

Verescence's South Korean site meets luxury glass demand



◀ The Verescence Pacific plant, located in Janghang, South Korea.

French perfumery and cosmetics glass manufacturer Verescence acquired the South Korean glass packager Pacificglas in 2021. Verescence's CEO Thomas Riou* discusses the acquisition.



◀ Pic 1. A close-up of the Janghang plant.

1. HOW IS THE ACQUISITION OF PACIFICGLAS PROGRESSING?

Verescence Pacific has been part of the Verescence Group for two years. The integration phase is now complete, including the adoption of values, CSR strategy, management and reporting framework, and transfer of know-how and technologies.

We have been impressed by the quick integration, openness, and strong commitment of our Korean colleagues.



2. HOW HAS THE INVESTMENT ALLOWED YOU TO MEET THE DEMAND IN SOUTH KOREA?

Asian key customers only source glass from local suppliers. Having a factory in South Korea opens up new high-end and fast-growing markets for Verescence. Some key partnerships have already been established with major Korean customers, and we are currently developing relationships with other Asian players. We are also proposing short supply chain options to our global customers.

Additionally, being present in South Korea, a dynamic market, enables us to gain valuable insights into skincare products and consumers' habits to better adapt our R&D programmes and our product offerings.

► Pic 2. Thomas Riou, CEO of Verescence.

3. WILL YOU INVEST IN ANY ADDITIONAL FACILITIES OR EQUIPMENT TO AID PRODUCTION?

Since the acquisition, we have already initiated several investments, recruitments, and technology transfers aimed at enhancing quality, production capacity, and capability.

To build a strong position in Asia, we have enough land and buildings to double the capacity of Verescence Pacific and we continue to investigate an ideal footprint for our operations to answer market demand.

*CEO, Verescence, Paris, France

<https://www.verescence.com/>

4. DO YOU PLAN TO ELECTRIFY THE FURNACES AT VERESCENCE PACIFIC'S JANGHANG SITE?

Verescence Pacific is fully integrated into our decarbonisation roadmap, which has been approved by SBTi (Science Based Targets initiative). This roadmap targets a 40% reduction in CO₂ emissions Scopes 1 and 2 by 2034 (WB2C scenario).

We have already implemented some key investments in the facility, including solar panels (Pic 3), waste heat recovery, and energy-saving plans. A major furnace repair is planned for 2027, during which we will incorporate new technologies aimed at reducing emissions.

We will also pursue our roadmap in other areas of emissions such as feeders, fire polishing, lehrs (Pic 4), etc.

5. HAVE YOU BEGUN TO USE YOUR PCR GLASS COMPOSITION (VERRE INFINI 20) AT THE PLANT?

We initiated the transition phase in glass composition a few months ago with the goal of introducing Infinite Glass 20, a 20% post-consumer recycled glass, in South Korea by September 2023.

We have identified and approved PCR suppliers that meet the required level of quality and ensure long-term sourcing stability.

6. HOW WILL THESE INITIATIVES REDUCE CO₂ EMISSIONS AND IMPROVE SUSTAINABILITY?

By improving our furnaces technology, implementing energy-saving plans, increasing the use of PCR content in our production, and relying on renewable electricity for our operations, we aim to substantially reduce CO₂ emissions and improve sustainability.

In South Korea, we aim to purchase 100% renewable electricity by the end of 2023.

7. WHAT PRODUCTS DOES VERESCENCE CREATE FOR THE SOUTH KOREAN GLASS MARKET?

We produce luxury glass bottles and jars for the beauty industry (Pic 5).

Therefore, we have been developing specific technologies and know-how that enable us to produce unique shapes and decorations.

Since the acquisition of Verescence Pacific, our experts exchange knowledge on a weekly basis to transfer our know-how and bring new capabilities to the South Korean and Asian markets.

8. WHAT IS YOUR CURRENT OUTPUT (TPD) IN SOUTH KOREA?

Our current output in South Korea includes one furnace with a capacity of 80 tpd and four production lines.

We also have a fully integrated facility for decoration; we produce over 90% of our decoration on-site.

9. WHAT ARE THE GENERAL TRENDS IN THE SOUTH KOREAN MARKET? - DOES IT DIFFER FROM YOUR TRADITIONAL MARKETS IN EUROPE AND THE US?

The South Korean market, like our traditional markets in Europe and the US, values high-quality luxury products. However, what makes the difference is the strong predominance of the skincare segment, which drives many product creations globally.

For example, BB/CC cream, cushion cream, and essence water. Three of our four production lines are specialised in skincare.

From the South Korean market, Verescence is gaining knowledge on short runs, speed to market, and quality perception.

10. CAN YOU TELL ME MORE ABOUT YOUR PARTNERSHIP WITH AMOREPACIFIC?

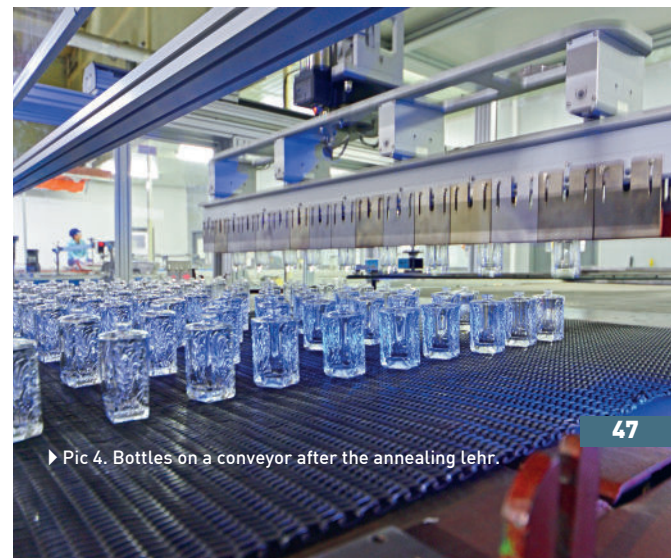
Verescence Pacific has been created by Amorepacific, logically the relationship is strong. Amorepacific is now one of the top customers for the Verescence group and we have been able to build a powerful relationship with its key executives in the group and its brands.



◀ Pic 3. In 2022, solar panels were installed onto the roof of the Janghang plant.



► Pic 5. Bottles on a conveyor at the hot end.



► Pic 4. Bottles on a conveyor after the annealing lehr.