



**2022** | **Vetropack Group**  
Integrated Annual Report and  
Remuneration Report

# Integrated Annual Report and Remuneration Report 2022

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# Board of Directors' Report

# Dear Shareholders,

**With no change to the high level of demand for glass packaging, the dominant features of the 2022 fiscal year were persistent delivery bottlenecks and rising prices. The loss of production capacity in Ukraine during the first quarter of 2022 made it even more difficult to cover the demand situation. In this challenging environment, the Vetropack Group succeeded in increasing its net sales from goods and services by 10.2 percent (16.9 percent after adjusting for currency effects) to reach CHF 899.4 million in the 2022 reporting year (prior year: CHF 816.5 million). Consolidated EBIT rose to CHF 89.1 million (prior year: CHF 81.6 million). Contrary to initial estimates in the Semi-Annual Report, the anticipated value adjustment at the Ukraine plant proved to be less than we assumed, at CHF 31.4 million. This results in reported profit for the Group of CHF 40.7 million (prior year: CHF 63.8 million).**

Johann Reiter, CEO of the Vetropack Group, sums up the challenging year under review in these words: "This year, we were able to achieve so many things that previously seemed unthinkable and unrealistic. Our sites undertook wide-ranging efforts to find solutions. This shows the Group's strength, and it has brought us closer together."

Throughout the fiscal year, our priorities were determined by the war in the Ukraine, rising energy and production costs, and the unabated high level of demand for packaging glass. The capacity reductions ensuing from the shutdown of the Ukrainian glass industry – together with capacity bottlenecks in the logistics sector – led in some cases to shortfalls in meeting customer demand throughout Europe.

Back in February, rapidly escalating events in Ukraine had already led to the shutdown of our production at the Gostomel plant near Kyiv. Since then, on-site investigations have indicated that resumption of production by two furnaces appears possible. Our employees on site are currently carrying out the necessary maintenance and clearance work. We have been able to examine the damage to the plant in more detail, with the result that the required value adjustment turns out to be lower than originally assumed. We shall not relinquish the site. Our goal is to resume production as soon as the damage has been repaired and the political situation justifies this step.

The Vetropack Group reacted to the death of Tihomir Premužak with profound sorrow and grief. The popular and deeply committed General Manager of Vetropack's Croatian site passed away unexpectedly at the start of August. Premužak worked for Vetropack in various functions for over 23 years, and he made a lasting contribution to shaping the development of Vetropack Straža d.d. The Vetropack Group has appointed Darko Šlogar as the new General Manager of our site in Croatia: he took on this position with effect from 1 January 2023.

In the 2022 reporting year, the Vetropack Group employed a workforce totalling 3,561 people (prior year: 3,896 people). The decreased headcount is a consequence of the stoppage of production in Ukraine.



Claude R. Cornaz, Chairman of the Board of Directors (left) and Johann Reiter, CEO (right)

### Development of key figures

The Vetropack Group sold 5.26 billion units of packaging glass in the 2022 reporting year. Due to the absence of capacity at our plant in Ukraine, therefore, sales volume was 10.6 percent below the prior year's figure of 5.88 billion units. Consolidated net sales from goods and services rose by 10.2 percent to reach CHF 899.4 million (prior year: CHF 816.5 million). After adjustments for currency effects, the increase was as much as 16.9 percent: given that the sales volume decreased, this reflects the high level of energy surcharges.

Despite the shutdown of our Ukraine plant, production losses amounted to merely 7.7 percent, corresponding to 1,503,000 metric tons (prior year: 1,629,000 metric tons). Due to this reduction and the high level of demand for glass packaging, the Vetropack Group's inventory levels remain at a lower level and are virtually constant as compared to the first half of the year.

### Increase in added value

Despite reduced capacity and increased production costs, Vetropack was able to post consolidated EBIT of CHF 89.1 million for the 2022 reporting year (prior year: CHF 81.6 million). The EBIT margin was 9.9 percent (prior year: 10.0 percent).

Cash flow in the year under review reached CHF 142.2 million (prior year: CHF 154.1 million). The cash flow margin was 15.8 percent of net sales (prior year: 18.9 percent). Due to war damage at the Ukrainian plant, a value adjustment of CHF 31.4 million had to be charged to the reporting period. The Vetropack Group's consolidated profit is CHF 40.7 million, which is below the previous year's figure (prior year: CHF 63.8 million).

## Strong balance sheet

Despite the challenging fiscal year of 2022, the Vetropack Group continues to present a strong balance sheet. Total assets were CHF 1,234.5 million as at 31 December 2022 (figure as at 31 December 2021: CHF 1,047.8 million). The reporting year saw short-term assets rising to CHF 552.3 million (31 December 2021: CHF 432.3 million). This growth resulted mainly from increases in liquid funds and accounts receivable in the first half year. As the result of high investments in the second half of the year, long-term assets rose to CHF 682.2 million (31 December 2021: CHF 615.5 million). Liabilities increased to CHF 485.2 million (31 December 2021: CHF 273.3 million). This was due to financing of EUR 150 million taken up for ongoing investments in Italy. As at the reporting date, shareholders' equity had reached CHF 749.3 million (31 December 2021: CHF 774.5 million), corresponding to a gearing ratio of 60.7 percent (31 December 2021: 73.9 percent).

## Investments

Construction of the new glass factory in Boffalora dominated our investments in the 2022 reporting year. Commissioning is scheduled in the second quarter of 2023. Work to maintain and expand various melting furnaces and lines at different sites is laying the foundations for us to increase our capacities. Photovoltaic systems are currently being installed on the roofs of the Vetropack plant at Kremsmünster. The electricity is to be used directly in the Kremsmünster plant to make glass production more sustainable. By joining the Science Based Targets initiative (SBTi), Vetropack is underscoring the high priority it accords to this issue and committing to make every possible effort to achieve the emission reduction goals.



## Outlook for the 2023 fiscal year

The European packaging glass industry and its customers continue to anticipate high demand for packaging glass. Capacities for 2023 are utilised and inventory levels are low at the start of the year. Bottlenecks in the logistics chain continue to be likely. Costs of energy, operating materials and personnel can be expected to rise in 2023. It follows that a price increase in the low double-digit percentage range can be anticipated.

Vetropack will celebrate the start-up of its new plant in Boffalora in 2023, marking a milestone in the company's history. The new plant will produce approximately 100,000 metric tons more packaging glass per year than the previous plant in Trezzano, thus increasing the Group's capacity by about 7 percent. As planned, one of the two furnaces at our Kyjov plant in the Czech Republic will also be renovated in the third quarter of 2023. As part of this renovation, moreover, the Group will be installing its first servo-controlled glass production machine: this will represent another step towards digitalisation. On account of the high start-up costs to be incurred in 2023 coupled with low productivity during commissioning of the new plant in Italy, the EBIT margin is set to decrease. However, the Group's profit is expected to be significantly higher because no further value adjustments on the Ukraine plant are anticipated.

## General Assembly of Vetropack Holding Ltd

The General Assembly of Vetropack Holding Ltd will take place on Wednesday, 19 April 2023 at 15:30 at the Stadthalle Bülach, Allemndstrasse8, 8180 Bülach.

The Board of Directors will propose to the Annual General Assembly the payment of a reduced gross dividend of CHF 1.00 (2021: CHF 1.30) per class A registered share and CHF 0.20 (2021: CHF 0.26) per class B registered share.

The Board of Directors of Vetropack Holding Ltd has decided to nominate Raffaella Marzi for election to the Board of Directors. She is running to succeed Rudolf W. Fischer, who is retiring from the position. Raffaella Marzi, like Rudolf W. Fischer, draws on many years of professional experience in the field of human resources and is now a member of the Group Management and Head Human Resources and Compliance at Sika AG in Baar. The Board of Directors is committed bringing a new member with this expertise on board as seamlessly as possible. Topics such as employer branding, talent management and management development have a high priority.

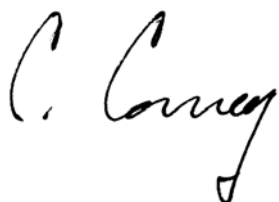
Rudolf W. Fischer, first became a member of the Board of Directors in 2000. Claude R. Cornaz expresses the Board's gratefulness: "We are deeply indebted to Rudolf W. Fischer for his many years of tireless dedication and appreciate the contribution he has made to the successful development of our company".

### Thank you very much!

The Board of Directors would like to thank all our employees for their outstanding commitment and hard work during the 2022 fiscal year. We would also like to thank our customers, suppliers, business partners and shareholders for their support and the confidence they have shown in us.

We are still unable to grasp the magnitude of what is currently happening in Ukraine. The Board of Directors and employees of the Vetropack Group are deeply saddened by these events. Our thoughts go out to our colleagues in Vetropack Gostomel, their families, friends and acquaintances, and we are doing our utmost to support them.

Bülach, 8 March 2023



Claude R. Cornaz  
Chairman of the Board of Directors



Johann Reiter  
CEO



**Foundations for success**



# Foundations for success

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# Opportunities and challenges in times of global crisis

## Increasing momentum in the glass industry

The glass industry has traditionally been characterised by a leisurely pace of change. This is because glass – as a material that has been in use for thousands of years and is essentially familiar – justifies long investment cycles. There is a value chain typified by well-established processes and long-standing partnerships with customers and suppliers. But for some years now, momentum in the glass industry has been increasing significantly. The drivers of this acceleration are all aspects of Industry 4.0 – including digitalisation in particular. Moreover, rapid changes are currently impacting various dimensions of overall conditions and global challenges.

We have responded promptly by revising and updating our strategy and business model. Back in 2019, we launched a wide-ranging strategic transformation process that pursues two goals: first, we will tap additional growth potential in our existing business; and second, we will endeavour to develop new business models. With this approach, we intend to position our company as a strong market player in the long term, and to play a key part in shaping the future of the glass industry.

Thanks to a forward-looking strategy and a business model geared to creating added value, we view the new dynamism as an opportunity for innovation and a chance to strengthen our market position. However, the reporting year was dominated by the many diverse challenges still facing us. In the reporting year, these four developments were particularly striking:

## Ukraine conflict

We have been hit particularly hard by the Ukraine war, in both economic and human terms. We were impacted economically because our production facility near Kyiv was severely damaged, and we will be unable to resume operations there in the medium term. Our sales business in Ukraine has also collapsed; large numbers of our customers there have had to close their operations or scale them down. This has led to job cutbacks which have been very difficult for us, because they have led to conditions of even more hardship for our colleagues in Ukraine and their families. We will continue to provide our support – either by financial means, or by offering positions in neighbouring countries.

[Board of Director's Report](#)



## Energy and production costs

The problems generated by volatile and rising energy and production costs became even more acute during the year under review. Due to the high energy requirement for glass production, rising energy costs triggered noticeable price adjustments throughout the market. By implementing a transparent temporary energy surcharge, we were largely able to compensate for the additional costs without losing any customers. This solution also makes sense in view of the major uncertainties regarding energy supplies; it still remains difficult to predict future developments.

[Chapter Multi-supplier strategy](#)



## Demand for packaging glass

Demand for packaging glass increased during the reporting year. There is one key reason for this: glass is the answer to the question of how to deal with the problem of waste. Thanks to the expansion of capacity we began preparing years ago, we will be in a position to satisfy this growing demand. We have created conditions that will enable us to meet our customers' wishes for individual glass packaging. This requires increased flexibility in production – which is available, because our Technology and Production area is now more focused on stepping up our capacity for innovation.

[Chapter Customer-specific products](#)



## Circular economy

In terms of suitability for the circular economy, glass packaging has clear advantages as compared to other packaging materials; even so, there is still great potential for improvement, for example as regards the percentage of used glass in the volume of raw material that is processed. We focused intensively on the issue of the circular economy in the reporting year. Regulatory provisions are in place that require higher recycling quotas. There are also a number of voluntary industry initiatives that promote and encourage increased recycling. We intend to play an active part on both fronts. Once again, we increased the share of cullet in our production during the year under review. A larger supply of high-quality cullet material is the only way to increase the percentage of used glass in production – enabling us to contribute to sustainability. As part of our 2030 strategy, we aim to achieve a cullet share of at least 70 percent throughout the Group by 2030.

[Chapter Circular economy and resource efficiency](#)

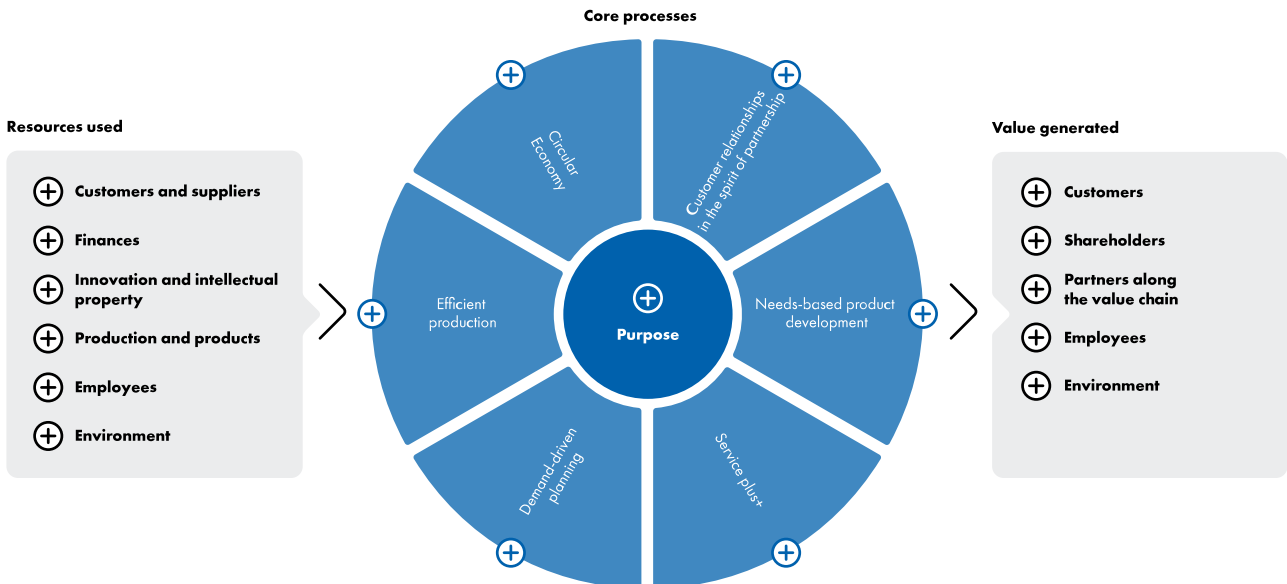


# Business model

## The driving force behind value creation

Glass production involves complex processes and high utilisation of resources. At the core of Vetropack's business model is the company's purpose: "We make it possible for everyone to enjoy food and beverages in the most elegant, safest and most responsible way". These words express the force that drives individual action: the basis for developing unique, high-quality products and services. In line with the company's purpose, the core processes are geared to value creation in various dimensions. This requires resources of various kinds. Value creation results in value for Vetropack's key stakeholders: our customers, shareholders, employees and partners, and the environment.

### Business model Vetropack Group



# Strategy 2030



In 2020, we defined a process that provides a framework for the fundamental transformation of Vetropack and its business model over a period of ten years. Five strategic thrusts provide the main axes that will guide and shape our ongoing development until 2030:

- Vetropack understands **Clearly Sustainable** as a holistic approach to sustainability. It is based on continuously reducing our ecological footprint, improving the use of recycling in the value chain, and safeguarding access to key resources.
- **Expand the Core** defines a strategy that will enable us to continue consolidating our dominant positions in the home markets. This will involve the company moving closer to its customers, positioning ourselves as a high-calibre partner and full-service provider. Vetropack is also targeting expansion in selected markets.
- Through **Value Growth**, Vetropack is broadening its existing expertise and values on a logical basis: we will enter new business sectors throughout the glass packaging value chain. To achieve this, we will focus consistently on new services, thus enabling the company to continue strengthening its customer relationships.
- **Drive Innovation** will provide the framework for Vetropack to become a trendsetter in the glass packaging industry as it drives innovations ahead proactively. These include process, product and market innovations as well as entirely new business models.
- As a **Leader in Quality**, Vetropack will gear all its activities towards providing optimal support for the strategy at Group level. This includes a holistic "Operational Excellence" approach as well as coordinated structures and processes in sales, marketing, technology and production. As additional goals, we intend to make better use of the opportunities offered by digitalisation throughout the Group, and to position Vetropack as an "Employer of Choice".

Strategy 2030





Read more about the initiatives in the current [Vetrotime 01.2022](#)

# Our focus: Clearly Sustainable

Five strategic thrusts are set to shape Vetropack's ongoing evolution through to 2030. «Clearly Sustainable» is one of them. In essence, this thrust combines all our efforts to achieve three goals: reducing Vetropack's ecological footprint across the entire range of our business activities; promoting circular material flows throughout the value chain; and safeguarding key resources as we pursue these aims. By adopting this approach, Vetropack is set to evolve into a glass producer known throughout the industry for blazing the trail with its environment-friendly practices and products. As well as meeting a need on the part of our customers, this objective also enables us to play an active part in implementing the Sustainable Development Goals (SDGs) defined by the United Nations. We are now in the process of integrating the "Clearly Sustainable" strategic thrust at all levels of our organisation, and into our central processes: from corporate management through to target-setting, including our commitment to Science Based Targets (SBTs) with related campaigns and actions.

[«Vetropack participates in Science Based Targets initiative \(SBTi\)» \(11.11.2022\)](#)



## Ratings and certifications attest the quality of our sustainability work

There is already clear proof that we are well on the way with this strategic thrust: Vetropack was recently awarded the Silver Sustainability Rating by EcoVadis, the globally recognised rating agency. This places Vetropack among the best 25% of over 90,000 companies rated by EcoVadis in 160 countries. Moreover, seven of our sites undergo regular audits by Sedex SMETA – and as regards occupational safety and health protection, five of our sites are certified to ISO 45001.

[Chapter occupational health and safety](#)



## Strengthening sustainability in corporate management

During the year under review, we took major steps to strengthen our focus on sustainability issues at corporate management level. In 2022, for example, we appointed a Group Sustainability Manager to take responsibility for accelerating our sustainability processes. We also took the decisive step of setting up a Sustainability Committee. Its remit is to monitor all aspects of sustainability – ecological, social and economic – and provide support with implementing the "Clearly Sustainable" approach. To this end, the Committee will continue to develop goals and action plans while constantly reporting the Group's progress. The Committee convenes two or three times each year and reports annually to the Board of Directors. Its members are the Chief Executive Officer, Chief Commercial Officer, Chief Technology Officer, Chief Supply Chain Officer, Chief Human Resources Officer, and the Group Sustainability Manager.

[Sustainability report: GRI 2-12 Role of the Board](#)



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## **Interview with Nicolas Lootens, Group Sustainability Manager (in post since April 2022)**

### **What is your focus in this function?**

«We had already developed practical action plans in the past, and we were taking effective steps to implement them. But our intention now is to accelerate these processes – and multiply them throughout the Group whenever possible. To achieve this, we're defining our governance in terms of ESG topics, reviewing our objectives, developing roadmaps and actions, and regularly monitoring our progress. We're also embedding sustainability as an issue in all areas of Vetropack's operations – from procurement, technology and distribution through to human resources.»

### **Could you single out some of Vetropack's sustainability highlights in 2022?**

«There's no doubt that Vetropack's outstanding achievement was our official commitment to set a greenhouse gas emission reduction goal in line with climate science, as we joined the Science Based Targets initiative (SBTi). We also enrolled in the Supplier Leadership on Climate Transition (Supplier LoCT) programme, which is helping us to achieve the SBTi objectives. The Vetropack Group has been reporting on the carbon footprint of its own operations (Scope 1 & 2) for years and is in the process of analysing the entire value chain (Scope 3). This will also strengthen our climate reporting in line with CDP and TCFD guidelines.»

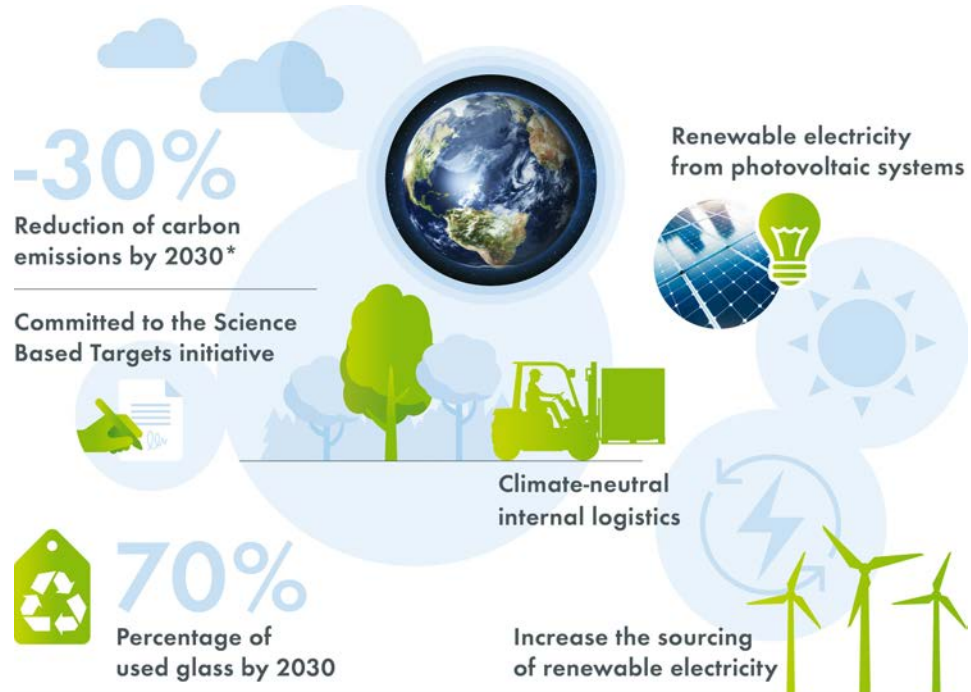
### **What is important to you personally in this function?**

«My goal is to make Vetropack truly sustainable – environmentally, socially and economically. Above and beyond that, I'm keen to raise awareness of sustainability among all our stakeholder groups so we can maximise our impact. All of us can play our part in making our everyday lives more sustainable by taking whatever steps we can, whether big or small, both at work and elsewhere.»



