speaking, appointments are being made at a steady pace after the Chinese New Year. In the coming weeks, new staff will join the team in the Quality, Maintenance, Hot End and Finishing departments. The HR department has very close contacts with colleges and universities in Changzhou, thereby strengthening the collaboration between the schools and the company and ensuring a constant flow of talented young employees.

POLAND : ALL NEW, ALL BEAUTIFUL!

Last November in Dzialdowo, the first bottles came off the production line of the new electric furnace. The start of production at the hot and cold ends also went smoothly in the new hall. Thanks to the commitment and determination of the site employees, all the challenges were solved. This was all the more important as the current business situation remains difficult and requires swift and flexible reactions to remain competitive.

The HEINZ-GLAS Group has been producing opal glass in Dzialdowo since February 2011. The glass leak which happened during maintenance works in March 2020 gave us the possibility to organise our production activities in optimal way. A brand new furnace and production building has been established giving optimal set up for the electrical furnace producing opaque glass as well as a brand new technical office building.



to abrasion, alcohol and water. This invisible protective coating retains its full effect even after long use and the bottle stays attractive.

«Pocket Line» stays handy on all occasions

This Pocket Line can be used in a variety of ways. It is refillable, it is available in glass as well as in plastic and it is readily available because it is part of the Group's standard

offering. The new «CVII» model is undoubtedly tomorrow's new refillable standard. Due to its reduced neck height, capping solutions can also be designed with a reduced height. «Pocket Line» offers a wide variety of solutions. When made of glass, all decorative options are possible; when made of plastic, all colour options are possible and the finish can be achieved using hot stamping, laser or screen printed. This Pocket Line is not only available in PET but also PCR-PET. The Pocket Line can also be designed in a completely CO2-neutral manner. It complements the existing spray and roll-on range.



400 YEARS OF GLASS MAKING AND PLANNING FOR THE NEXT 400 YEARS !

The Piesau plant is the oldest facility of the HEINZ-GLAS & PLASTICS Group.

Construction work on the first factory began in 1621 and the first glass was melted on 30 August 1622.

The four master glassmakers at the time, namely Hans Heinz, Peter Bock, Hans Dietz and Georg Schott, needed to recruit hardy workers to settle in this valley. At that time,

the glassmakers were lucky enough to be given free wood to fire the furnaces, as the forests had to be felled and cleared due to a bark beetle infestation.

Since then, the Piesau factory and the Heinz Glas Group have been in often serious hardships.

During these four hundred years, there have been wars (the Thirty Years' War from 1618 to 1648), pandemics, economic crises and many

other obstacles. The partition of Germany in 1949 and its reunification in 1990 led to the takeover of VEB Glaswerk Piesau and its «return» to the HEINZ-GLAS Group in 1991.

This history of ups and downs shows the resilience of the Company and its willingness to find a solution even in the most difficult situations with the aim of protecting its employees.



HEINZGLAS
family-owned since 1622

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