## Sending out a strong signal for climate protection

The sustainability goals outlined in our Strategy 2030 include reducing the Group's carbon footprint by a further 30% against the 2019 benchmark by 2030, and increasing the percentage of cullet (recycled glass) in production to 70%. Going beyond these measures, we are planning to increase our quota of renewable electricity and also to gear our logistics to climate-neutral operation.



\*compared to 2019

Sustainability goals

To underscore how seriously we take our efforts to protect the climate, we joined the Science Based Targets initiative (SBTi) during the reporting year. As the first step, we will define near-term company-wide emission reduction goals in line with climate science. We have also joined the Supplier Leadership on Climate Transition (Supplier LoCT) programme: this initiative aims to integrate suppliers into the commitment to climate protection. The programme should help us – as a supplier – to understand our own carbon footprint, set science-based emission reduction targets, take action, and disclose progress.

[Chapter circular economy and resource efficiency](#)



## Communicating transparently about sustainability

To integrate our internal and external stakeholder groups into our own commitment to sustainability, we decided back in 2014 to introduce transparent sustainability reporting in compliance with the Standards of the Global Reporting Initiative (GRI). Since 2016, therefore, we have focused on topics identified as material on the basis of an integrated model, and we report on management approaches and performance in relation to these topics during the reporting year.

[Chapter material topics](#)



[Chapter material topics \(materiality analysis\)](#)



## Our memberships and commitments

### Commitment to the "Science Based Targets initiative" (SBTi)

The «Science Based Targets initiative» (SBTi) is a global body enabling businesses to set ambitious emission reduction targets in line with the latest climate science. SBTi focuses on encouraging companies across the world to set targets in line with a 1.5-degree reduction pathway and achieve net-zero emissions by 2050.

In 2022, Vetropack committed to setting near-term company-wide emission reduction goals in line with climate science as it joined the Science Based Targets initiative (SBTi). Entering into this commitment emphasises the key priority we accord to climate change.

[Press release: «Vetropack participates in Science Based Targets initiative \(SBTi\)» \(11.11.2022\)](#)



### EcoVadis Silver Medal

EcoVadis is the world's largest provider of business sustainability ratings, with a global network of over 100,000 rated companies.

EcoVadis awarded its Silver Medal to Vetropack in 2022, placing us among the top 25% of companies rated.

[Website EcoVadis](#)



### Sedex Members Ethical Trade Audits (SMETA)

SMETA is Sedex's social auditing methodology, enabling businesses to assess their sites and suppliers so they gain an understanding of working conditions in their supply chain.

We regularly conduct standardised SMETA audits at most of Vetropack's sites to monitor compliance with our own Business Ethics Policy and with applicable occupational safety and environmental protection provisions.

[Website Sedex](#)



### ISO 45001 - Occupational health and safety management systems

ISO 45001 is the international occupational safety and health standard which specifies the requirements for establishing a sound management system.

Five of our sites were already certified to ISO 45001 by the end of 2022. Our ultimate goal is for all our production sites to receive the ISO 45001 certificate for their occupational health and safety management systems.



## Supplier Leadership on Climate Transition (Supplier LoCT)

This initiative helps suppliers to understand their own carbon footprint, set science-based emission reduction targets, take action to achieve them, and report on progress.

Vetropack joined the Supplier Leadership on Climate Transition programme in 2022. We believe the Supplier LoCT programme can help us achieve the science-based targets (SBTs) that we have defined as our top sustainability priority.

[Performance review: chapter Circular economy and resource efficiency](#)



[Website Guidehouse](#)



## International Partners in Glass Research (IPGR)

This industry association seeks to increase and maintain the competitiveness of glass in the packaging industry through research and development programmes as well as individual cooperation alliances between its members. IPGR sees two key goals as drivers of its activities: to decrease energy consumption during glass container production, and to increase the strength of glass.

As a member of the industry association and in keeping with Vetropack's innovation strategy, we also encourage the development of innovations by suppliers, customers and international research groups such as IPGR.

[Website IPGR](#)



## GRI Standards

The GRI Standards are a globally recognised set of sustainability reporting standards.

For many years now, we have prepared Vetropack's Integrated Annual Reports in compliance with the GRI Standards. Our reports include transparent information on our management of economic, environmental, social and governance topics as well as the progress we have achieved in these areas.

[Website GRI](#)



# Material topics and contribution to the Sustainable Development Goals (SDGs)

## Definition of the key financial and non-financial topics

For the fourth time, Vetropack is reporting on the 2022 fiscal year in the form of an Integrated Annual Report which provides comprehensive information about our company's financial and non-financial performance.

We structure the reporting and the material topics in accordance with the "six capitals" of integrated reporting (IR/IFRS):

- Customers and suppliers →
- Finances →
- Innovation and intellectual property →
- Production and products →
- Employees →
- Environment →

## Reappraisal of material topics

As part of its reporting process, Vetropack carries out an annual review of the materiality matrix developed in 2019. We undertook a full-scale reappraisal of the matrix's relevance in 2022. To ensure compliance with current statutory regulations (in the EU and Switzerland) and the provisions of the GRI Standards 2021, the "double materiality" concept was applied. This comprises two assessment perspectives:

1. The "outside-in" perspective: how relevant is a particular topic for Vetropack's long-term business success?
2. The "inside-out" perspective: how strongly do business activities impact the company's context and environment – economy, people and ecology?

Stakeholder relevance, as the third perspective for assessing materiality, was omitted due to changes in the requirements (as in the GRI Standards 2021).

## Identifying and assessing impact

Vetropack updated its existing materiality analysis in autumn 2022. This was a multi-stage process: as the first step, a context analysis was used to identify additional, potentially material topics that would require assessment. We then identified the outward and inward impacts of these topics. This provided the basis for concise descriptions that include potential and actual impacts, both positive and negative, along the value chain. We then conducted an online survey to obtain internal stakeholders' assessments, which were consolidated and validated by management in a workshop.

## Material topics adjusted and expanded

### Customers and suppliers

Active stakeholder engagement (as previously) →

Multi-supplier strategy (as previously) →

Health and safety of customers and consumers (as previously) →

### Finance

Cashflow and profitability  
(previously together with «Sustainable return on capital») →

Sustainable growth and market position (as previously) →

Sustainable return on capital  
(previously together with «Cashflow and profitability») →

Compliance (as previously) →

### Innovation and intellectual property

Innovation strategy and portfolio (as previously) →

Manufacturing process innovations with suppliers  
(previously «Process innovations with suppliers») →

### Production and products

Sustainable product solutions (as previously) →

Continuous quality improvement along the value chain (as previously) →

Digitalisation and automation (as previously) →

Customer-specific products (as previously) →

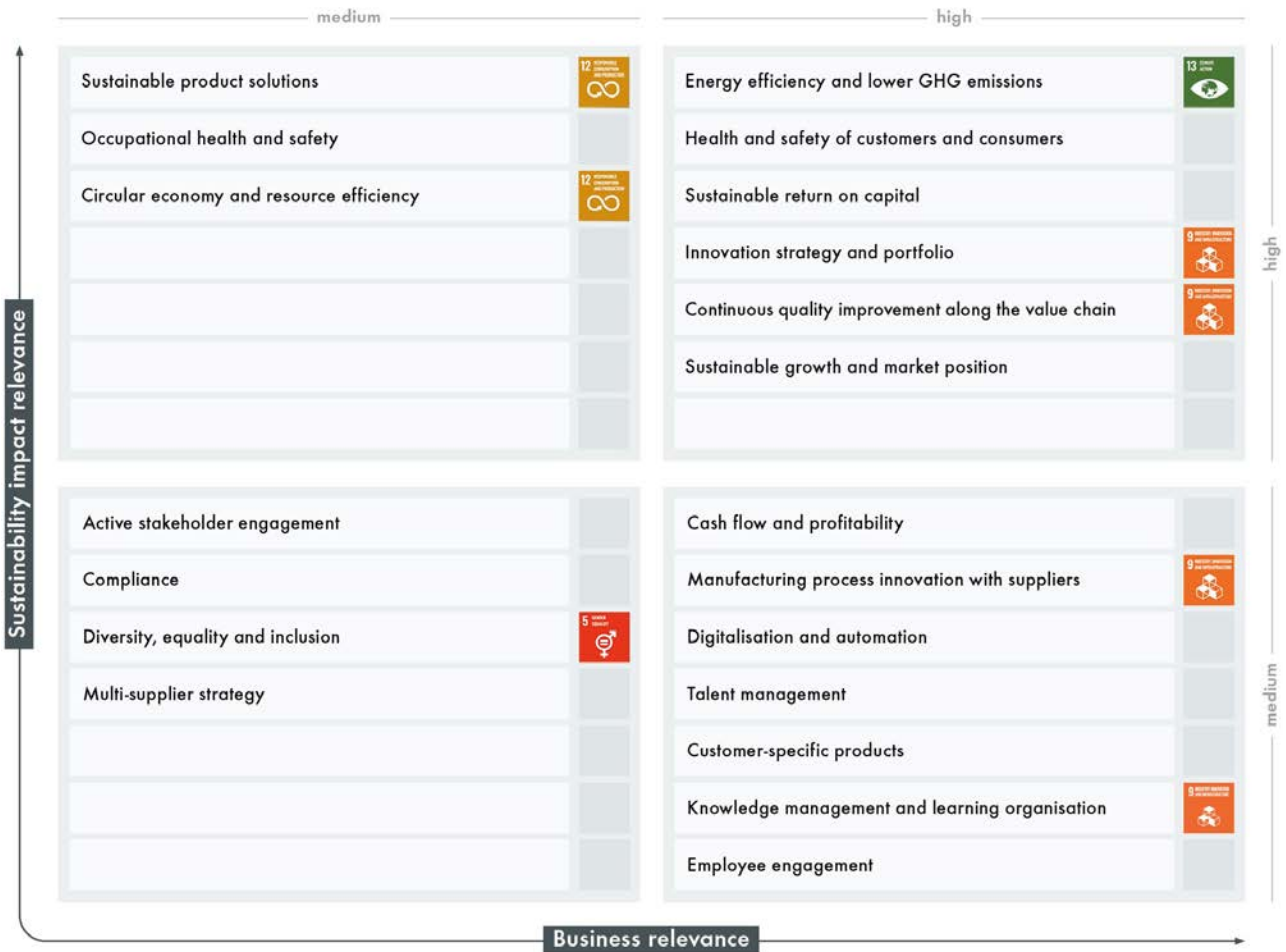
**Employees**

- Talent management (as previously) →
- Employee engagement (as previously) →
- Knowledge management and learning organisation (previously «Learning organisation») →
- Diversity, equality and inclusion (new) →
- Occupational health and safety (as previously) →

**Environment**

- Energy efficiency and lower GHG emissions (previously «Energy efficiency and renewable energy» or separate material topics: «Minimising CO<sub>2</sub> emissions, waste and water consumption» and «Climate-neutral logistics by 2030») →
- Circular economy and resource efficiency (previously «Optimise use of raw materials») →

**Materiality matrix**



## Contribution to the United Nations Sustainable Development Goals (UN SDGs)

The 17 Sustainable Development Goals (SDGs) of the United Nations (UN) provide Vetropack with a reference system. This integrates the impact of our own business activities on the environment and society into the context of global sustainable development.

Following the reassessment of our materiality analysis, we reviewed our contribution to the SDGs. We focus here on four out of the seventeen SDGs where we see the greatest leverage for a significant contribution.



Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

### Contribution to SDG 9

Vetropack's strategic orientation is based on these core goals: create resilient infrastructure and build sustainable industrialisation. The company's investment programme will bring processes, plant and technologies into line with the latest state-of-the-art. This approach will support sustainable industrialisation. To achieve this, investment projects in the regions will foster and support a network of small companies around the plant. All plants in the Vetropack Group will benefit from the innovations and investments – and so will their partners throughout the value chain, and in the areas surrounding them.

#### Aspect that Vetropack can influence significantly

- 9.2: "Promote inclusive and sustainable industrialization and, by 2030, significantly raise industry's share of employment and gross domestic product, in line with national circumstances, and double its share in least developed countries."

#### Material topics

- Innovation strategy and portfolio →
- Continuous quality improvement along the value chain →
- Manufacturing process innovation with suppliers →
- Knowledge management and learning organisation →



Take urgent action to combat climate change and its impacts

## Contribution to SDG 13

As an industrial enterprise that operates internationally with a significant requirement for energy and resources, Vetropack has an ecological footprint. The company focuses its ecological commitment on climate protection.

### Aspect that Vetropack can influence significantly

- 13.3: "Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning."

### Material topics

Energy efficiency and lower GHG emissions →

Circular economy and resource efficiency →



Ensure sustainable consumption and production patterns

## Contribution to SDG 12

The world's population currently consumes more resources than the ecosystems can provide. Moreover, consumption-based waste constitutes another formidable global problem. Glass has numerous properties that can contribute to more sustainable consumption. Achievable goals here are: less consumption of resources, less wastage of food, and less waste.

### Aspect that Vetropack can influence significantly

- 12.2: "By 2030, achieve the sustainable management and efficient use of natural resources."
- 12.5: "By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse."

### Material topics

Sustainable product solutions →

Circular economy and resource efficiency →



Achieve gender equality and empower all women and girls

## Contribution to SDG 5

Eliminating gender-specific differences is an obligatory requirement for a company that is committed to a comprehensively sustainable business policy. Moreover, gender equality has been proven to have positive effects on economic success, productivity, competitiveness and innovation intensity. Women have traditionally been in the minority in the glass industry, at all hierarchical levels and in all job profiles. Given this situation, Vetropack assesses the potential for improvement in this area as high.

### Aspect that Vetropack can influence significantly

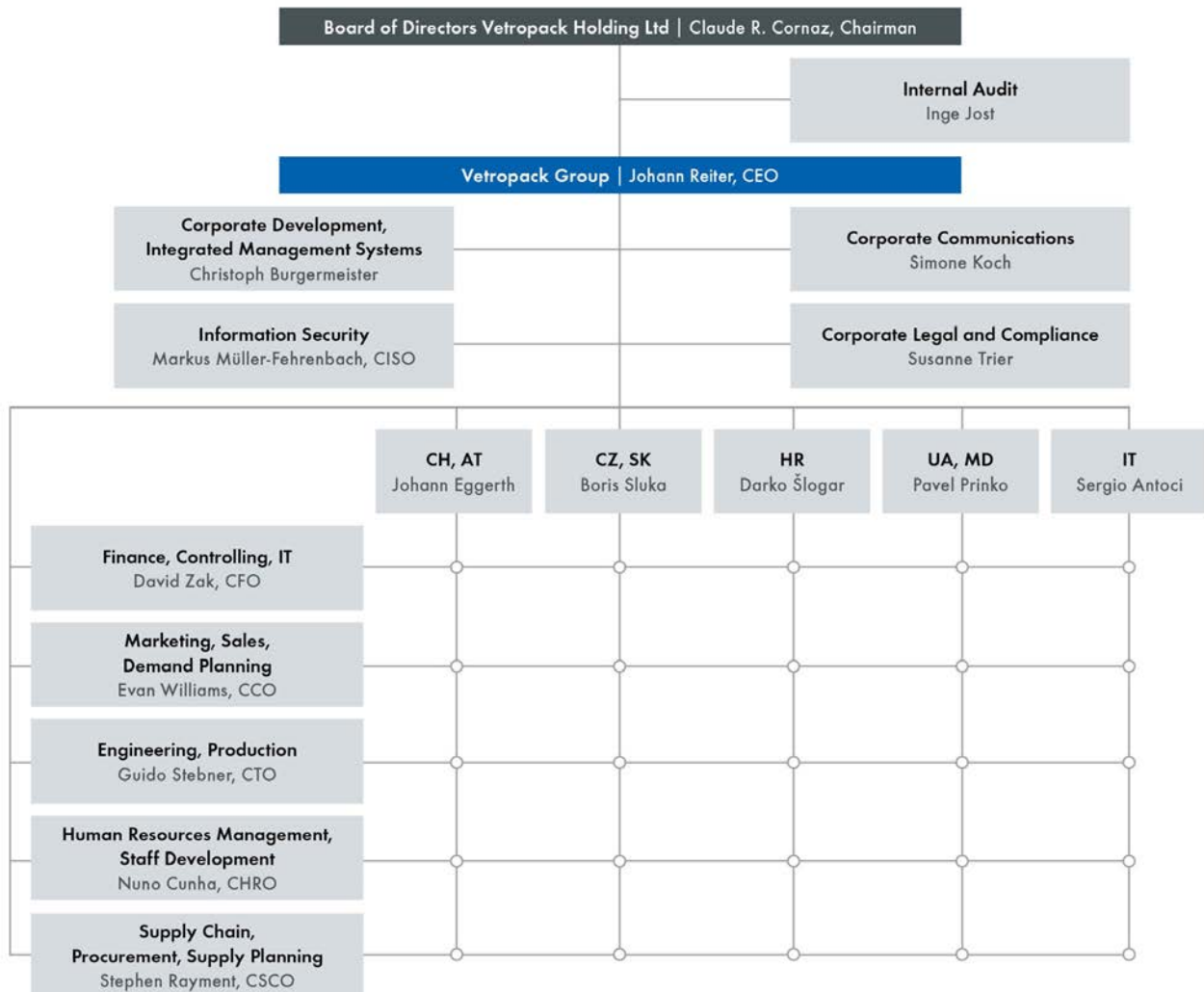
- 5.5: "Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life."

### Material topic

Diversity, equality and inclusion →



# Management Structure



# Extended Management Board



**Johann Reiter**  
CEO



**Christoph Burgermeister**  
Corporate Development  
Integrated Management  
Systems



**Simone Koch**  
Corporate Communications



**Susanne Trier**  
Corporate Legal and  
Compliance



**Johann Eggerth**  
Switzerland, Austria



**Boris Sluka**  
Czech Republic, Slovakia



**Darko Šlogar**  
Croatia



**Pavel Prinko**  
Ukraine, Republic Moldova



**Sergio Antoci**  
Italy



**David Zak**  
CFO



**Evan Williams**  
CCO



**Guido Stebner**  
CTO



**Nuno Cunha**  
CHRO



**Stephen Rayment**  
CSCO

# Organisation

per 31 December 2022

<b>Management Board</b>	
Johann Reiter, CEO	
David Zak, CFO	
Nuno Cunha, CHRO	
Johann Eggerth, Managing Director Division Switzerland/Austria	
Stephen Rayment, CSCO	
Guido Stebner, CTO	
Evan Williams, CCO	
<b>Finance, Controlling, IT and Procurement</b>	
David Zak	
– Group Reporting and Transfer Pricing	Andreas Buchs
– Group Controlling and Accounting	Adriano Melchiorretto
– IT	Georg Oberdammer
<b>Sales, Marketing and Demand Planning</b>	
Evan Williams	
– Group Technical Customer Service	Christoph Böwing
– Commercial Excellence	Armelle Dupont
<b>Human Resources</b>	
Nuno Cunha	
– Talent Acquisition	Maja Darija Skrljak
– Learning and Development	Keiko Seki von Allmen
– Talent Management	Panagiota Katinou
<b>Technology and Production</b>	
Guido Stebner	
– Performance	Dubravko Stuhne
– Technology and Projects	Nick Giannoulas
– Innovation	Daniel Egger
<b>Supply Chain, Procurement and Supply Planning</b>	
Stephen Rayment	
– Group Procurement	Ulrich Ruberg
<b>Corporate Development, Integrated Management System</b>	
Christoph Burgermeister	
– Integrated Management System	Claire Faessel a.i.
– Quality Management	Andrea Steinlein
– Occupational Health and Safety	Nenad Horvath
– Sustainability	Nicolas Lootens
<b>Corporate Communications</b>	
Simone Koch	
<b>Corporate Legal and Compliance</b>	
Susanne Trier	
<b>Switzerland/Austria</b>	
Johann Eggerth	
<b>Sales + Marketing</b>	
– Switzerland	Christine Arnet
– Austria	Ina Graggaber
<b>Human Resources</b>	
Sabine Hameter-Weber	
<b>Finance</b>	
Gudrun Brack	
<b>Supply Chain</b>	
Werner Schaumberger	
<b>Production</b>	
– St-Prex plant	Philippe Clerc
– Pöchlarn plant	Gerd Buchmayer
– Kremsmünster plant	Thomas Poxleitner
<b>Integrated Management System</b>	
– St-Prex Plant	Renaud Roquigny
– Pöchlarn and Kremsmünster plants	Hannes Fasshuber

<b>Czech Republic/Slovakia</b>	
Boris Sluka	
<b>Sales + Marketing</b>	
	Peter Sumrák
– Czech Republic	Peter Sumrák
– Slovakia	Zuzana Hudecová
– Export Europe East	Vlastimil Ostrezi
<b>Supply Chain</b>	
Jaroslav Mikliš	
<b>Engineering</b>	
Miroslav Šebík	
<b>Integrated Management System</b>	
Aleš Habán	
<b>Kyjev plant</b>	
– Production	Antonín Pres
– Finance + Human Resources	Milan Kucharčík
<b>Nemšová plant</b>	
– Production	Roman Fait
– Finance + Human Resources	Eva Vanková
<b>Croatia</b>	
Darko Šlogar, a.i.	
<b>Sales + Marketing</b>	
Mario Matković	
<b>Finance</b>	
Marija Špiljak	
<b>Supply Chain</b>	
Robert Vražić	
<b>Human Resources</b>	
Damir Gorup	
<b>Production</b>	
Božo Hršak	
<b>Engineering</b>	
Mario Berc	
<b>Integrated Management System</b>	
Anica Hriberski-Leskovar	
<b>Ukraine/Republic of Moldova</b>	
Pavel Prinko	
– Ukraine	Pavel Prinko
– Republic of Moldova	Oleg Baban
<b>Finance</b>	
Oleksandr Bondarenko	
– Ukraine	Oleksandr Bondarenko
– Republic of Moldova	Boris Crivoi
<b>Supply Chain</b>	
Serhii Kazhan	
– Ukraine	Serhii Kazhan
– Republic of Moldova	Igor Hincu
<b>Human Resources</b>	
– Ukraine	Antonina Dobrovska
– Republic of Moldova	Antonina Dobrovska
<b>Integrated Management System</b>	
Pavel Prinko a.i.	
<b>Gostomel Plant</b>	
– Sales + Marketing	Hennadiy Arsiy
– Production	Roman Yatsuk
– Engineering	Mikola Marchenko
<b>Chişinău Plant</b>	
– Sales + Marketing	Oleg Garstea
– Production + Engineering	Igor Volcanov
<b>Italy</b>	
Sergio Antoci	
<b>Sales + Marketing</b>	
Francesco Bonazzi	
<b>Finance</b>	
Chiara Garancini	
<b>Supply Chain</b>	
Luca Marini	
<b>Human Resources</b>	
Annalisa Girardi	
<b>Production + Engineering</b>	
Giovanni Depoli	
<b>Engineering</b>	
Alberto Alvisi	
<b>Integrated Management System</b>	
Alessandro Canulli	
<b>Group companies</b>	
Müller + Krempel Ltd	Mark Isler
Vetoreal Ltd	Matthias Bieri



**Performance review**

# Performance review

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# Introduction to the Performance review

Vetropack has followed the basic concept of integrated reporting since 2019. Integrated Reporting (IR) is a holistic concept that combines conventional financial reporting with non-financial reporting elements, wherever this is possible and provided that it contributes to better understanding.

The structure of the Performance review is based on the dimensions of the "six capitals" of integrated reporting:

- Customers and suppliers →
- Finances →
- Innovation and intellectual property →
- Production and products →
- Employees →
- Environment →

Within these subject areas, our reporting is aligned to the defined material topics. This also corresponds to the recommendations of the GRI Standards 2021. By way of introduction, we explain our long-term management approach to each of these topics (GRI Disclosure 3-3, Management of material topics) and then focus on events and progress in the reporting year. As appropriate to each topic, we add further information in accordance with the GRI Standards 2021. This results in a slightly changed structure as compared to the Integrated Annual Report for 2021 (chapter: «[Introduction to sustainability reporting](#)»). The new presentation, structured according to material topics, aims to make it easier for readers to gain a wide-ranging picture from the Performance review of how things stand in relation to the material topics.

# Customers and suppliers

## Active stakeholder engagement

**We believe that it is important to maintain close and regular exchanges with our stakeholders. By doing so, we learn at first hand what they require and expect from us; we become aware of relevant trends that could have a positive impact on our business, and we come to understand where our strengths lie and where we have potential for improvement.**

We are mindful that our business is influenced by a large number of stakeholders. They include providers of funding (equity or borrowed capital), customers (primarily food and beverage manufacturers), suppliers (mainly of raw materials and plant), as well as employees or their representatives. We also include society in general among our stakeholder groups – represented by supervisory authorities, legislators, trade associations and non-government organisations. In the interest of long-term value creation, we maintain open and transparent dialogue with all these stakeholders. This is because active stakeholder management can have a positive impact on stakeholders' attitudes in general, and also towards Vetropack.

Our Code of Conduct and Business Ethics Policy set out the framework for our active engagement with stakeholders. We meet the regulatory requirements by publishing annual and semi-annual reports, and by holding annual general assemblies. We also communicate proactively about our strategic goals, and we publish a half-yearly financial report. The management at each of our various production sites is responsible for interacting appropriately with customers, employees, authorities and neighbours.

Both the CEO and the CFO maintain relationships with investors and are responsible for responding to their questions and enquiries. These exchanges take place at meetings or during plant visits. Other managers also share responsibility for maintaining relationships with stakeholders. For example, the CSCO, Head of Procurement and CTO are responsible for maintaining contact with suppliers.

As well as interacting with our customers on a daily basis, we conduct surveys at four-yearly intervals to learn about our customers' requirements and satisfaction levels; the last such survey took place in 2019. In view of the current situation, we are planning to conduct a customer survey next year.

### [Chapter customers and suppliers](#)



To communicate with our extensive and diverse group of internal and external stakeholders, we make use of a varied range of communication media: the core channels are our company website, our intranet, our online employee magazine, brochures, our Vetrotime magazine for customers and – to a growing extent – LinkedIn as our preferred social media channel.

[Vetropack Group website](#)



[Vetrotime customer magazine](#)



[Vetropack LinkedIn channel](#)



## Progress and events in the reporting year

### Constantly improving the transparency of our ESG reporting

ESG issues are constantly gaining importance for our customers. Packaging is a subject that attracts close attention from consumers as well as regulatory bodies, so our customers are increasingly approaching us with their requirements for information on this topic. We have substantially improved our transparency as regards ESG issues by creating the new position of Group Sustainability Manager. He communicates knowledge about practice-related ESG topics within the company, thus helping to raise our employees' awareness of these issues. This new specialised knowledge plays a particularly valuable part in our dialogue with customers: it allows us to provide expert explanations of Vetropack's ESG engagement, and it also helps us to develop solutions for problems in this area.

### Responding to the challenges of the energy market through dialogue

The value of good communication often becomes apparent in crisis situations. During the year under review, our relationships with customers were put to the test by the unexpected and unpredictable developments on the energy market. Thanks to our engagement with our customers, underpinned by transparency and partnership, we were able to conduct the difficult discussions about the price increases related to energy costs on a basis of trust. The result was that we lost none of our customers. On the contrary: we firmly believe that relationships with our customers have been strengthened in the long term by our joint efforts to overcome this difficult situation.

[Chapter multi-supplier strategy](#)



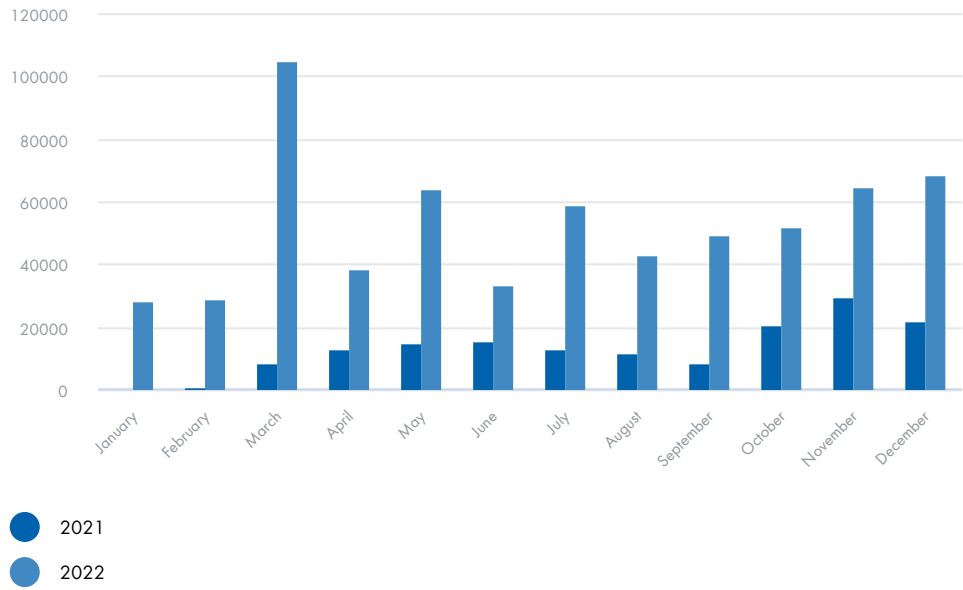
### Gap in social media communication closed

At Vetropack, we cultivate concise communication based on facts. This yields benefits for us in our communications with the capital markets. To reach additional stakeholder groups – including potential employees in particular – we want to offer more insights into everyday life at Vetropack, covering a variety of subjects; where appropriate, we would even like to initiate dialogue about these topics. To achieve this, we invested in active management of our LinkedIn channel during the year under review. The mix of official Group communications and posts by sites and their employees from all over Europe has proven successful for this purpose. Within one year, we have more than quadrupled the number of views (impressions) per month for our LinkedIn posts.



LinkedIn statistics: growth within one year

Impressions



You can find more information about stakeholder engagement in the following sections of this report:

[Exchange with employees: employee engagement](#)



[Collaboration with suppliers: multi-supplier strategy](#)



[Customer relationships: customer-specific products](#)



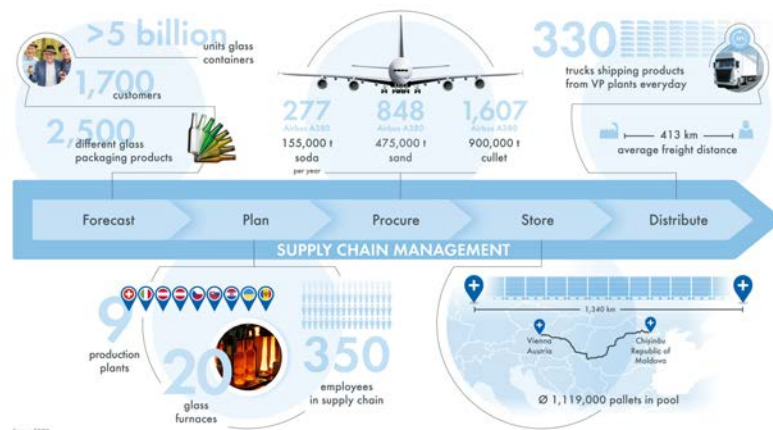
## Multi-supplier strategy

**Collaboration with our suppliers is a core element of the new supply chain management system we established in the reporting year. By taking this step, we are pursuing a strategy based on having multiple suppliers in place for central resources. As well as ensuring our supplies of raw materials, equipment and plant, this multi-supplier strategy minimises risks in the supply chain.**

Professional supply chain management is the foundation for a smooth flow of goods, so it provides the basis for economic efficiency and customer satisfaction. Recent years have seen global supply chains facing vast numbers of challenges that have highlighted the key part played by supply chain management in business success.

We too were aware that precise control of the supply chain, geared to resilience, is a valuable asset. This prompted our decision in 2021 to take various steps aimed at strengthening our supply chain management: these included positioning our Corporate Supply Chain Management at Group Management level. The supply chain management approach we implemented in 2022 (shown in the graphic below) is based on forecasts compiled in great detail, and it extends as far as warehousing and distribution.

The core element of our supply chain management is the procurement of the materials needed to manufacture over five billion glass containers each year. In specific terms, these amount to around 900,000 metric tons of cullet (used glass), 475,000 metric tons of sand, and 155,000 metric tons of soda. As well as these materials, we have to procure the machinery, plant, tools and energy needed to produce glass from them; we also have to ensure the provision of upstream and downstream services, especially in the transportation sector. To achieve these goals, our supplier management focuses on establishing, developing and maintaining partnerships with suppliers of energy and transportation services as well as primary and secondary raw materials. For goods and services of central importance, we implement a multi-supplier strategy based on the principle of multiple suppliers for central resources. By pursuing our multi-supplier strategy, we reduce the risk of interruptions to the production of glass packaging while supporting reliable deliveries of our products. Although this procurement strategy is initially more complex and costly, it ultimately offers the advantages of either reducing procurement costs or increasing the stability of the supply chain, depending on the market environment.



As part of our annual management reviews, we measure progress with the multi-supplier strategy on the basis of internal Key Performance Indicators (KPIs) such as the number of active suppliers per category and the number of long-term contracts in place.

## Progress and events in the reporting year

Due to the severe pressure placed on Vetropack's supply chain by the war in Ukraine and the subsequent energy crisis, most of the new strategic and operative measures planned for the reporting year had to be extended into 2023.

### Position of Chief Supply Chain Officer established

In 2021, Vetropack's Board of Directors decided to create a new position at Group level to focus on Corporate Supply Chain Management. On account of the acts of war in Ukraine during the year under review, however, the Chief Supply Chain Officer was not able to develop his area of responsibility to the extent originally planned. The majority of his activities were therefore focused on reducing the losses in Ukraine and managing the energy crisis.

[Press release: «Board of Directors appoints Stephen Rayment as new Chief Supply Chain Officer at Group level» \(17.11.2022\)](#)



### Maximum flexibility in energy procurement

Delays and interruptions to global supply chains presented a huge challenge for supply chain management in 2021, while energy prices in the reporting year were characterised by sharp increases and volatility. Natural gas is by far the most important source of energy, accounting for around 80 percent of the total. The rest of our energy demand is met by electricity. We leveraged the full scope of our flexibility in procurement and production here so as to keep the best possible control over cost increases and the risks of an energy shortage. To achieve this, we adopted a strategy comprising a mix of hedging and spot market transactions.

### Supplier and capacity management following the shutdown of our Ukraine plant

The shutdown of our production in Ukraine meant that we lost significant capacities. To the best of our ability, we overcame the major challenges involved in fulfilling orders for customers who would normally be supplied from Ukraine. The suspension of production there also had a direct impact on our Group-level and local suppliers, some of whom saw unexpected losses of sales.

### Long-term collaboration and shared basic values

Wherever possible, we endeavour to focus our collaboration on proven suppliers of many years' standing with whom we often share fundamental values. Sustainability issues are set to gain importance. In this context, we would like to hold our suppliers more accountable, but we aim in particular for commitment underpinned by a spirit of partnership. During the year under review, we created a dedicated position in Purchasing to develop this type of collaboration with our suppliers. The postholder maintains close dialogue with the Group Sustainability Manager.

### Strong supplier base compensates for loss of Russian and Belarusian suppliers

Collaboration with suppliers in Russia and Belarus was terminated in the reporting year on account of the Ukraine war. We have been able to compensate for the elimination of these suppliers thanks to our extensive and proven supplier base.

## Health and safety of customers and consumers

**We supply the food and beverage industry with products used by millions of consumers, so we regard it as essential to ensure the health and safety of our customers – and of all consumers who use our products – at all times.**

Packaging can have both positive and negative effects on the health and safety of everyone who comes into contact with it (including logistics personnel, customers and consumers, and many others). As a stable material that provides good protection for products, glass can help to improve safety during use as well as consumption. Because the weight of glass is comparatively high and it is relatively fragile, glass packaging entails certain risks; however, these can be minimised by adhering to established quality standards.

Being a «Leader in Quality» is a key objective in Vetropack's Strategy 2030. Certified processes provide the basis for high quality and product safety. This is why we have set ourselves the goal of bringing all our business units into compliance with the ISO 9001 and ISO 22000 standards by 2023. At present, only three sites do not yet have the relevant certifications: Gostomel in the Ukraine (due to the current political situation), Trezzano in Italy (due to a change of plant), and Chişinău in the Republic of Moldova.

Quality and safety are essential factors that must be considered in every product development, according to clearly defined criteria. In our production, seamless quality testing is central to the safety of our products. Therefore, 100 percent of our glass containers are inspected to guarantee consistently high product quality and safety. This practice also ensures compliance with all legal and customer specifications.

To measure progress, we use quality indicators such as the number of complaints per glass container sold and the number of internally identified critical defects. For reasons of competitiveness, however, we refrain from publishing these quality indicators.

## Progress and events in the reporting year

### Latest inspection technology in Croatia

Harmonisation and standardisation of quality assurance processes within the Vetropack Group continued again in 2022. Decisions on the testing technology used are planned and implemented on this basis. The goal is to ensure customer-specific quality requirements with the most efficient processes and the latest testing technology.

### FSSC certification for innovative production technology

Echovai, the first returnable bottle made of tempered lightweight glass, is the next generation of returnable glass packaging. This innovative product is based on a special production technology that allows thermal hardening of glass bottles for the first time ever. Since the reporting year, an FSSC certification has proven the safety of this technology. This opens up access to additional markets for Echovai.

[Further information on Echovai](#)



## Disclosures

### GRI 416: Customer Health and Safety 2016

416-2 Incidents of non-compliance concerning the health and safety impacts of products and services

No incidents of non-compliance concerning the health and safety impacts of Vetropack's products and services on customers were notified during the reporting period.

### GRI 418: Customer Privacy 2016

418-2 Substantiated complaints concerning breaches of customer privacy and losses of customer data

There were no substantiated complaints during the reporting period.

# Finances

## Cash flow and profitability, sustainable growth and market position, sustainable return on capital

**Vetropack's strategy aims to achieve long-term development of the company, taking account of its stakeholders' concerns. This approach is in line with the expectations of our majority shareholders. Since a significant part of Vetropack's growth is financed from our own balance sheet, we accord high priority to improving cash flow and profitability. This ensures financing for the company's continuous development. Long-term supply and purchase agreements help us to achieve a good degree of certainty in our financial planning so that investments can be targeted to our objectives.**

Sustainable growth is our overriding goal. We view this as a Group-wide responsibility. We manage our business in compliance with ecological principles by setting targets for a sustainable Return On Operating Capital Employed (ROOCE) to promote long-term growth. In doing so, we take account of the interests of our stakeholder groups, and of the social, economic and environmental impacts of our business activities.

We have defined the following medium-term targets for the key financial indicators that we regard as central:

- ROOCE (Return On Operating Capital Employed) of 20 percent
- Sales of CHF 1.4 billion

Growth generates the resources needed for investments that will secure our successful market position. We focus our investments on improving production capacity and increasing efficiency.

## Progress and events in the reporting year

### Investment during the crisis

The long-term average for Vetropack's annual investments amounts to about ten percent of sales. Crisis-related events influenced Vetropack's investment behaviour during the last three years. In the first year of the pandemic, and especially at the outset, we invested somewhat cautiously on account of the major uncertainties. Then in 2021, investments reached the record level of CHF 119.2 million. This was based on our conviction that companies which show strength and continue to pursue their strategy in such situations will be able to gain an innovative lead and generate market edge from them. In line with this thinking, above-average investments were also planned for 2022. Total investments in 2022 ultimately amounted to CHF 194.6 million – another record figure.

The largest investments during the reporting year were made in Italy. Vetropack accords the highest priority to the greenfield project in Boffalora which, at over CHF 400 million, is the largest investment ever made in the company's history. Next to Austria, Italy is Vetropack's largest market: this is why Italy is of central importance, and why it plays a dominant role in our strategy. The high-quality specialities to be produced in our new plant will open up access to new markets for us. Commissioning of the plant is planned in the second quarter of 2023. Start-up is now scheduled slightly later than the originally planned date, due to delays in construction material supply chains. Additional costs must also be expected because of the extended project duration and dramatic increases in prices of raw materials and energy. Nevertheless, we are convinced that we can recoup this additional financial burden in the medium term thanks to the new plant. It will incorporate a highly efficient, cutting-edge production facility that will open up additional opportunities for growth in the Italian market as well as in neighbouring countries.

#### Chapter environment



Slovakia was another focus of our investment activities in 2022. We invested substantial resources in the reconstruction of the recycling line at our existing plant in Nemšová. The reconstruction aimed not only to increase capacity for separating out valuable white glass, but also to maximise the yield of used white glass. To achieve these goals, we invested in an additional sorting unit to clean the white glass and separate out any remaining glass-ceramic and leaded glass. The plant has now increased its processing capacity by 50 percent, thus saving about 4,100 metric tons of raw material and reducing procurement costs by a corresponding amount.

#### Chapter environment



We are also continuing to invest in the digitalisation of our production and processes, because ongoing development of information technology (IT) combined with the digitalisation of business processes are essential elements of the Vetropack Group's Strategy 2030.

#### Chapter digitalisation and automation



### Market position in 2022 – the crisis year

Although production capacity in our Ukraine plant was lost due to the war, Vetropack achieved sales growth of over 10 percent in the reporting year as compared to the prior year. Profits decreased to CHF 40.7 million. At best, this development allows conclusions to be drawn about the short-term impact of the Ukraine war and the energy crisis on our 2022 business result. However, the strategically critical factors for us are the medium-term effects on the company's growth and market position.

While rising energy costs are affecting the entire industry, the Ukraine war is impacting us more severely than any other glass manufacturer. The closure and long-term unavailability of our plant in Gostomel near Kyiv due to the war have not only led to lost sales and a significant value adjustment; these developments also had the potential to jeopardise our sustainable growth target and our market position. For example, we lost sales because products normally coming from Ukraine could not be manufactured at another site outside Ukraine (or could only be manufactured there with major delays), and also because our customers in Ukraine were forced to cease or massively scale down their operations. Thanks to good planning, we were partially able to compensate for these sales losses with the result that we shall be able to maintain our market position in the medium term. It would be technically possible for us to resume partial operation of two of the three furnaces in the Ukraine plant in 2023. However, this requires clear de-escalation of the warlike acts as well as stable supplies of operating materials and energy for the plant. As things stand today, these conditions have not yet been met.

#### Report of the Board of Directors



### Energy problem is affecting the entire industry

Market positions are not merely an outcome of individual corporate strategies nowadays; to some extent, they also reflect how individual companies are impacted by various influencing factors. During the year under review, the entire glass production industry had to struggle with the problem of rising prices, caused largely by soaring and volatile energy prices.

This presented a crisis management task – and to accomplish it, we set up a Pricing Task Force in the reporting year. It comprises several departments: Finances, Group Sales, Local Sales, Supply Chain Management, and Legal. The Task Force focused on all the aspects relevant to pricing policy, with the goal of keeping Vetropack on course for sustainable growth.

Although our entire industry is impacted by rising costs, we also believe that there is potential in the approach we take to this challenge in relation to our customers. This is why we felt that it was important to be transparent when passing the price increase on to our customers.

[Chapter multi-supplier strategy](#)



### Developing potential in Chişinău

One key element in the future development of our market position is the plant in the Republic of Moldova. Its acquisition was already completed at the end of 2020, followed by gradual integration into the Vetropack Group and our processes. In 2021, we renovated and expanded the capacity of one of the two furnaces at the Chişinău site, each of which has three production lines.

Vetropack Chişinău manufactures an extensive product portfolio of glass packaging for the beverage and food industry. Its products include glass bottles of various shapes that perform many different functions, as well as wide-neck jars. They are sold not only to the growing domestic market but also to over 20 export markets. About 60 percent of local production is exported to regional markets, with the vast majority going to Romania. From Chişinău, we were also able to compensate for some of the shortfall in Ukraine within a short period, thus protecting our market position and earnings.

[Vetrotime article: «Integration course successful – new Vetropack site» \(Vetrotime 01.2022\)](#)



### Joint development with key customers

A company's market position is essentially the result of its relationships with its customers. This knowledge prompted Vetropack to launch its Strategic Account Programme in 2021. The programme comprises data analysis, teams with special responsibilities, and premium services for selected major customers of particular importance for Vetropack's market position. Five key customers were enrolled in our Strategic Account Programme during the year under review; next year, we plan to expand the concept and serve 20 major customers in this way.

[Chapter customer-specific products](#)



## Disclosure

### GRI 201: Economic Performance 2016

201-1 Direct economic value generated and distributed

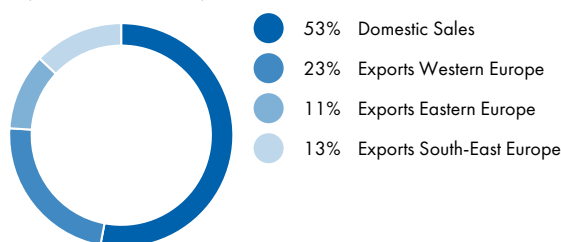
## Key figures 2022

		+/-	2022	2021
Net Sales	CHF millions	10.2%	899.4	816.5
EBIT	CHF millions	9.2%	89.1	81.6
Consolidated Profit	CHF millions	- 36.2%	40.7	63.8
Cash Flow*	CHF millions	- 7.7%	142.2	154.1
Investments	CHF millions	63.3%	194.6	119.2
Production	1 000 metric tons	- 7.7%	1 503	1 629
Unit Sales	billion units	- 10.6%	5.26	5.88
Exports (in unit terms)	%	-	47.2	45.5
Workforce	FTE	- 8.6%	3 561	3 896

\* operating cash flow before change of net working capital

### Sales by markets 2022

(total 5.26 billion units)



Key figures in the Financial Report 2022



## Compliance

**One of our fundamental principles is ethical and legally compliant conduct which prohibits practices such as bribery, corruption and discrimination, amongst others. This is essential in order to secure the trust of customers, suppliers and authorities. Vetropack regards it as axiomatic to comply with all applicable laws, regulations and industry standards, and to respond immediately if any deviations are identified.**

Compliance with legal regulations and international standards – in respect of human rights, for example – is fundamental in order to secure the trust of international key customers in the beverage and food industry, and is therefore a prerequisite for Vetropack's long-term success. We also regard ourselves as both able and obliged to set an example of ethical and fair conduct so that we can exert a positive influence on our own industrial sector.

In order to embed an awareness of fair business practices in our corporate culture, we rely on binding policies as well as regular training and awareness-raising measures as appropriate to the various levels and topics.



## Code of Conduct

The basis is the Code of Conduct, applicable to all employees of the Vetropack Group, which enshrines the values of integrity, reliability, transparency, responsibility, safety and security, and leadership both in terms of quality and anticipation of changes. Employees in key positions receive more extensive guidelines on interacting with competitors and on implementing the anti-corruption policies. Moreover, decision-makers receive in-depth briefings on corporate ethics, including discussions on the topics of combating corruption, bribery and discrimination.

## Environmental, social and human rights concerns

Vetropack is aware of the responsibility it bears for the upstream stages of the value chain, so our Supplier Code of Conduct defines the core principles of sustainable procurement. These contractual conditions are agreed with every new supplier, and also with a growing number of existing suppliers. Acceptance of the Supplier Code of Conduct is mandatory; it usually has to be signed unless a supplier can prove that its own code of conduct – which must be at least equivalent to our own – is already in place. Moreover, the contract explicitly incorporates clauses regarding environmental protection, working conditions and compliance with human rights if relevant goods or services are involved. Rather than merely relying on agreements, we also conduct regular on-site audits of environmental and social risks at our suppliers' premises. In addition, we regularly assess whether suppliers are adhering to the Supplier Code.

## Conflict minerals

We also review our supply chain in respect of risks involving conflict minerals: our aims here are to minimise these risks and ensure compliance with the applicable regulations relating to conflict minerals.

## Data privacy and data security

In respect of data privacy and data security, we comply with the principles of the EU General Data Protection Regulation (GDPR), and we implement the necessary updates on a continuous basis in accordance with legislation. We have responded to the global increase in cyber attacks by continuously introducing technical measures to improve information security, including more secure solutions for suppliers. For example, we have remodelled our network architecture and established new solutions for external connections and our external security rating. These and other measures are leading to a significant improvement in our security rating.

## Whistleblowing

We have a [whistleblowing system](#) in place that can be used to report any suspicions of anti-competitive behaviour. The local Compliance Coordinator, the management, the Compliance and Legal Department ([compliance@vetropack.com](mailto:compliance@vetropack.com)) or the CEO of the Vetropack Group can also be informed in case of such breaches. We urge all employees to report suspected cases, while bearing proportionality in mind. At Vetropack, awareness of conduct in compliance with regulations is deeply entrenched throughout the company.

## Guidelines, policies, supervisory and control instruments

- Code of Conduct
- Business Ethics Policy (BEP)
- Antitrust Policy
- Provisions on accepting and giving gifts and invitations
- [Supplier Code of Conduct](#) to ensure respect of human rights in the value chain
- [Vendor Self-Assessment \(VSA\)](#)
- Sedex Members Ethical Trade Audit (SMETA)
- Regular internal inspections (e.g. in the Accounting and Purchasing areas) to reduce the risks of corruption and bribery
- Internal training courses to prevent anti-competitive conduct
- [SpeakUp hotline](#)

## Progress and events in the reporting year

- Sedex Members Ethical Trade Audits (SMETA) were conducted at these sites: Vetropack Nemšová s.r.o., Nemšová (SK), Vetropack Moravia Glass, Kyjov (CZ), Vetropack Austria GmbH, Pöchlarn and Kremsmünster (AT), VPA
- Improved procedures for collaboration with the subsidiaries on compliance
- Ongoing development of local Data Protection Coordinators

## Disclosures

### GRI 2: General Disclosures 2021

#### 2-16 Communication of critical concerns

Via the [SpeakUp](#) hotline

#### 2-26 Mechanisms for seeking advice and raising concerns

Via the [SpeakUp](#) hotline

#### 2-27 Compliance with laws and regulations

During the reporting period, there were no breaches of the law that could have led to significant fines or non-monetary sanctions.

### GRI 205: Anti-corruption 2016

#### 205-2 Communication and training about anti-corruption policies and procedures

Employees and suppliers are briefed regularly on our anti-corruption policies. These measures and procedures are primarily based on the Vetropack Group's Business Ethics Policy (BEP).

### GRI 206: Anti-competitive Behavior 2016

#### 206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices

There were no legal actions on account of anti-competitive behaviour, anti-trust or monopoly practices in 2022.

### GRI 408: Child Labor 2016

#### 408-1 Operations and suppliers at significant risk for incidents of child labor

Vetropack is not aware of any operations or suppliers at risk for incidents of child labour.

### GRI 409: Forced or Compulsory Labor 2016

#### 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor

Vetropack is not aware of any operations or suppliers at risk for incidents of forced or compulsory labour.

# Innovation and intellectual property

We work continuously to optimise the traditional craftsmanship involved in glass production. By doing so, we aim to meet our customers' requirements by developing innovative, environment-friendly products and services of high quality, thus ensuring long-term business success. In our Strategy 2030, we defined this approach as "Drive innovation" – one of the five strategic thrusts that will shape our evolution.

## Innovation strategy and portfolio

**With our Strategy 2030, we are underscoring the highly relevant part that innovation plays in our company. As well as focusing on product development, our open innovation strategy aims to achieve holistic and ongoing development of container glass production along the value chain. A combined approach will lead us to this goal: as we introduce innovations throughout our manufacturing processes and technologies, we will also take advantage of new digital marketing and sales channels, improve our planning processes, and optimise our organisation.**

We intend to step up our efforts to foster innovation throughout the Group. Our Technology and Production division is tasked with realising this ambition. This division is responsible not only for supporting production in our plants, but also for developing processes and technology across the entire Group. Knowing that this requires an approach geared as precisely as possible to the objectives, we have subdivided this area into three organisational units, each with clearly demarcated responsibilities:

- The Technology and Projects unit focuses on technological developments both within and outside the Group. The applied technologies are used to implement production processes across the entire Vetropack Group, with the focus on three key issues: digitalisation, innovation and sustainability. We examine known and proven technologies in the relevant fields to assess their suitability for Vetropack – and where appropriate, we introduce them into our company.
- The Performance unit is responsible for our production processes. Attention here is focused on analysing the processes, standardising and consistently optimising Vetropack's process landscape, and on benchmarking both within and outside the Group so as to improve operative performance. We make regular use of continuous improvement (CIP) tools such as Lean and Six Sigma in this context.
- The Innovation unit develops the processes and products of the future. The Innovation Centre inaugurated at our site in Pöchlarn (Austria) in 2020 was integrated into the organisation of the Technology and Production division as from January 2022. Research at the Innovation Centre focuses on process and product development as well as digitalisation.



### **The furnace of the future**

Very high temperatures – and therefore large quantities of energy – are needed to manufacture packaging glass from sand, soda, dolomite, lime and other raw materials. The furnaces used for this purpose are usually heated with natural gas. Optimising conventional technology will not be enough on its own to make our production greener (and more economical, given the high level of energy prices): we also need innovative concepts for the "furnace of the future". All our Technology and Production units are playing their part in reducing our CO<sub>2</sub> footprint and minimising the energy consumed by our production operations.

In our Technology and Projects unit, we are currently driving technological development ahead towards the goals of lower energy consumption and the replacement of natural gas with electrical energy, using systems already available on the market. By selecting and investing in appropriate technologies, our near-term objective is to lower the energy consumed by our melting processes and reduce the CO<sub>2</sub> footprint of our production. Using regenerative energies instead of fossil fuels should cut CO<sub>2</sub> emissions by up to 20 percent going forward. To this end, we are examining technologies such as alternative furnace concepts (e.g. hybrid oxy-fuel furnaces) or pre-heating of raw materials.

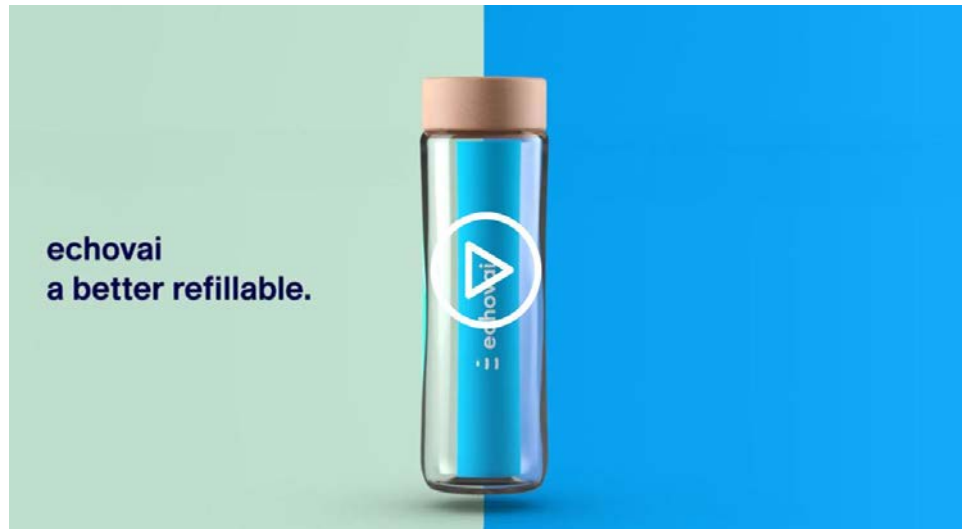
Our Performance unit is working on issues such as yield optimisation, combustion processes and use of raw materials to reduce energy consumption and the carbon footprint. Best practices from individual Vetropack plants are integrated into Group standards and applied at other sites.

The concepts for the future are being developed in our Innovation unit, which also coordinates Vetropack's active participation in various international initiatives. These include the "Furnaces of the Future" project launched by FEVE (the European Container Glass Federation) and "Zero CO<sub>2</sub>" in collaboration with the IPGR (International Partners in Glass Research) network and RWTH Aachen University (Germany). Key topics in research work include innovative furnace concepts and the use of CO<sub>2</sub>-free raw materials. Intensive work is also under way on digitalisation of the entire value stream in the context of a Smart Factory approach.

## **Progress and events in the reporting year**

### **Second phase of market launch for Echovai returnable lightweight glass**

Studies have proven that returnable containers made of glass number among the most sustainable and environment-friendly types of packaging. In the past, glass bottles were viewed as having only two weak points: their weight, and their resilience. We are the first glass packaging manufacturer in the world to develop a solution that significantly improves these aspects: its name is Echovai. This is an exceptionally stable type of lightweight glass bottle that is also very economical on materials. It is up to 30 percent lighter than a conventional returnable bottle – but at the same time, it is more resistant to abrasion.



Echovai needed about ten years of development work at the Vetropack Innovation Centre. As yet, these stable lightweight glass containers are only being produced at our plant in Pöchlarn, Austria. In the last three years (phase 1), millions of the bottles were successfully sold and refilled by our pilot customer, the Mohrenbrauerei brewery. Exhaustive tests have confirmed the extended lifetime and durability of the Echovai bottles. We are now about to embark on phase 2, when selected new projects will indicate which additional Vetropack plants need to be made ready for Echovai production, and how this is to be achieved: an essential requirement so we can meet demand for Echovai bottles throughout Europe. This will be followed by a third phase involving discussions about possible licensing of the technology and our know-how to third parties as the key to wide-scale introduction of Echovai on the market.

[Media release: «Echovai by Vetropack: world's first returnable bottles made of thermally tempered lightweight glass»](#)



### **Processing our own cullet as a future competitive edge**

Increasing the share of cullet in our production ranks as one of our most important objectives. This is prompting us to drive relevant projects ahead at various sites.

[Chapter circular economy and resource efficiency](#)



We have already made targeted investments to improve internal cullet processing at various plants. These past projects led to a significant increase in the share of cullet at the relevant plants – over 85 percent in some cases. Investment in a new cullet processing plant is currently under review in Croatia. Initial funding for a technical feasibility study has been approved in the investment plan, and market studies on procuring the raw materials are being undertaken. The goal is to develop state-of-the-art plant technology that can be used as a blueprint for all subsequent projects of this sort.

### Italian plant features cutting-edge technology

We are investing over CHF 400 million in our new plant in Italy. This new high-tech facility offers greater production flexibility combined with higher capacities and a focus on sustainable processes. We are investing in high-performance smart technologies that will make production more flexible, individual and resource-efficient. All the glass production processes are based on the Vetropack Group's expertise, and they incorporate cutting-edge technology. The plant and equipment for this purpose were jointly selected and procured by the project team and the Technology and Projects team during the year under review. In 2023, the focus will shift to commissioning.

Media release: «Vetropack builds new facility in Italy: more modern plant and more sustainability» →

### «Know your bottle»

Glass is an exceptional material. It can be melted down time after time, with no loss of quality. A returnable glass bottle can be re-used as many as 50 times before it needs to be melted down again. Inspection and cleaning between the cycles are particularly complex and time-consuming stages of this loop. Traceability of each single bottle can make it easier to keep track of the bottles. We see potential here for the use of data matrix codes engraved onto the bottles. All possible information about the bottle can then be stored in this code – including where and how often it was filled.

### Developing «Dry Glass Forming» as an industrial application

Mould lubrication is a fundamental step in the production of glass. Products known as mould release agents are used to improve separation of the glass from the mould material. Mineral oil-based lubricants are used for this purpose. Each year, we need about 54 metric tons of these products: they have to be applied at regular intervals, either manually or by a robot. Seeking out alternative solutions therefore makes sense in terms of ecology as well as efficiency. Furthermore, application of the mould release agent can generate smoke and harmful vapours, or may involve injuries to employees.

Since 2021, we have been working on a new technology for coating the moulds used in glass production that removes the need for lubrication. According to preliminary tests, the coated moulds developed by the Innovation Centre can perform their function for several days without lubrication. After this, a new coating is applied again in the workshop. This completely eliminates the process of lubrication.

Together with Montanuniversität Leoben (Austria) and International Partners in Glass Research at RWTH Aachen University (Germany), the team is focusing on bringing the mould coating process to industrial maturity. The goal: to make glass production safer, more sustainable, and more efficient.

### Introducing regular performance tests

We see that systematic data analysis harbours significant potential for optimising our production processes – but in many locations, we are still only in the initial stages of implementing it. We launched performance reviews on a wide scale during the year under review. Our goal here is to gain an overview of the technological status of our plants and an understanding of the central production processes. On this basis, we will move on to the next step of establishing process standards and defining and measuring KPIs: this will allow us to target our future investments more accurately. But even in the first months of data analysis, it is already clear that specific potential for optimisation is being revealed.

## Manufacturing process innovation with suppliers

**Boosting efficiency in the glass production process, organisational improvements and even product development – in virtually every area of strategic innovation, we are reliant on collaboration with our suppliers. Their efforts to step up digitalisation are also supporting similar processes at Vetropack.**

As part of the innovation strategy, we also encourage innovations by suppliers, customers and international research associations: for example, through our collaboration with the IPGR (International Partners in Glass Research) association.

Our CEO gives his backing to the innovation strategy as an integral element of Vetropack's overall strategy. He is supported in this regard by the CTO, who focuses particularly on driving process innovations ahead with suppliers. Industry 4.0 is our declared objective in the world of digital innovation. Interconnected industrial production will be achieved with the help of cutting-edge information and communication technology. Intelligent, digitally networked systems provide the technical basis for realising this ambition. Networking should make it possible to optimise an entire value chain, rather than just one production step as at present. What is more: the network should include all phases of the product's lifecycle – from the initial product idea, its development, production, use and maintenance all the way through to recycling.

### Progress and events in the reporting year

Specific innovations during the year under review are described in our reporting on the material topic [Innovation strategy and portfolio](#).



# Production and products

## Sustainable product solutions

**Sustainable consumption is gaining importance in all areas. Particularly in the case of consumer products, consumers are paying a great deal of attention to packaging. The topic is correspondingly important for our customers. We strive to provide sustainable product solutions by offering all-round sustainable glass packaging. In this context, we see sustainable product solutions as the sum of all our efforts towards sustainability – in our own operations as well as in the upstream and downstream value chain.**

Packaging is one aspect that is attracting much attention in the context of sustainability, given that packaging numbers among the triggers of resource and waste problems. Quite often, however, the focus on packaging aspects is at odds with the effective share of packaging in the environmental impact of the product as a whole. Be that as it may, consumers are becoming much more attentive to the packaging of the products they consume – and regulations in this area are also on the increase. This consumer demand for products with sustainable packaging is passed on to us via our customers, such as food and beverage producers. So that we can meet this need, we are reducing our greenhouse gas (GHG) emissions, increasing the share of cullet (recycled glass) in our production, lightweighting our glass packaging, and offering more refillable bottles. We are also contributing to an industry-wide transformation by participating in various research projects on new technologies that can be utilised to minimise GHG emissions in glass production. To take two examples: Vetropack is a member of the International Partners in Glass Research (IPGR) association, and we can also provide sound data on the environmental impact of our products according to the specifications of the European Container Glass Federation (FEVE).

[Website International Partners in Glass Research \(IPGR\)](#)



[Website The European Container Glass Federation \(FEVE\)](#)



Glass containers can be refilled multiple times, and glass itself is infinitely recyclable. Thanks to these attributes, we are convinced that – with our products – we can encourage sustainable consumption patterns in line with the UN's Sustainable Development Goal (SDG) 12: "Responsible Consumption and Production".

### Transparent practices

Our customers increasingly require information about the environmental footprint of the glass packaging they use. We want to meet this need with communication and transparency. We see it as important to provide correct evidence of our progress in limiting our negative impacts, and to ensure that they are properly communicated to our customers. For these purposes, we review the attainment of our environmental goals according to various indicators for which annual targets are defined. These indicators include data on energy consumption, greenhouse gas emissions, water consumption, and waste production. We evaluate our environmental management activities by conducting internal inspections and audits; where legally applicable, inspections are also undertaken by certified external institutions.

## Sustainability along the entire value chain

Sustainable products represent the sum total of all our sustainability efforts – not only in our own operations, but also in the upstream and downstream value chain. You can find detailed information in the reporting on our material topics, each of which describes an element of sustainable business activity.

[Chapter energy efficiency and lower GHG emissions](#)



[Chapter circular economy and resource efficiency](#)



[Chapter compliance](#)



## Progress and events in the reporting year

### Echovai: pioneering glass technology

«Clearly Sustainable» is the strategic thrust that spearheads our Strategy 2030. We aim to position ourselves as an industry-wide leader in environment-friendly production. To achieve this objective, we intend to boost the share of cullet in our production to 70 percent and also to introduce lighter refillable glass containers to conserve natural resources: we are already advancing towards this goal with our Echovai solution, the world's first returnable bottle made from tempered glass. Echovai is an exceptionally robust type of glass bottle that is also very economical on materials; it is up to 30 percent lighter than a conventional returnable bottle, and is also more resistant to abrasion. These advantages ultimately result in higher circulation rates that reduce the logistics effort and CO2 emissions per bottle. A first pilot of the product with Mohrenbrauerei, the Austrian brewery, has confirmed the practicality and future viability of this product concept.

[More about Echovai](#)



## Continuous quality improvement along the value chain

**Continuous improvement of processes along the value chain is a core element of Vetropack's corporate philosophy, and one of the five strategic thrusts outlined in our Strategy 2030. Driven by the "Leader in Quality" vision, we aspire to meet rising customer expectations, increase our production efficiency, and secure long-term competitive advantage. We are pursuing these goals against the backdrop of growing consumer interest in sustainable products which, in turn, is increasingly causing our customers to prioritise the issue of sustainability. We respond by endeavouring to meet the demand for sustainable packaging solutions backed by transparent information about their environmental footprint.**

We strive for comprehensive, continuous improvement of our products. Ensuring product quality always has top priority in this context but, going beyond this, we are also optimising all the processes along our value chain. This is essential if we are to satisfy our customers' increasing requirements and constantly boost our efficiency.

As well as positively impacting our products, however, continuous quality improvement along the value chain can also have a positive influence on occupational safety and reduce environmental pollution. Seen in this light, improvements of this sort contribute actively to sustainable industrialisation in keeping with the UN's Sustainable Development Goal (SDG) 9: Industries, Innovation and Infrastructure.

### Quality enhancement task force

Our management team is responsible for continuous quality improvement – with support from the entire workforce to accomplish this mission. Implementation is facilitated by the lean management approach in line with the Six Sigma model, which is well established at our plants. In keeping with our “Leader in Quality” strategic thrust, a cross-sectoral specialist group – Technical Performance, Technology and Quality – is responsible for enhancing quality (and therefore product quality). However, several internal specialist groups at various facilities also work on projects to promote occupational safety, environmental protection, and quality assurance.

## Progress and events in the reporting year

### Step-by-step rollout of our lean management approach

In order to minimise waste and propel continuous improvements, we have introduced a lean approach to quality management: the «Vetropack Production System» (VPPS). The rollout of VPPS has already led to adjustments in project positions and project assignments. For example, Lean engineers have already been recruited in several plants. The reorganised Technology and Production division coordinates ongoing improvement activities such as Lean and Six Sigma at Group level.

### Additional resources for performance projects

To encourage a more uniform approach to performance projects throughout the Group, we have created a dedicated position for this purpose in the Performance division. This will allow us to step up knowledge exchange across the boundaries of our organisational units.

### Improved defect detection thanks to higher-performance testing equipment

In the 2022 reporting year, we replaced testing devices – for example at our facility in Trezzano (Italy) – with alternatives that deliver higher performance and enable better detection of defects.

### Improved traceability

To improve traceability, we made further investments in laser marking machines in our plants at Pöchlarn (Austria) and Hum na Sutli (Croatia).

## Digitalisation and automation

**«Drive Innovation» is one of the five strategic thrusts in our Strategy 2030. We intend to exploit the opportunities offered by new technologies to continue developing our processes, and we aim to achieve efficiency gains by implementing automation solutions. Developments along these lines are entirely in keeping with sustainable business development.**

Ongoing development of information technology combined with the digitalisation of business processes are essential elements of our Strategy 2030. Automation and digitalisation are crucially important issues for us as we continue to develop our production operations and the related upstream and downstream processes. Digitalisation of our entire business processes opens up the possibility of processing the acquired data rapidly and transparently. This puts us in a position to evaluate or optimise process flows – or even to redesign them completely. Intelligent automation concepts allow us to generate and evaluate data in real time – including data from production processes in particular.

We aim to make consistent use of the opportunities afforded by digitalisation and automation so as to boost quality and productivity while cutting our costs. This approach yields even more advantages: employees are relieved of routine activities and physically demanding work, occupational safety is enhanced, and efficient data exchange with suppliers and customers is guaranteed.

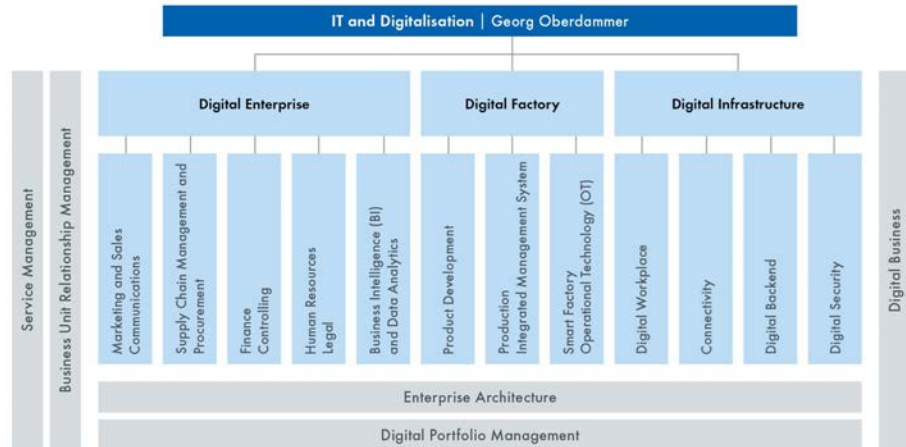
Responsibility for driving digitalisation and automation projects ahead is assigned to the Heads of Finance, Controlling, Procurement and Sales, together with the Head of Technology & Production in collaboration with IT. We are realising potential for process optimisations by launching investment projects in those cases where an adequate return on investment (ROI) can be expected. Key factors in successful implementation are Group-wide harmonisation of work and process flows in conjunction with continuous basic and advanced training of employees whose requirement profiles change substantially due to digitalisation.

The gains we expect from our automation and digitalisation efforts are not limited to a medium-to-long-term contribution towards securing our market position and business success: we also anticipate direct improvements to production. By defining specific performance indicators closely linked to our production and our customers, and by assessing and reporting on them at regular intervals, we can evaluate the performance of our plants and central functions in relation to internal and external competition; this enables us to intervene as necessary to exercise control. Relevant indicators to assess our process efficiency include the customer complaint rate, the customer satisfaction level, production losses, critical defects identified internally, and the occupational accident rate.

## Progress and events in the reporting year

### Realignment of our own business processes

During the year under review, our principal focus has been on the realignment of our own business processes. To drive this initiative ahead, we established three units to advance digitalisation at Vetropack, with effect from May 2022: Digital Enterprise addresses office-related functions; Digital Factory brings together the IT functions for production-related processes; and Digital Infrastructure combines the processes linked to digitalisation and IT. We have also appointed IT Product Managers for each business process and some additional central functions. The Product Managers collaborate closely with the specialist areas.



### Introduction of Group-wide «performance reviews»

To optimise our production processes and control investments in line with our goals, we have introduced regular "performance reviews" with the plants. Based on key technical indicators that are defined and standardised throughout the Group, we evaluate the performance of our production plants and develop action plans to improve operative performance in collaboration with the plants. With the help of these key figures, we are able to single out differences between the various plants' production processes and identify «best in class» processes. Standardisation of production processes following the identification of these «best in class» processes plays a particularly important part here. The aim is to combine the technical improvement measures in one Group-wide «Performance Improvement Programme» that will transfer improvements in our production processes onto the Group's balance sheet. In future years, the cost savings identified by the «Performance Improvement Programme» will become a fixed component of the budgeting process for the plants.

### MES project redimensioned

In 2021, we decided to introduce a Manufacturing Execution System (MES) that would harmonise our production data across all facilities, thus ensuring comparability of the data. As a consequence of the crisis-related events in Ukraine during the reporting year, it was decided that only some elements of an MES would be implemented as the first step, in the form of pilot projects.

## Customer-specific products

**We aim to create added value and firmly establish our brands by offering our customers glass packaging that is innovative, distinctive, and sustainable. Ensuring a high level of customer satisfaction is crucial if we are to maintain our leading position in our European core markets and achieve steady, profitable growth.**

Packaging gives the food and beverage industry a way of differentiating its products to consumers. By offering innovative glass packaging that is both distinctive and sustainable, we support our customers with their product design. The success of these efforts must be reflected in a high level of customer satisfaction – because this is the key to constant, profitable growth. Our sales team is responsible for developing a customer-oriented sales and marketing strategy that will achieve this aim. Information needed for this purpose is acquired from market research and daily interaction with customers, and also from regular customer surveys: one key finding from these sources is that many of our customers attach growing importance to ecological issues. For us, offering customer-oriented products therefore means that we must provide products that include a contribution to more responsible consumption and sustainable production. In this respect, we – and our customers – are supporting the objectives of UN Sustainable Development Goal 12: "Ensure sustainable consumption and production patterns".

### Product innovation

We are convinced that joint development of new products through collaboration with our customers is one of the keys to long-term success. As well as allowing products to be adapted to specific customer needs, this approach enables both parties to improve their skills and know-how on a mutual basis. In doing so, we do not focus exclusively on the development of new products. With a view to our long-term success, the comprehensive improvement of the product mix is a strategic focus for us. If possible, we develop low-margin products until they become economically viable. Ongoing development work of this kind can be undertaken in collaboration with customers so as to improve value creation for both parties.

## Progress and events in the reporting year

### Product presentation at fairs and exhibitions

Drinktec is the world's largest trade fair for the beverage and liquid food industry. It takes place every four years – most recently in September 2022. Our presence there offered a good opportunity to present our Echovai innovation and – at long last – to make face-to-face contact with customers again.



### «Proof of Concept» with Mohrenbrauerei

We have high expectations for our innovative Echovai product. The pilot project with the Mohrenbrauerei brewery of Vorarlberg (Austria) is now delivering impressive proof of the sustainability of tempered lightweight glass.

Over the past three years, millions of these bottles have been delivered to Mohrenbrauerei, the pilot customer. Following extensive testing and after the Echovai bottles have already been reused twelve times, Mohrenbrauerei gives them an excellent report card – especially in terms of sustainability. Not only are the new bottles more robust: they also reduce logistics effort and costs, so CO<sub>2</sub> emissions per bottle are substantially lower. Even though the Echovai bottles have been reused as many as twelve times, their contact surfaces are still showing virtually no signs of wear. Many of these bottles can still be classified in 'as new' condition – which would no longer be the case for standard bottles after so many filling cycles.

The Echovai project can now move into its second phase for us: this involves exploring which additional Vetropack plants are suitable for Echovai production, and how they can be made ready for this purpose as quickly as possible. Because: we anticipate a rapid rise in demand. Then in the third phase of the project, the aim is to share the technology and know-how with third parties.

### Customer survey postponed

Due to rapid inflation and supply disruptions caused by the war in Ukraine, we had to postpone the customer satisfaction survey planned for the reporting year until next year.

# Employees

Vetropack's long-term success depends largely on its employees. It is they who make the critical difference between us and our competitors. Given that the shortage of skilled professionals is becoming more acute, human resource management is set to become an even more important factor going forward. This is prompting us to strengthen our employer brand in keeping with our strategic thrust – «Employer of Choice» – both within and outside our own industry. In this context, we view our «learning organisation» culture as a significant advantage. This is a culture that encourages employees to continue developing themselves, their context and environment, and their area of responsibility so as to generate value in multiple ways, both for each individual and for the company as a whole. The cornerstones of this culture are safe and healthy workplaces, fair employment conditions, and mutual respect.

## Progress and events in the reporting year

### Strengthening our employer brand through communication

We took major steps to ramp up communication of our employer brand in 2022. Vetropack's brand as an employer has gained overall visibility and our presence on social media is looking strong. As the outcome of these efforts, we are receiving higher numbers of applications whenever job advertisements are posted.

[Vetropack's LinkedIn channel](#)



### Employees as recruiters

In the year under review, we launched a pilot project for an employee recommendation programme in Italy. Our employees there are actively taking on the role of ambassadors for Vetropack as an employer. If applicants are hired and complete their probationary period successfully, the employees who recommended them receive a bonus. The result: recommendations by our employees accounted for over 20 percent of new hires.

## Key indicators employees

<b>Composition of the workforce (at year-end)</b>	<b>2022</b>	<b>in%</b>	<b>2021</b>	<b>in%</b>
Number of employees in full-time equivalents (excl. apprentices, interns, trainees, contract workers, temporary workers)	3 598		3 524	
Total number of employees (excl. apprentices, interns, trainees, contract workers, temporary workers) <sup>1)</sup>	3 626		3 562	
Apprentices	37		42	
Interns	–		N/A	
Trainees	55		N/A	
Contract/temporary workers	87		N/A	
<b>Permanent employees by employment type</b>				
Full time (excl. apprentices, interns, trainees, contract workers, temporary workers)	3 490	96%	3 474	98%
Women	796		771	
Men	2 694		2 703	
Part time (excl. apprentices, interns, trainees, contract workers, temporary workers)	136	4%	88	2%
Women	92		65	
Men	44		23	
<b>Total workforce by gender</b>				
Number of employees (excl. apprentices, interns, trainees, contract workers, temporary workers)	3 626		3 562	
Women	888	24%	838	24%
Men	2 738	76%	2 724	76%

<sup>1)</sup> Workforce data in 2021 was not including Chisinau, and in 2022 Vetropack was forced to cut jobs in Ukraine due to the war situation and damages at the plant

## Disclosures

### GRI 2: General Disclosures 2021

2-7 Employees

Key indicators employees



### GRI 401: Employment 2016

401-1 New employee hires and employee turnover

Key indicators employees



401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees

We adhere to the provisions of labour law and take account of customary remuneration practices in each country. In general, no significant benefits are provided to full-time employees that are not offered to part-time employees as well.



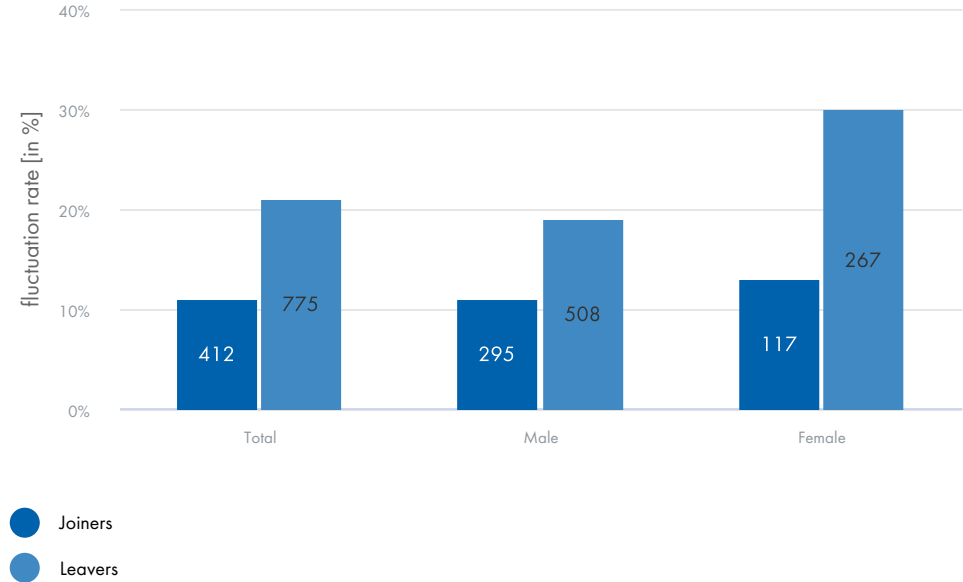
## GRI 402: Labour/Management Relations 2016

### 402-1 Minimum notice periods regarding operational changes

Vetropack regards transparent communication as a top priority. All regulatory requirements for notification periods were observed in 2022.

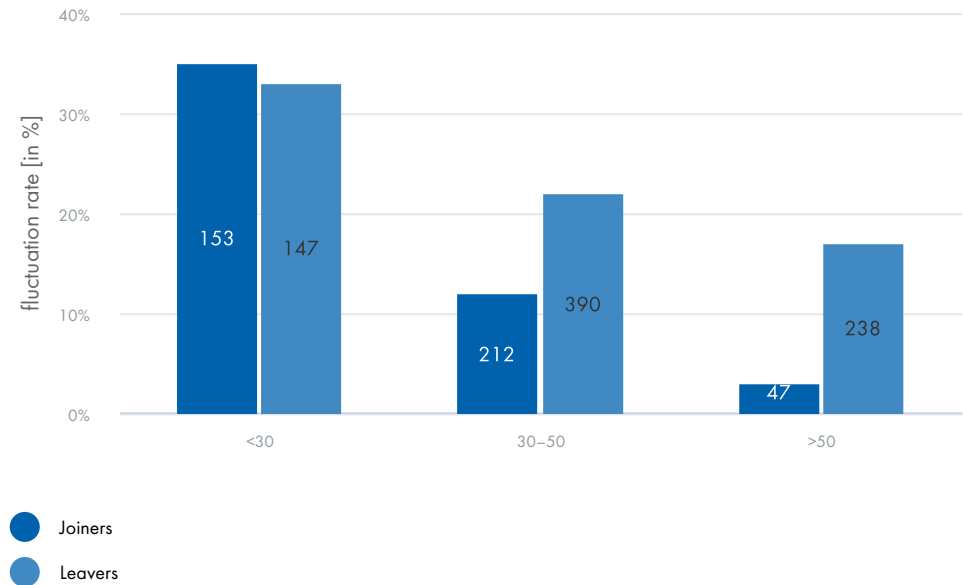
#### Fluctuation by gender

(rates and absolute numbers)



#### Fluctuation by age group

(rates and absolute numbers)



## Talent management

**There is an increasingly competitive landscape for recruiting and retaining talented employees. This makes it essential for Vetropack to identify and develop employees with potential at every level across all areas of activity, and to retain them in our company. To achieve this, we took action by making qualified personnel resources available at Group level, allocating additional financial resources, and updating our processes and tools. We are focusing particular attention on selecting and developing candidates for management positions, because they constitute the foundations of our culture.**

Given the worsening shortage of skilled professionals, we decided to elevate talent management to the strategic level in 2020. We put the first measures into practice in 2021. Consequently, this issue was accorded more importance in terms of organisation, and additional resources were allocated to it by creating three strategic Group functions: "Talent Acquisition", "Training and Development", and "Talent Management". A new process was also defined: the Talent and Organisational Review (TOR) programme, which helps to identify ambitious employees who are eager and willing to advance their personal development. The annual TOR process focuses on the company's top three organisational levels and comprises two parts:

- The Talent Review is where we identify employees who have leadership potential or unique expertise to support the company's strategy. To accelerate the development of our future leaders and equip them better going forward, we have developed a framework programme that offers all participants the opportunity to advance their own careers by providing them with the tools, support and encouragement they need to do so.
- The Organisational Review involves assessing whether our organisation is also sustainable in the long term. We evaluate the organisational structure and review our succession plans. In addition, we proactively seek to identify future needs and what they mean from an organisational perspective. One element of this process is continuous assessment of mission-critical positions within the Group, taking account of HR talent data trends: this provides the basis for the Group to align its strategy and launch initiatives.

Key performance indicators (KPIs) play a critical part in our professional talent management. Examples include talent retention rates, training costs, the percentage of internally filled management positions, and the internal promotion rate: targeted assessment of these indicators is now being implemented.

«SAP SuccessFactors» has been in place since 2021 to provide system-based support for our professional talent management processes. The HR Department has been using this platform for the last two years to manage employee data and recruitment. The «Performance and Goals» and «Succession and Development» modules are now in the implementation phase and will go into productive use for the first time in 2023.

By gradually digitising our processes, progressively reducing paper and bureaucracy, and by making information more transparent and accessible to everyone, we are supporting our strategic pillar: «Employer of Choice».

## Progress and events in the reporting year

### Standardised performance management process introduced

We began to introduce a standardised performance management process in the reporting year. This will provide a more transparent overview of talent development at Vetropack. Implementing the «Performance and Goals» module in SAP SuccessFactors gives managers and employees the ability to set and adjust key goals, appraise performance on a regular basis, and seamlessly create development plans. The objective is to bring more structure, alignment and transparency to the entire performance management process.

### Proactive talent acquisition

Our various sites are adopting different strategies in their active efforts to alleviate the shortage of skilled professionals on the market and present Vetropack as the attractive employer that we actually are. In the Czech Republic, for instance, we organised Open Days for prospective future talents during the year under review. In Italy, we collaborated with the Adecco recruitment agency to stage a Recruiting Day for our new plant, under the patronage of the Commune of Boffalora sopra Ticino. The search for talents covered a wide range of job profiles, including specialists in mechanics and mechatronics as well as electrical and electronics engineers. We are stepping up our involvement at various universities and schools elsewhere to raise awareness of our company, culture, and attractive career opportunities.

## Disclosures

### GRI 404: Training and Education 2016

#### 404-3 Percentage of employees receiving regular performance and career development reviews

We currently have a process in place to conduct performance reviews for all our white-collar workers, who represent around 40 percent of Vetropack's total workforce. We were not able to determine the exact percentage until now, but integration of the "Performance and Goals" module in SAP SuccessFactors will make this possible from 2023 onwards.

## Employee engagement

**Employees' engagement is closely related to their wellbeing at the workplace. Knowing this, we place great value on close relationships with our employees – through communication and dialogue as well as satisfaction surveys and actions derived from them. Our employees recognise and appreciate these continuous efforts, as evidenced by a noticeable increase in their motivation.**

A transparent and open communication culture is a way of expressing appreciation for our employees, and it plays a key part in making them aware of the overarching objectives. This understanding of a shared goal then boosts the sense of belonging, motivation, satisfaction and integrity. Employees who are involved and motivated impact our company in many positive respects. They help to improve efficiency, profitability and quality of work – aspects that have a positive influence on Vetropack's long-term success. Moreover, motivated employees who understand how their work contributes to overall corporate performance are our company's best ambassadors to customers, suppliers and potential employees.

Our communication provides crucial support for our employee engagement. It includes internal communication channels and surveys as well as formats of every kind for dialogue and exchange: employee events are just one example.

## Employee engagement is a management responsibility

All management functions share responsibility for supporting and motivating our employees. Managers are tasked with strengthening employees' loyalty to the company and with identifying and developing talents. The HR Department is putting the Group-wide «Employer of Choice» strategy into practice.

One key element of this strategy is the «Great Place to Work®» certification. Vetropack sees this award as a cornerstone of our efforts to continue enhancing our workplace quality. For this reason, the «Great Place to Work® Trust Index» is one of our most important KPIs and is included in the scorecard Vetropack has developed for our Strategy 2030. The Bülach site already received this award in 2020, and plans are in place for all Vetropack sites to obtain the same certificate going forward.

["Great Place to Work®" website](#)



## Systematic employee satisfaction surveys

Once every three years, we conduct a survey at Group level to determine our employees' satisfaction and get valuable feedback on how we can continuously improve our working culture: the last one was in 2019. We always ask for employees' opinions about our company's strengths and weaknesses. We decided to postpone the employee survey scheduled for 2022 until 2023, due to COVID and the war in Ukraine. The surveys of our organisation for the "Great Place to Work®" certificate have also been deferred for the same reason.

## Progress and events in the reporting year

### Agility Scouts help to breathe life into our corporate culture

A supportive corporate culture is essential for the successes we aim to achieve with our Strategy 2030. Such a culture is generally entrenched in a company's objectives, roles, values, processes and behaviour patterns. We also aim to continue developing our corporate culture to support our evolution as an Employer of Choice. One example of this is the network of «Agility Scouts» that we set up in summer 2022. It comprises 12 employees from different locations and in different functions who are committed to playing their part in shaping Vetropack's corporate culture. Their understanding of their mission is expressed in these words: «For a working culture as transparent, sustainable and natural as our glass.» Their role is literally to «scout out» new approaches and try out new ideas so as to advance our corporate culture.

During 2022, they contributed practical suggestions for improving everyday meetings (both in-person and virtual). They also focused on making the importance of our employees more visible as an element of our strategy, and they had the chance to present and lead a discussion on this topic with all the company's top management at our annual Group Conference in December. The Agility Scouts will move on to address other issues such as feedback culture and job rotation, so practical suggestions on these topics can also be expected.

### Activities for employees

We put our commitment to our employees into practice in many different ways, as evidenced by the various employee events and activities that were organised at different sites in 2022. Examples include: "Bike to work" at Bülach and the «Open Days» in Slovakia and the Czech Republic. As well as fostering a sense of solidarity, these events were aimed at achieving an impact outside the company.

[Vetrotime article: "Bike to work for Ukraine" \(Vetrotime 01-2022, p. 15\)](#)



## Help for employees in Ukraine

The war in Ukraine is having various short- and long-term consequences for Vetropack, but what has touched and motivated us most of all is the personal predicament of all our employees in Ukraine. To bring some degree of stability to the situation – at least on the financial side – our entire workforce in Ukraine continued to receive their salaries until the end of May in the reporting year. In cases where we are no longer able to guarantee jobs, we continued paying the employees additional monthly salaries beyond the legally required period of three months.

It was also impressive to witness the solidarity shown by our international workforce, who became involved in various initiatives to assist their colleagues in Ukraine. Thanks to these efforts, we were able to provide support for many people who were in urgent need of help due to the war. We have set up a foundation to provide targeted assistance. The company doubled donations received from employees up to the end of September 2022. Through this foundation, we intend to continue providing support for employees affected by the war in Ukraine to the best of our ability. It took us longer than originally expected to clarify the legal details involved, but this was necessary in order to establish the foundation. Insofar as feasible, we aim to co-finance reconstruction after the military confrontations have ended. This endeavour also inspired a movement that has united our employees and lent added strength to our sense of community. Many people felt that it was a great honour to be part of an organisation where all of us take time out to help our colleagues, even though many of us are also experiencing difficult and challenging times at present.

News: «Vetropack supports employees in Ukraine» (12.12.2022)



## Knowledge management and learning organisation

**Our employees, their experience, cooperative working culture, know-how and expertise: these are the essential elements that give Vetropack its competitive edge. Knowing this, we endeavour to create optimal overall conditions for a learning organisation so we can continue to develop and strengthen ourselves from within. To this end, we are embedding a mentality of continuous learning throughout the length and breadth of Vetropack: a mindset that will benefit the company and every single employee.**

Know-how is not an abstract concept at Vetropack. We link it directly to every individual employee: with their knowledge about Vetropack and their own areas of expertise, each one represents a unique wheel in the finely-tuned mechanism that keeps our operations running. Seen in this light, our employees' knowledge is a key element of all our internal processes and procedures. Retaining and developing this know-how within the company is essential for our long-term success. This is why we accord such high priority to creating attractive working conditions and development opportunities for our employees. From this year onwards, investments in employee training will be a strategic KPI.

Vetropack's code of values integrates the continuous learning concept directly into the corporate vision. This shows our awareness of the entrepreneurial dimension of ongoing employee development – but we are equally mindful of its importance for every individual employee: for their employability as well as their personal satisfaction. For all these reasons, the goal of being an "Employer of Choice" should also be understood as a contribution towards achieving the UN's Sustainable Development Goal 4: "Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all".

## **Vetropack Training Centre and Vetroademy**

Our extensive learning infrastructure fosters the development of both hard and soft skills for our managers. When it comes to industry-specific expertise, a key part is played by our company's own Training Centre in Pöchlarn, Austria, where valuable know-how is passed on to the next generation of glassmakers. The focus here is on hard skills in glass production. Our Training Centre is a place where our employees have the opportunity to practice and learn with tools and machines. The manufacturing process can be replicated here, but in a controlled and safe environment.

Our Vetroademy training platform, on the other hand, is designed to develop strategically important soft skills. The first Vetroademy programme is aimed at all leaders in Vetropack's HR management organisation. It includes a wide-ranging curriculum embracing strategy, market trends, change management, leadership management and corporate governance. The platform offers modern interactive learning methods to unlock the potential of teams and help them deliver meaningful outcomes not only for their own development but also for Vetropack's sustainable growth. The first pillar of the Vetroademy was developed in 2020 and launched in 2021.

## **Performance appraisals as a component of professional leadership**

A performance appraisal is a systematic and regular process that measures an employee's work performance against the established requirements of their job. It offers an excellent opportunity for managers and employees to align their priorities and expectations, and to define how an employee can contribute to the organisation's overall strategy.

Implementation of the «Performance and Goals» module of SAP SuccessFactors at Vetropack gives us a tool that will make it much easier for employees and managers to keep track of what was discussed and agreed, and when – even in cases that involve remote working or work in a matrix organisation. It does not replace interpersonal communication but instead, helps to guide the process and ensures overall transparency. Although the only official requirement at Vetropack is for an annual review, we strongly encourage managers to talk with their teams as often as possible in order to maintain alignment and focus.

## **Progress and events in the reporting year**

### **Optimised onboarding programme**

More than 400 new employees joined Vetropack last year. To make it easier for them to begin working with us, we developed the basic framework for a global standard onboarding process together with an optimised induction training programme during the reporting year. For this purpose, we have adopted a mixed approach that combines eLearning, in-class instruction and on-the-job training. We created a new eLearning course in 2022: titled «Exploring Vetropack», it explains our history and values, who we are, and what we do in greater detail. The goal is to invest more in eLearning on all informative topics so as to offer more flexible opportunities for new employees to learn about Vetropack when they join us.

### **Developing the right mindset for exemplary leadership**

Back in 2021, Vetropack's management made a start on integrating the "Leadership" pillar into the Vetroademy. This features a wide-ranging curriculum that includes all areas, aimed at empowering our leaders to achieve success in their roles. Alongside the actual training we provide for leaders, we equip them with perspectives and instruments that will enable them to achieve greater impact as they fulfill their personnel responsibilities. All Vetropack managers took part in this programme during the reporting year. Also in the year under review, all our managers made a start on the in-depth "Mindset" module, which is designed to strengthen readiness for change and boost participants' confidence in their own abilities.

### Active participation in training

The «Vetrocademy Leadership Development Program» continued in 2022 with a focus on the topics of «Building high-performing teams» and «The right mindset in times of change». 41 senior leaders from seven countries joined the sessions, and over 95 percent of the participants were satisfied with the training.

Vetropack invested in an extensive range of technical training courses for our production workers, as well as language training and training on subjects such as communication, resilience and presentation. In total, more than 70,000 hours of training were provided throughout the Vetropack Group (excluding the Republic of Moldova) in 2022.

## Diversity, equality and inclusion

**Vetropack upholds an inclusive corporate culture that offers equal opportunities to all employees and actively curbs discrimination. By taking active steps to maintain a diverse working environment that is free of discrimination, we can positively influence our employees' satisfaction, safety, security and wellbeing. This approach also allows us to help build a fair society where solidarity prevails.**

A democratic society thrives on solidarity among its members. This goes far beyond an emotional bond, and is not limited to behaviour at the individual level. It also requires institutions such as companies to foster and implement diversity, equality, inclusion and solidarity in their microcosms. As a company that is part of society, Vetropack is mindful of this responsibility. From an entrepreneurial perspective, too, it is both important and valuable to promote diversity, equality and inclusion. By doing so, we strengthen our culture and help to reduce human conflicts. It is also a proven fact that a diverse workforce is more creative and innovative. This can have a direct impact on our company's success. And – not least – it also enables us to enhance our attractiveness as an employer. In all these ways, a diverse workforce in an environment where equality, inclusion and solidarity prevail plays its part in our company's long-term success.

At Vetropack, we pay particular attention to gender equality as defined in UN Sustainable Development Goal 5: «Gender equality». Equality of opportunities for women also impacts the issues of integration and promotion of diversity – especially as more men than women traditionally work in the glass industry.

### Guidelines, policies, supervisory and control instruments

Cornerstones that support social sustainability, focusing on equality and fairness:

- Code of Conduct for the Vetropack Group
- Business Ethics Policy (BEP) for the Vetropack Group
- [Supplier Code of Conduct](#)

## Progress and events in the reporting year

### Initiatives to promote diversity, equality and inclusion

In the reporting year, the HR Department together with the Health and Safety areas initiated a commitment to diversity, equality and inclusion.

### **Board of Directors becomes more diverse**

During the reporting year, Diane Nicklas became the first woman ever to be elected to Vetropack's Board of Directors. Now, with the 2023 Annual General Meeting in view, the Board of Directors has nominated a second woman for election in the person of Raffaella Marzi. She is to succeed Rudolf Fischer, who is retiring.

Media release: «Vetropack Group: Board of Directors nominates Michela Argirò as new Chief Supply Chain Officer at Group level and proposes Diane Nicklas for election to the Board of Directors at the next Annual General Assembly» (19 August 2021) →

Media release: «Board of Directors proposes Raffaella Marzi to the Annual General Assembly as a candidate for election» (18 November 2022) →

### **Integration of Ukrainian refugees**

Nearly eight million refugees from Ukraine have been recorded across Europe since the outbreak of war in their country. In response to this influx, supporting the integration of the refugees as quickly as possible became Vetropack's highest priority. Our company immediately assembled a team to coordinate all required support measures for our displaced Ukrainian employees and their families, and we were able to provide them with transportation, food, clothing, and much more. We also welcomed and integrated several employees from our Ukraine plant, together with their families, in the Czech Republic, Italy, Slovakia, Austria, Croatia and Switzerland, where we provided them with accommodation and offered them new employment contracts.

### **Training on diversity and inclusion**

Vetropack is committed to systematically training its leaders on diversity, equality and inclusion, and we have planned to include these topics in a dedicated module in our Vetroademy Leadership Program.

Training of this sort on diversity and related topics has already been implemented in Croatia and Italy.

### **Integrating people with disabilities**

We employ a large part of our workforce in production, or in areas closely related to the production process. Some of these jobs involve risks, and they often set high requirements for employees' physical or mental health. This limits the scope for employing people with disabilities in our plants. At our Nemšová plant in Slovakia, however, the high level of attention focused on this issue has now made it possible to employ seven people with various disabilities in the normal work process.

### **Professional requalification opportunities for disadvantaged people**

Based on internally designed programmes, Vetropack Italy offered opportunities for professional retraining and employment to over 40 unemployed individuals, with a particular focus on people in severely disadvantaged categories.

### **Addiction awareness**

Vetropack is committed to raising its employees' awareness about addiction. In Italy, a dedicated training course was organised to make department heads and teams from Human Resources and Health, Safety and Environment aware of the problems of addiction.



## Disclosures

### GRI 405: Diversity and Equal Opportunity 2016

#### 405-1 Diversity of governance bodies and employees

Corporate governance report



#### 405-2 Ratio of basic salary and remuneration of women to men

The equal pay analysis carried out in 2021 by external experts in accordance with Swiss legislation proves that Vetropack complies with the principle of equal pay for work of equal value, within the limits of the Federal Act on Public Procurement (PPA) and the Federal Act on Gender Equality (GEA).

### GRI 406: Non-discrimination 2016

#### 406-1 Incidents of discrimination and corrective actions taken

There were no cases of discrimination in 2022.

## Occupational health and safety

**"Safety first" is embedded in the Vetropack Group's DNA – in other words, our employees' safety takes precedence. This is an axiomatic principle for Vetropack. In addition, there are comprehensive efforts to maintain and promote the physical and mental health of our employees.**

Glass production involves high temperatures, high levels of noise and moving machine parts that pose substantial risks for the people who work in the industry. This is why we accord the highest priority to compliance with health and safety protection legislation, and also to promoting our employees' physical and mental health.

### Multi-tiered health and safety management

Our objective is a comprehensively sustainable business model – fully in line with our «Clearly Sustainable» strategic thrust. This also includes fulfilling our duty of care towards our employees. Our goals are to cultivate a safety culture and reduce workplace accidents – two critical factors in sustainable success. We translate these goals into action in our Occupational Safety Policy, which is managed at different levels: the Head of Corporate Development and the Integrated Management System (IMS) is directly responsible for quality, health and safety, sustainability and environmental protection at Group level; the Group Manager for Occupational Safety coordinates activities with the local Safety Managers, who in turn are responsible for these issues at our business units and plants. Team leaders and individual employees are then responsible for putting the defined safety standards into practice. We also have a Health and Safety Working Group in place: at this forum, our Safety Managers and the Group Health and Safety Manager discuss various issues relevant to all our plants, with the aims of developing safety concepts and planning their implementation.

### Internal health and safety audits

Various measures are in place to complement the Occupational Safety Policy and our multi-tiered health and safety management structure: for example, all our production employees receive regular safety training and in most locations, near-accidents are recorded for the purpose of prevention. The Health and Safety Working Group also conducts internal audits to monitor the implementation of improvement measures.

### **Certified health and safety systems**

Our goal is to have ISO 45001-certified occupational safety and health management systems in place at all our production facilities. Five sites are already certified (Pöchlarn, Kremsmünster, Kyjov, Nemšová and Hum na Sutli), with certification of Boffalora and St-Prex scheduled in 2023.

## **Progress and events in the reporting year**

### **Nemšová site recertified**

Our Nemšová site in Slovakia successfully completed the ISO 45001 recertification process in the current reporting period.

### **2022 – Year of Safety**

We declared 2022 as our «Year of Safety», and we marked this by launching an ambitious project to improve safety and health protection featuring a new approach that encourages both employees and management to contribute to this key issue. This initiative focuses on improvements in three dimensions of safety: technology (i.e. safer equipment and protective devices), processes, and behaviours. One of the key goals is to raise employee awareness and bring about a far-reaching change in our culture and behaviour – as expressed by the motto: "I am more important than production".

### **Introduction of «Safety minutes»**

In 2022, we introduced «Safety minutes» for production employees: these are briefings that usually take less than ten minutes to present concise and relevant safety information.

### **The Golden Rules**

Another development in the reporting year was the launch of the «Golden Rules of Workplace Safety» at Group level. These are nine non-negotiable safety rules that every employee must follow, together with four safety principles that complement them. Implementation of the Golden Rules is to be ensured by briefings in the form of Safety Days, and regular training. To date, we have held Safety Days at Vetropack's plants in Austria, Italy, the Czech Republic and Slovakia, with similar events scheduled across all locations in the near future.



Nine «Golden Rules of Workplace Safety»

### Targeting zero accidents

We have gradually been able to reduce the number of occupational accidents at our sites in recent years. In 2022, we took another step forward by setting a zero-tolerance target for accidents and incidents.

### Paying attention to mental health

In order to continuously improve our employees' mental health – and to prevent burnout in particular – we have introduced controls of overtime working in management functions.

### Provision of personnel resources at Group level

To ensure strategic control and coordination of measures related to occupational safety and health issues, we created the function of Group Health and Safety Manager at Group level during the reporting year.

## Disclosures

### GRI 403: Occupational Health and Safety 2018

#### 403-9 Work-related injuries

Key indicators occupational health and safety



#### 403-10 Work-related ill health

Key indicators occupational health and safety



## Key indicators occupational health and safety

	+ / -	2022	2021
Share of workers covered by an occupational health and safety management system (ISO 45001 externally certified)		65%	N/A
Incidents leading to at least one lost work day	- 10%	74	82
Total lost work days due to injuries and occupational diseases	- 7%	2 681	2 887
Total Recordable Incident Rate (TRIR) <sup>1)</sup>	5%	2.4	2.3
Total Recordable Incident Severity Rate (TRISR) <sup>1)</sup>	6%	87	82

<sup>1)</sup> Per 100 full time equivalents (FTE).

# Environment

**Glass is a sustainable packaging material because it is manufactured from natural raw materials, and can often be 100% recycled without limitations. Nevertheless, there is great potential for improvement within the industry for making production more sustainable in the long term. We therefore aspire to evolve as a glass producer known as a pioneer of environment-friendly practices and products.**

«Clearly Sustainable» is the primary pillar of our Strategy 2030. We want to play a decisive role in shaping the green transformation in the glass industry as a pioneer. To achieve this goal, we pursue a holistic approach to sustainability based on two main initiatives:

- Continuously reducing the environmental footprint of all business activities and
- Closing material cycles in the value chain.

Because: in the glass industry, it is the energy-intensive melting processes that generate the main impact on the environment and natural resources. As regards the supply chain, the primary factors influencing energy efficiency are processing of raw materials and packaging materials on the one hand, and transportation of raw materials and finished products on the other. Since these aspects account for the majority of our environmental impact, these are also the areas where we need to focus our efforts.

We have established key indicators as well as relevant short-, medium- and long-term targets so we can measure progress towards these objectives.

[Chapter our focus: Clearly Sustainable](#)



## Energy efficiency and lower greenhouse gas emissions

Central elements of our environmental protection efforts are the improvement of energy efficiency and the reduction of greenhouse gas emissions. We have the greatest leverage in these areas when repairing furnaces or building new ones. We aim to improve energy efficiency by 10% to 15% with every furnace renovation. In addition, we are gradually evaluating fundamental technical changes such as the conversion to oxy-fuel, hybrid or fully electric furnaces. To this end, we participate in various research projects that focus on new technologies to reduce greenhouse gas emissions in glass production: our membership of International Partners in Glass Research (IPGR) is just one example.

We also aim to achieve climate-neutral internal logistics by 2030. To achieve this, we will (for example) switch our vehicle and forklift fleet to alternative drive systems. We are also making additional investments to optimise our supply chain and shift transport from road to rail.

By pledging to minimise the impact of our glass production on the environment, we are contributing actively to attaining the UN's Sustainable Development Goal (SDG) 13: Climate Action.

## Progress and events in the reporting year

### Science-based targets to reduce emissions

In the «Clearly Sustainable» pillar of our Strategy 2030, we have established relevant key indicators as well as short-, medium- and long-term emission reduction targets: we aim to reduce CO<sub>2</sub> emissions per metric ton of glass produced by 30 percent (against the 2019 benchmark). In November 2022, we also committed to the Science Based Targets initiative (SBTi) and defined near-term Group-wide emission reduction targets in line with climate science.

Media release: «Vetropack participates in Science Based Targets initiative (SBTi)» (11 November 2022) →

### Supplier Leadership on Climate Transition (Supplier LoCT)

In 2022, we completed the analysis modules on our own operations (Scopes 1 & 2) as part of the Supplier Leadership on Climate Transition (LoCT) initiative – and we will continue by focusing on Scope 3 emissions as the next step.

Media release: «Vetropack participates in Science Based Targets initiative (SBTi)» (11 November 2022) →

### Energy management system and energy efficiency

We are currently rolling out a new energy management system – Siemens Simatic Energy Management PRO – to boost the energy efficiency of our furnaces. This system was developed specifically for Vetropack and is designed to optimise energy consumption management while evaluating improvement potential. Simatic Energy Management PRO monitors strategic, economic and technical factors related to energy management and includes add-on functions for structured energy procurement.

A parallel system was introduced at our plants in Croatia and Austria during the period under review, and we also collaborated with Montanuniversität Leoben (Austria) to investigate further potential for energy-saving.

### A new glassworks for a new era

We are investing in a new flagship facility to serve the long-established Italian market. This cutting-edge production plant is due to start operating in 2023 at Boffalora sopra Ticino near Milan, not far from our existing site. The new facility is designed to ensure maximum future viability, flexibility and sustainability.

This project aims to reflect our comprehensive understanding of sustainability. The new factory is intended to be a flagship facility, especially in terms of environmental protection. We have therefore invested intensively to ensure that production in the new plant can be as environment-friendly and resource-efficient as possible.

Our measures to enhance sustainability in the new site:

- Remediation of the contaminated industrial site
- Re-use of material from the demolition of the original buildings and installations
- Low noise emissions
- Energy-efficient processes and production equipment (e.g. utilisation of waste heat)
- Production of green electricity from photovoltaic systems
- Reduced emissions thanks to latest filtration systems (dust and NOx)
- Low water consumption ensured by use of closed-loop systems

[Media release «Vetropack builds new plant in Italy: state-of-the-art equipment and more sustainability» \(21 November 2022\)](#)



[Vetrotime article: «Vetropack builds new production site in northern Italy» \(Vetrotime 01.2022, p. 4\)](#)



### **Photovoltaic energy**

In 2022, we collaborated with VERBUND (Austria's leading energy company) to install a photovoltaic system on the roofs of our Kremsmünster plant in Austria. The electricity is used directly in the plant for more sustainable glass production.

The plant is to be expanded in several stages. In the first stage of expansion, completed in August 2022, the system already began producing enough solar power to theoretically supply electricity for approximately 400 households in one year.

[Vetrotime article: «Clearly Sustainable: using the sun's power for ourselves» \(Vetrotime 01.2022, p. 17\)](#)



## **Disclosures**

### **GRI 302: Energy 2016**

302-3 Energy intensity

Key environmental indicators



### **GRI 305: Emissions 2016**

305-1 Direct (Scope 1) GHG emissions

Key environmental indicators



305-2 Energy indirect (Scope 2) GHG emissions

Key environmental indicators



305-4 GHG emissions intensity

Key environmental indicators

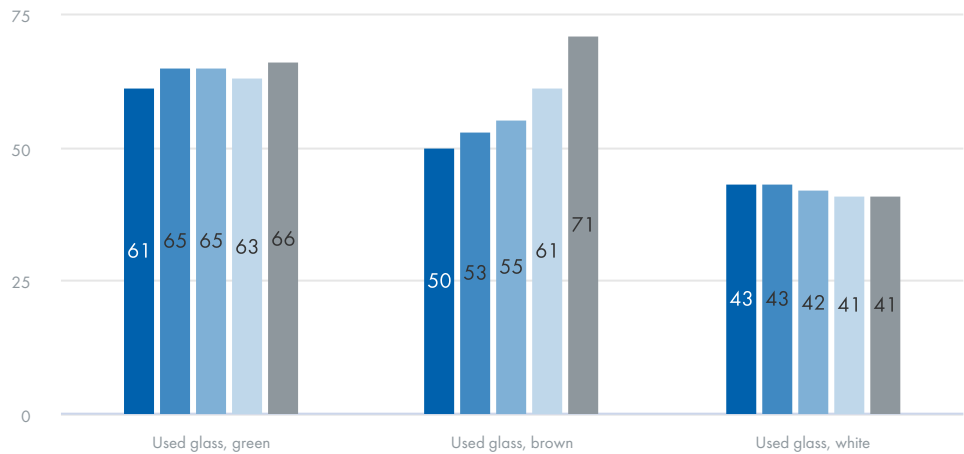


## Circular economy and resource efficiency

Alongside energy consumption and the associated emissions, consumption of resources is the most significant environmental impact generated by the glass industry. To ensure that glass is manufactured ecologically, it is essential to use a high proportion of cullet (recycled glass) in production – so we have set ourselves the goal of achieving a cullet share of 70 percent by 2030.

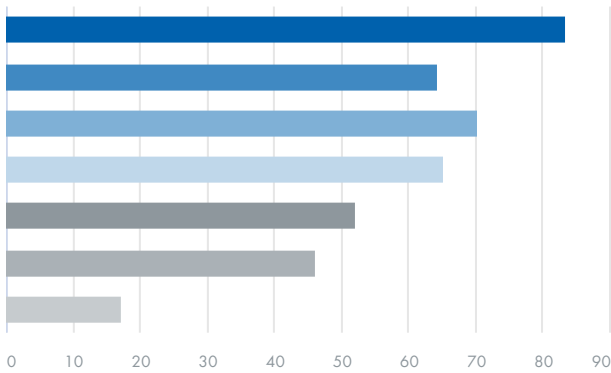
### Share of used glass in the glass production

in %



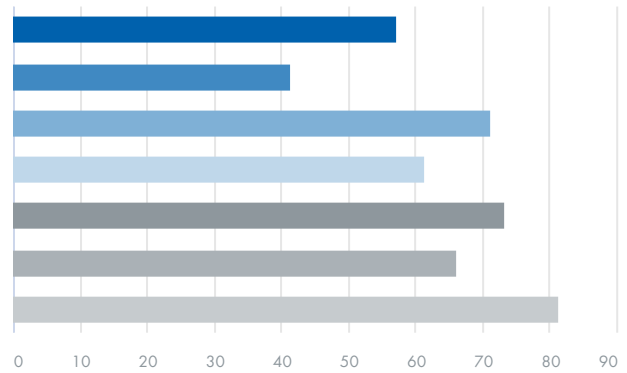


### Used glass ratio for glass production 2022 (by Group Company)



- 83% Vetropack (CH)
- 64% Vetropack Austria (AT)
- 70% Vetropack Moravia Glass (CZ)
- 65% Vetropack Nemšová (SK)
- 52% Vetropack Straža (HR)
- 46% Vetropack Italia (IT)
- 17% Vetropack Moldova (MD)

### Used glass ratio for glass production 2022 (by colour)



- 57% average all colours
- 41% White
- 71% Brown
- 61% Primeur
- 73% Olive/Cuvée
- 66% Green
- 81% Feuille Morte

The availability of high-quality cullet is a major challenge in this regard. In many countries where Vetropack operates, cullet collection rates are significantly lower than in Switzerland or Austria (for instance). Contamination with foreign materials (such as ceramics) can present an additional problem. To overcome these challenges, Vetropack is promoting measures that increase collection rates and cullet quality.

[Vetrotime article: «Glass – the infinitely recyclable packaging» \(Vetrotime 01.2022, p. 22\)](#) →

#### Encouraging sustainable consumption

Because it can be recycled, glass is perceived as a sustainable packaging material. Vetropack is thus in a position to encourage sustainable consumption patterns in keeping with SDG 12: «Responsible Consumption and Production» and SDG 13: «Climate Action».

#### Reducing our water footprint and waste volume

Alongside this focus on the circularity of our main raw material (as just mentioned), we also aim to reduce our water footprint and volume of waste generated. In glass production, water is only used as a coolant and is circulated in a closed-loop system; this means that the process as such is already very economical on resources. Waste is mainly generated during the processing of used glass, due to the large amounts of foreign materials that are deposited in collection containers.

## Progress and events in the reporting year

#### New «Vetrocycling» plant in Pöchlarn

To separate residual substances such as metals and paper more efficiently, we have invested in a new «Vetrocycling» plant at Pöchlarn (Austria). Since this does not impair the quality of the glass and as processing is also improved, a larger share of cullet can be used in the melt.

## Reconstruction of the recycling line in Nemšová

As sand becomes more scarce, the global glass industry is under growing pressure to step up its utilisation of used glass. But in Slovakia, the situation is difficult because glass containers sorted by colour have been abolished there and a mix of brown, green and white cullet is not suitable for producing white glass.

The line that has been operating since 2008 was unable to separate out enough white glass from the mix. This prompted our decision to convert the plant so as to maximise the yield of used white glass. Thanks to a 50 percent increase in the plant's capacity, we can now process around 140,000 metric tons of cullet each year. We expect the glassworks to save about 4,100 tonnes of original raw material – and as an additional benefit, greenhouse gas emissions will be slashed by 550 metric tons. For a 10% increase in the share of cullet in the volume of glass, energy savings are about 3% and greenhouse gas emissions are cut by 7%.

Thanks to the investment in this plant, we are now the only processor in the country to meet current and future requirements for the recycling of used glass.

Vetrotime article: «Reconstruction of the recycling line in Nemšová» (Vetrotime 01.2022, p. 16) →

## Disclosures

### GRI 303: Water and Effluents 2018

#### 303-1 Interactions with water as a shared resource

In our glass production facilities, water is mainly used as a coolant in a closed-cycle system and is only replaced very occasionally. Water consumption is therefore of minor importance.

Key environmental indicators →

#### 303-2 Management of water discharge-related impacts

Vetropack undertakes to comply with the wastewater discharge regulations that apply to its production sites. If Vetropack identifies a deviation, action is taken immediately in cooperation with the responsible authorities.

Key environmental indicators →

#### 303-3 Water withdrawal

Key environmental indicators →

### GRI 306: Waste 2020

#### 306-3 Waste generated

Key environmental indicators →

## Key environmental indicator

	2022	in %	2021	in %
<b>Total energy consumption in GWh</b>	<b>2 563</b>		<b>3 188</b>	
Electricity	439	17%	546	17%
Natural gas <sup>1)</sup>	2 124	83%	2 641	83%
<b>Specific energy consumption in MWh/t<sup>2)</sup></b>	<b>1.72</b>		<b>1.96</b>	
<b>Greenhouse gas emissions in tCO<sub>2</sub>e<sup>3)</sup></b>	<b>650 995</b>		<b>718 373</b>	
Scope 1 (heat)	430 024	66%	482 823	67%
Scope 1 (process emissions) <sup>4)</sup>	126 488	19%	123 018	17%
Scope 2 (electricity) <sup>5)</sup>	94 482	15%	112 532	16%
<b>Specific greenhouse gas emissions in tCO<sub>2</sub>e/t</b>	<b>0.433</b>		<b>0.441</b>	
<b>Material consumption: recycled glass</b>				
Used glass green	66%		63%	
Used glass brown	71%		61%	
Used glass white	41%		41%	
<b>Water in m<sup>3</sup></b>				
Total water withdrawal	1 418 023		1 319 963	
Municipal water supply	336 320	24%	318 839	24%
Groundwater	1 081 703	76%	1 001 124	76%
Total water discharge	1 386 172		1 227 932	
<b>Waste disposal in tons</b>	<b>66 614</b>		<b>80 883</b>	
Non-hazardous waste	64 682	97%	74 210	92%
of which continuously (routinely generated)	64 073	99%	73 433	99%
of which produced sporadically (extraordinary event) <sup>6)</sup>	609	1%	776	1%
Hazardous waste	1 932	3%	6 673	8%
of which continuously (routinely generated)	1 673	87%	3 189	48%
of which produced sporadically (extraordinary event) <sup>6)</sup>	260	13%	3 484	52%

<sup>1)</sup> Incl. 5.0 GWh heating oil in 2022 and 10.6 GWh heating oil in 2021.

<sup>2)</sup> Per tonnage of glass produced that satisfies all quality and safety requirements thus qualifying for sale.

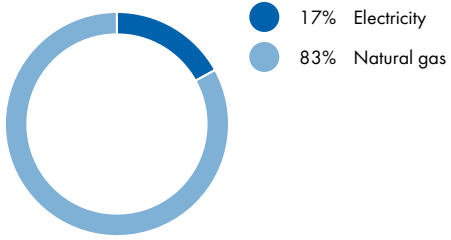
<sup>3)</sup> Greenhouse gas inventory calculated in accordance with the Greenhouse Gas Protocol.

<sup>4)</sup> The method on calculating process emissions has been optimized for 2022 and is – for the first time- based on the actual consumption of materials used. Until 2021, an average sector methodology was applied for the calculation of emissions.

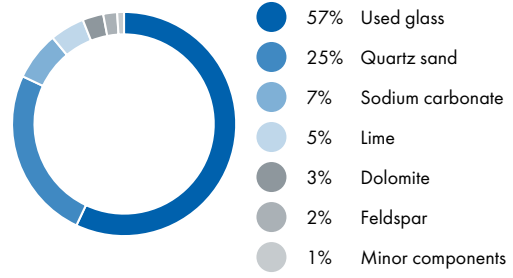
<sup>5)</sup> Emissions for 2021 and 2022 are calculated acc. to the "market-based approach" (using energy certificates - where available - which represent approx. 43% of overall electricity consumption). The optimized method leads to a correction of calculated emission numbers for the reporting year 2021 compared to the last report. According to the "location-based approach", 113'371 tCO<sub>2</sub>e and 131'151 tCO<sub>2</sub>e result for 2022 and 2021, respectively

<sup>6)</sup> Waste not generated every year from ongoing operations (e.g. furnace repairs).

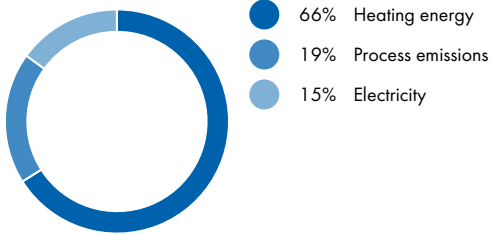
### Total energy consumption (GWh)



### Mixing ratio raw materials and used glass



### Greenhouse gas emissions by source (t CO2e)





**Financial Report  
Vetropack Group**

# Financial Report

## Vetropack Group

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# At a Glance

		+/-	2022	2021
Net Sales	CHF millions	10.2%	899.4	816.5
EBIT	CHF millions	9.2%	89.1	81.6
Consolidated Profit	CHF millions	- 36.2%	40.7	63.8
Cash Flow*	CHF millions	- 7.7%	142.2	154.1
Investments	CHF millions	63.3%	194.6	119.2
Production	1 000 metric tons	- 7.7%	1 503	1 629
Unit Sales	billion units	- 10.6%	5.26	5.88
Exports (in unit terms)	%	-	47.2	45.5
Workforce	FTE	- 8.6%	3 561	3 896

\* operating cash flow before change of net working capital

# Consolidated Balance Sheet

CHF millions	Note	31.12.2022	31.12.2021
<b>ASSETS</b>			
<b>Short-term Assets</b>			
Liquid funds		180.3	126.2
Accounts receivables	1	179.0	142.5
Other short-term receivables	2	31.3	16.4
Inventories	3	155.5	144.6
Prepaid expenses and accrued income	4	6.2	2.6
Subtotal Short-term Assets		552.3	432.3
<b>Long-term Assets</b>			
Tangible assets	5	661.6	593.4
Financial assets	6	17.3	17.4
Intangible assets	7	3.3	4.7
Subtotal Long-term Assets		682.2	615.5
<b>Total Assets</b>		<b>1 234.5</b>	<b>1 047.8</b>
<b>LIABILITIES</b>			
<b>Liabilities</b>			
<b>Short-term liabilities</b>			
– Accounts payables		209.0	138.2
– Short-term financial debts	8	10.2	11.5
– Other short-term liabilities	9	25.9	27.2
– Accrued expenses and deferred income	10	31.8	30.9
– Short-term provisions	11	6.7	4.6
Subtotal Short-term Liabilities		283.6	212.4
<b>Long-term liabilities</b>			
– Long-term financial debts	8	168.6	26.0
– Other long-term liabilities		0.7	0.8
– Long-term provisions	11	32.3	34.1
Subtotal Long-term Liabilities		201.6	60.9
<b>Total Liabilities</b>		<b>485.2</b>	<b>273.3</b>
<b>Shareholders' Equity</b>			
Share capital	12	19.8	19.8
Capital reserves		0.3	0.3
Retained earnings		688.5	690.6
Consolidated profit		40.7	63.8
Subtotal Shareholders' Equity		749.3	774.5
<b>Total Liabilities</b>		<b>1 234.5</b>	<b>1 047.8</b>



# Consolidated Income Statement

CHF millions	Note	2022	2021
<b>Net Sales from Goods and Services</b>	13	899.4	816.5
Other operating income	14	25.7	15.2
Changes in inventories		21.4	- 8.3
Material expenses	15	- 135.6	- 128.2
Energy expenses	16	- 252.2	- 143.5
Personnel expenses	17	- 177.6	- 183.7
Depreciation/Impairments of tangible assets	5	- 72.6	- 81.3
Amortisation	7	- 1.8	- 2.2
Other operating expenses	18	- 217.6	- 202.9
<b>Operating Result (EBIT)</b>		<b>89.1</b>	<b>81.6</b>
Financial result	19	- 7.7	- 6.5
<b>Ordinary Result</b>		<b>81.4</b>	<b>75.1</b>
Non-operating result	20	0.1	0.8
Extraordinary result	21	- 31.4	-
<b>Consolidated Profit before Income Taxes</b>		<b>50.1</b>	<b>75.9</b>
Income taxes	22	- 9.4	- 12.1
<b>Consolidated Profit</b>		<b>40.7</b>	<b>63.8</b>
<b>Earnings per Share</b>	23		
Undiluted earnings per registered share A in CHF		2.05	3.22
Undiluted earnings per registered share B in CHF		0.41	0.64
Diluted earnings per registered share A in CHF		2.05	3.22
Diluted earnings per registered share B in CHF		0.41	0.64

# Consolidated Cash Flow Statement

CHF millions	Note	2022	2021
Consolidated profit		40.7	63.8
Depreciation and amortisation		73.1	84.1
Impairments		25.7	0.3
Change in provisions		3.0	2.3
Gain from disposals fixed assets		0.5	- 0.2
Other non-cash items		- 0.8	3.8
<b>Operating Cash Flow before Change of Net Working Capital</b>		<b>142.2</b>	<b>154.1</b>
Change in accounts receivables		- 46.4	- 24.9
Change in inventories		- 27.4	4.4
Change in other receivables, prepaid expenses and accrued income		- 19.8	- 3.9
Change in accounts payables		80.0	50.3
Change in other liabilities, accrued expenses and deferred income		1.9	2.7
<b>Cash Flow from Operating Activities</b>		<b>130.5</b>	<b>182.7</b>
Investments in tangible assets	24	- 194.1	- 118.2
Disposals of tangible assets		2.9	0.6
Investments in group companies	30	-	- 9.6
Investments in intangible assets		- 0.5	- 1.0
<b>Cash Flow from Investment Activities</b>		<b>- 191.7</b>	<b>- 128.2</b>
Dividend to shareholders		- 25.8	- 25.8
Change in short-term financial debts		- 2.7	0.2
Change in long-term financial debts		147.8	- 6.9
<b>Cash Flow from Financing Activities</b>		<b>119.3</b>	<b>- 32.5</b>
<b>Foreign Exchange differences</b>		<b>- 4.0</b>	<b>- 0.3</b>
<b>Change in Liquid Funds</b>		<b>54.1</b>	<b>21.7</b>
Liquid funds as per 1.1.		126.2	104.5
Liquid funds as per 31.12.		180.3	126.2
<b>Change in Liquid Funds</b>		<b>54.1</b>	<b>21.7</b>
Inflow from interest		0.4	0.1
Outflow for interest		- 1.0	- 1.9
Outflow for income taxes		- 12.2	- 11.7

# Changes in Consolidated Shareholders' Equity

CHF millions

	Share Capital	Capital Reserves (Agio)	Retained Earnings	Subtotal
Sharholders' Equity as per 31.12.2020	19.8	0.3	743.5	763.6
Accounting goodwill*	–	–	– 10.4	– 10.4
Consolidated profit	–	–	63.8	63.8
Foreign exchange differences	–	–	– 16.7	– 16.7
Dividends	–	–	– 25.8	– 25.8
Sharholders' Equity as per 31.12.2021	19.8	0.3	754.4	774.5
Consolidated profit	–	–	40.7	40.7
Foreign exchange differences	–	–	– 40.1	– 40.1
Dividends	–	–	– 25.8	– 25.8
Sharholders' Equity as per 31.12.2022	19.8	0.3	729.2	749.3

\* The consideration for the Moldovan plant based in Chişinău, which was taken over on 10 December 2020, includes a fixed purchase price component of CHF 44.4 million and further payments dependent on future results, which were reassessed in 2021 based on developments. This led to an adjustment in the goodwill offset against equity in the amount of CHF 10.4 million. In 2022 there was no adjustment of the goodwill.

The legally non-distributable reserves of Vetropack Holding Ltd amount to CHF 4.0 million (2021: CHF 4.0 million). Vetropack Holding Ltd did not hold own shares from 2020 to 2022.

# Consolidation Principles

## Basis for the Consolidated Financial Statement

The consolidation of the Group's financial statements provides an actual picture of the Group's assets, financial and income situation, and regards therefore the Vetropack Group as a single business entity.

Consolidated Group statements are based on financial statements for the year and are prepared in accordance with applicable national laws of each of the companies concerned. They are then restated in accordance with internal Group valuation and formatting principles. Financial statements conform to the principles of Swiss GAAP FER in addition to accounting prescriptions set out in regulations for companies listed on the Swiss Stock Exchange.

## Consolidation Scope

Consolidated Group statements include Vetropack Holding Ltd, as well as all domestic and foreign subsidiaries in which Vetropack Holding Ltd has a direct or indirect interest of more than 50%. In such cases, "Full Consolidation Method" is applied, i.e. assets, liabilities, expenses and incomes of consolidated companies are consolidated 100%, whereby all intra-Group transactions are eliminated (accounts receivables and payables, incomes and expenses).

Minority interests are posted separately in the balance sheet and income statement.

Holdings between 20% and 50% are included in Group accounts, and are carried out according to the "Equity Method". The Group's percentage share of net assets is reported in the balance sheet under Financial Assets. Percentage share of net income is stated in the Consolidated Income Statement.

Holdings below 20% are posted in the consolidated balance sheet at acquisition cost less any necessary value adjustments.

An overview of companies within Vetropack Group and methods used to consolidate them into Group financial statements is found [here](#).

## Capital Consolidation

Capital consolidation is carried out according to the "Purchase Method", whereby acquisition cost of an acquired company is charged against its net assets according to Group principles at the time of purchase. Any goodwill paid at the time of acquisition is charged directly to Group's retained earnings in acquisition year.

## Foreign Exchange (FX) Differentials

Financial statements produced by foreign companies within the Group in their respective currencies are converted into Swiss francs as follows:

- Balance sheet figures according to the exchange rate valid at year end.
- Income statement figures according to the average annual exchange rate.
- Cash flow statement figures according to average and year end rates respectively.

Exchange rate differentials resulting from such foreign currency conversions are charged to profit reserves. Exchange rate differentials caused by converting transactions and balance sheet items in foreign currencies are recorded in the books of the respective Group company. Foreign exchange rate effects on long-term intra-Group loans with the nature of shareholders' equity are recorded in the consolidated shareholders' equity, not affecting net income.

	Average Exchange Rate		Year End Exchange Rate	
	2022	2021	2022	2021
EUR	1.00532	1.08161	0.98470	1.03630
CZK	0.04092	0.04216	0.04083	0.04159
HRK	0.13341	0.14365	0.13066	0.13779
MDL	0.05027	0.05176	0.04844	0.05120
RON	0.20326	0.21929	0.19923	0.20943
UAH	0.02902	0.03348	0.02491	0.03349

# Valuation Principles

Financial statements for individual companies are consolidated into the Group's financial statements, and valued in accordance with uniform principles across the Group. The most important valuation methods for the individual balance sheet positions are as follows:

## Liquid Assets

Liquid assets include cash, current account balances at banks and other financial institutions, as well as fixed term deposits with maturity of no more than 90 days. Liquid assets are valued at their nominal rate.

## Marketable Securities

Short-term securities include marketable and easily realisable securities investments and term deposits with a maturity of three to twelve months. Securities are valued at market prices. Term deposits are valued at their nominal rate.

## Receivables

Receivables are valued at their nominal rate. Value adjustments are carried out for identifiable individual risks. Experienced based country-specific value adjustments (2% to 10%) are applied to other risks.

## Inventories

Inventories are valued at either their acquisition or manufacturing costs. However, if the market price is lower, this figure is applied instead. Manufacturing costs include the cost of raw materials, individual production costs and a portion of allocated general overhead costs. The values used for items whose marketability is limited, are partially or entirely corrected according to their recognisable risks of loss. Inventories of intra-Group distribution are not assigned an intermediate profit. Discounts are recorded as reductions in the cost of goods.

## Tangible Assets

Tangible assets are valued at their acquisition or manufacturing cost less any applicable depreciation. Depreciation is linear over the expected useful life of the asset, taking residual values into account. The relevant depreciation periods are as follows:

– Buildings	15 – 50 years
– Production facilities	10 – 20 years
– Machinery and furnaces	5 – 24 years
– Modules	1 – 2 years
– Vehicles	5 – 7 years
– Office and other equipment	5 – 10 years

Assets of insubstantial value are directly expensed in the income statement upon acquisition. Intermediate profits arising from intra-Group asset transfers are eliminated.

## Leasing

Leased assets (financial leases) are reported as assets in the balance sheet. At the beginning of the contract, leasing payments are established by applying either the leased goods' purchase value or market value respectively. Alternatively cash value is applied if lower. The corresponding liability toward the leasing grantor is carried as liabilities from financial leasing. Cost from rental agreements and operational leasing are recorded in the income statement.

## Financial Assets

Non-consolidated participations are recorded in the balance sheet at their proportionate equity or purchase values. Loans and marketable securities are recorded at their nominal values or purchase prices respectively less any applicable value adjustments.

## Intangible Assets

Intangible assets include brands, patents, licences, software and other intangibles. Acquired intangible assets are reported in the balance sheet at acquisition cost and are subject to linear amortisation over their estimated useful life. If it is impossible to determine the useful life of an intangible asset, it is generally amortised over a period of five years.

– Licences, patents, brands	5 years
– Software	3 – 5 years
– Other intangible assets	5 years

Assets of insubstantial value are directly expensed in the income statement upon acquisition.

## Asset Impairment

If there is evidence that the value of an asset may be impaired, an impairment test is conducted. If the impairment test suggests an impairment, the book value is reduced to the recoverable amount (higher value of fair value less cost to sale and value in use).

## Liabilities

Short-term a.k.a. current liabilities are debts that are repayable within one year. When the due dates are beyond one year they are posted in the balance sheet under long-term liabilities. Liabilities (incl. financial debts) are recorded in the balance sheet at nominal value.

## Provisions

Provisions are formed when a legal or de facto obligation from past events has arisen. The outflow of funds to meet this obligation is likely, and provisionally it is possible to estimate its amount reliably. The future outflow of funds is reported in the balance sheet at nominal value. If material, it is discounted as per the balance sheet date.

## Taxes

All tax obligations, irrespective of their due dates, are set aside. Ongoing income taxes are calculated on the basis of taxable income and reported in the balance sheet under Liabilities. Deferred taxes are calculated based on all temporary differences between the values from the tax statement and the operating values. Tax relevant losses carried forward are only taken into account if it seems possible to offset them against income. The country specific tax rates are applied when calculating deferred taxes. Deferred tax assets are recorded in the balance sheet as financial assets and deferred tax liabilities as long-term provisions.

## Derivative Financial Instruments

Derivative financial instruments are valued for trading and hedging purposes at their current value. Balance sheet relevant derivatives are reported under Other short-term receivables or Other short-term liabilities. Valuation changes are reported in the income statement.



## 1. Accounts Receivables

CHF millions	31.12.2022	31.12.2021
Gross receivables	184.9	147.7
Value adjustments	- 5.9	- 5.2
<b>Net receivables</b>	<b>179.0</b>	<b>142.5</b>

## 2. Other Short-Term Receivables

CHF millions	31.12.2022	31.12.2021
VAT (value added tax) credit	20.4	8.2
Withholding tax credit	2.2	2.9
Other short-term receivables	8.7	5.3
<b>Total</b>	<b>31.3</b>	<b>16.4</b>

## 3. Inventories

CHF millions	31.12.2022	31.12.2021
Raw materials	17.1	14.0
Materials and supplies	58.9	59.7
Work-in-progress	4.9	4.1
Finished goods, merchandise	115.4	109.1
Advance payments	0.7	0.5
Value adjustments	- 41.5	- 42.8
<b>Total</b>	<b>155.5</b>	<b>144.6</b>

## 4. Prepaid expenses and accrued income

CHF millions	31.12.2022	31.12.2021
Ongoing income tax (credit)	2.9	1.2
Other prepaid expenses and accrued income	3.3	1.4
<b>Total</b>	<b>6.2</b>	<b>2.6</b>

## 5. Tangible Assets

CHF millions

	Real Estate & Buildings Non- operating	Real Estate & Buildings operating	Furnaces, Equipment, Prod. Facili- ties, Moulds	Other Tangible Assets	Advance Payments & Assets Under Construction	Total
<b>Acquisition Value</b>						
As per 1.1.2021	52.4	305.4	892.2	41.0	89.4	1 380.4
Additions	–	2.2	21.2	2.2	92.6	118.2
Disposals	–	0.7	– 12.7	– 2.2	–	– 14.2
Reclassifications	–	17.3	60.5	0.7	– 78.5	–
Foreign exchange differences	– 0.1	– 8.8	– 22.6	– 0.9	– 4.3	– 36.7
As per 1.1.2022	52.3	316.8	938.6	40.8	99.2	1 447.7
Additions	0.1	0.2	8.5	1.5	183.8	194.1
Disposals	–	–	– 9.3	– 1.4	–	– 10.7
Reclassifications	0.1	1.0	11.6	0.7	– 13.4	–
Foreign exchange differences	– 0.1	– 13.5	– 50.3	– 2.0	– 8.4	– 74.3
As per 31.12.2022	52.4	304.5	899.1	39.6	261.2	1 556.8
<b>Accumulated Depreciation</b>						
As per 1.1.2021	12.9	187.8	572.7	33.5	–	806.9
Ordinary depreciation	0.9	7.2	71.4	2.5	–	82.0
Disposals	–	0.7	– 12.5	– 2.2	–	– 14.0
Reclassifications	–	0.1	–	– 0.1	–	–
Asset impairments	–	–	0.1	0.1	–	0.2
Foreign exchange differences	–	– 5.0	– 15.1	– 0.7	–	– 20.8
As per 1.1.2022	13.8	190.8	616.6	33.1	–	854.3
Ordinary depreciation	0.9	6.4	61.8	2.1	–	71.2
Disposals	–	–	– 6.0	– 1.3	–	– 7.3
Asset impairments*	–	1.3	15.5	0.5	0.6	17.9
Foreign exchange differences	–	– 7.3	– 32.2	– 1.5	0.1	– 40.9
As per 31.12.2022	14.7	191.2	655.7	32.9	0.7	895.2
<b>Book Value</b>						
As per 1.1.2022	38.5	126.0	322.0	7.7	99.2	593.4
As per 31.12.2022	**37.7	**113,3	243.4	6.7	***260,5	661.6

\* of which CHF 15.6 million relates to the Ukrainian production plant in Gostomel, which is reported in the extraordinary result

\*\* of which vacant real estate plots valued at CHF 18.8 million (2021: CHF 19.7 million)

\*\*\* of which payments on assets under construction CHF 5.6 million (2021: CHF 0.7 million)

## 6. Financial Assets

CHF millions	Note	31.12.2022	31.12.2021
Employer's contribution reserves	29	11.8	12.5
Assets from pension plans		2.1	2.1
Deferred taxes	22	2.8	2.3
Participations in associated companies		0.3	0.3
Other financial investments		0.3	0.2
<b>Total</b>		<b>17.3</b>	<b>17.4</b>

## 7. Intangible Assets

CHF millions	Software	Software in Development	Other Intangible Assets	Total
<b>Acquisition Value</b>				
As per 1.1.2021	53.1	0.8	1.2	55.1
Additions	0.8	0.1	0.1	1.0
Disposals	- 0.2	-	-	- 0.2
Reclassifications	0.6	- 0.6	-	-
As per 1.1.2022	54.3	0.3	1.3	55.9
Additions	0.1	0.4	-	0.5
Disposals	- 1.6	-	-	- 1.6
Reclassifications	0.1	- 0.1	-	-
Foreign exchange differences	- 0.1	-	-	- 0.1
<b>As per 31.12.2022</b>	<b>52.8</b>	<b>0.6</b>	<b>1.3</b>	<b>54.7</b>
<b>Accumulated Amortisation</b>				
As per 1.1.2021	48.1	-	1.1	49.2
Ordinary amortisation	2.2	-	-	2.2
Disposals	- 0.2	-	-	- 0.2
As per 1.1.2022	50.1	-	1.1	51.2
Ordinary amortisation	1.8	-	-	1.8
Disposals	- 1.6	-	-	- 1.6
<b>As per 31.12.2022</b>	<b>50.3</b>	<b>-</b>	<b>1.1</b>	<b>51.4</b>
<b>Book Value</b>				
As per 1.1.2022	4.2	0.3	0.2	4.7
<b>As per 31.12.2022</b>	<b>2.5</b>	<b>0.6</b>	<b>0.2</b>	<b>3.3</b>

In 2021 and 2022 there were no licenses, patents and trademarks.

## 8. Financial Debts

CHF millions	31.12.2022	31.12.2021
Residual period		
– < 1 year*	10.2	11.5
– 1 to 2 years**	2.9	7.9
– 3 to 5 years***	69.9	5.6
– > 5 years****	95.8	12.5
<b>Total</b>	<b>178.8</b>	<b>37.5</b>

\* in CHF; interest rate between 0.70% to 7.20% (2021: 0.65 to 1.85%)

\*\* in CHF; interest rate between 7.18% to 7.20% (2021: 0.70% to 3.25%)

\*\*\* in CHF; interest rate between 1.00% to 3.58% (2021: 4.60% to 6.00%)

\*\*\*\* in CHF; interest rate between 0.77% to 3.78% (2021: 0.99%)

## 9. Other Short-Term Liabilities

CHF millions	31.12.2022	31.12.2021
Prepaid recycling fee	5.3	5.4
Advance payments	2.6	1.8
Liabilities to employees	6.8	6.5
Other short-term liabilities	11.2	13.5
<b>Total</b>	<b>25.9</b>	<b>27.2</b>

## 10. Accrued expenses and deferred income

CHF millions	31.12.2022	31.12.2021
Ongoing liable income taxes	5.6	6.8
Unclaimed vacations and overtime compensations	7.8	7.5
Other accrued expenses and deferred income	18.4	16.6
<b>Total</b>	<b>31.8</b>	<b>30.9</b>

## 11. Provisions

CHF millions

	Service Anniver- sary	Pensions	Deferred Tax Liabilities	Other	Total
As per 1.1.2021	5.9	14.5	15.2	2.6	38.2
Reclassifications	-	-	-	-	-
Additions	0.8	1.8	1.8	7.8	12.2
Releases	- 0.2	- 0.1	- 1.2	- 0.2	- 1.7
Utilisations	- 0.1	- 2.7	-	- 6.3	- 9.1
Foreign exchange differences	- 0.2	- 0.6	-	- 0.1	- 0.9
As per 1.1.2022	6.2	12.9	15.8	3.8	38.7
Reclassifications	-	-	-	-	-
Additions	0.3	2.8	1.8	6.5	11.4
Releases	- 0.6	- 0.4	- 1.7	- 1.0	- 3.7
Utilisations	- 0.3	- 2.3	-	- 3.0	- 5.6
Foreign exchange differences	- 0.3	- 0.7	- 0.6	- 0.2	- 1.8
<b>As per 31.12.2022</b>	<b>5.3</b>	<b>12.3</b>	<b>15.3</b>	<b>6.1</b>	<b>39.0</b>
Of which short-term	0.6	-	-	6.1	6.7
Of which long-term	4.7	12.3	15.3	-	32.3

**Deferred Tax Liabilities:** details see [here](#).

**Service Anniversaries:** Provisions are formed in respect to remuneration for long service to the company as defined in the Employment Regulations. These provisions, which take into account country-specific corrective factors for the staff turnover, were discounted between 0% to 13% (2021: 0% to 11%) as per balance sheet date.

## 12. Share Capital

The share capital is structured as follows:

CHF millions	31.12.2022	31.12.2021
13 774 000 Registered shares A (2021: 13 774 000) nominal value CHF 1.00 (2021: CHF 1.00) (issued and paid in full)	13.8	13.8
30 250 000 Registered shares B (2021: 30 250 000) nominal value CHF 0.20 (2021: CHF 0.20) (issued and paid in full)	6.0	6.0
<b>Total</b>	<b>19.8</b>	<b>19.8</b>

The registered shares A (Security no. 622 761) are listed on the SIX Swiss Exchange, Swiss Reporting Standard. With a closing price at the end of the year of CHF 36.10 (2021: CHF 57.60) total capitalisation is CHF 715.6 million (2021: CHF 1,141.9 million). Each registered share has one voting right.

## Major Shareholders with > 3% of Voting Rights

	31.12.2022	31.12.2021
Shareholder group Cornaz according to latest SIX publication	71.6%	71.6%

One shareholders' agreement exists between the shareholders of Cornaz AG-Holding, another between Cornaz AG-Holding and other shareholders (details see [here](#)).

## 13. Segment Reporting

The segment reporting used at the top management level for corporate management has just one significant segment ("Glass packaging"). The secondary segment "Speciality glass" comprises only trade revenue in Switzerland (Müller + Krempel Ltd).

### Net Sales by supplying Country

CHF millions

	Change	2022	2021
Glass Packaging			
– Switzerland	14.3%	91.3	79.9
– Austria	10.4%	242.2	219.4
– Czech Republic	5.1%	83.8	79.7
– Croatia	25.6%	167.3	133.2
– Slovakia	29.7%	82.5	63.6
– Ukraine	– 77.4%	14.3	63.4
– Italy	11.2%	128.5	115.6
– Republic of Moldova	50.6%	75.3	50.0
Speciality Glass (Switzerland)	21.4%	14.2	11.7
<b>Total</b>	<b>10.2%</b>	<b>899.4</b>	<b>816.5</b>

Vetropack Group does not publish details on its segment results, as there is a significant risk that this could cause competitive disadvantages. The markets in which the Business Units of Vetropack operate are narrow niche sectors with few, primarily private suppliers, who could draw conclusions about the margins and prices from the segment results.

## 14. Other Operating Income

CHF millions

	2022	2021
Material and energy sales	5.8	3.2
Ancillary services	1.5	1.7
Real estate management income	0.6	0.6
Internally produced additions to plant and equipment	1.8	2.5
Supplier commissions	0.5	1.1
Allocations disposal fees	2.2	2.2
Income from subsidies	9.4	0.4
Other income	3.9	3.5
<b>Total</b>	<b>25.7</b>	<b>15.2</b>

## 15. Material expenses

CHF millions	2022	2021
Raw material	121.0	116.6
Merchandise	14.6	11.6
<b>Total</b>	<b>135.6</b>	<b>128.2</b>

## 16. Energy expenses

Despite the lower production volume, energy expenses increased by CHF 108.7 million (75.7 percent) in 2022 compared to 2021. This is due to the very volatile and, on average, sharp rise in prices for natural gas and electricity in the year under review.

## 17. Personnel Expenses

CHF millions	2022	2021
Wages and salaries	133.4	137.5
Social benefits	38.1	39.7
Other personnel expenses	6.1	6.5
<b>Total</b>	<b>177.6</b>	<b>183.7</b>

	Change	31.12.2022	31.12.2021
Workforce	- 8.6%	3 561	3 896

## 18. Other Operating Expenses

CHF millions	2022	2021
Maintenance and repairs	36.2	34.6
Mould costs	6.7	8.3
Packaging material	38.3	34.2
Transport costs	56.8	54.4
Other administrative and operating expenses	79.6	71.4
<b>Total</b>	<b>217.6</b>	<b>202.9</b>

## 19. Financial Result

CHF millions	2022	2021
Interest income	0.5	0.8
Interest expenses	- 4.4	- 1.5
Currency exchange gains	23.9	5.3
Currency exchange losses	- 27.7	- 11.1
Other financial income	-	-
<b>Total</b>	<b>- 7.7</b>	<b>- 6.5</b>

## 20. Non-Operating Result

CHF millions	2022	2021
Non-operating real estate income	2.8	2.7
Non-operating real estate expenses	- 1.1	- 1.2
Non-operating real estate depreciation/impairments	- 0.9	- 0.9
Other non-operating income/expenses	- 0.7	0.2
<b>Total</b>	<b>0.1</b>	<b>0.8</b>

## 21. Extraordinary Result

This position includes impairments on receivables (CHF 0.3 million), inventories (CHF 7.5 million) and fixed assets (CHF 15.6 million) of the glass factory in Ukraine. Furthermore, costs of CHF 8.0 million incurred in 2022 for clean-up and re-repair work in the glassworks Gostomel are included.

## 22. Income Taxes

CHF millions	2022	2021
Ongoing income taxes	9.9	12.1
Deferred income taxes	- 0.5	-
<b>Total</b>	<b>9.4</b>	<b>12.1</b>

Loss carryforwards amounted to CHF 8.0 million (2021: CHF 9.0 million) in total at the end of the reporting year. No loss carryforwards were included in the calculation of the deferred income tax assets (2021: CHF 0.0 million). The impact on the tax on earnings of unrecognised loss carryforwards was CHF 3.9 million in the reporting year (2021: CHF 2.2 million). In the reporting year CHF 2.8 million unrecognised loss carryforwards were used (2021: CHF 6.0 million). There was an impact of CHF -0.7 million in the reporting year on income taxes due to the use of unrecognised losses carried forward (2021: CHF -1.1 million). In the reporting year, as in the previous year, there was no impact due to the use or expiry of unrecognised loss carryforwards.

The country-specific tax rates that apply to the calculation of the deferred taxes on earnings range from 11.6% to 25.0% (2021: 11.6% to 25.0%). The weighted average tax rate to be applied based on the ordinary result is 17.5% (2021: 19.1%).



## 23. Results per Participation Right

The undiluted result per share is calculated by dividing the consolidated profit for the applicable year that is to be allocated to the shareholders of the Vetropack Group by the weighted average number of outstanding shares.

	2022	2021
Consolidated profit allocated to the shareholders of the Vetropack Group in million CHF	40.7	63.8
Weighted number of outstanding registered shares A for undiluted result per share	19 824 000	19 824 000
Weighted number of outstanding registered shares B for undiluted result per share	99 120 000	99 120 000
Undiluted result per registered share A in CHF	2.05	3.22
Undiluted result per registered share B in CHF	0.41	0.64

The diluted result per share is calculated in the same way as the undiluted result for both share types, as no dilution potential exists for either.

## 24. Investments Tangible Assets

### Investments by Asset Class

CHF millions	2022	2021
Real Estate & Buildings Non-operating	0.1	–
Real Estate & Buildings operating	0.2	2.2
Furnaces Equipment, Prod. Facilities, Moulds	8.5	21.2
Other Tangible Assets	1.5	2.2
Advance Payments & Assets Under Construction	183.8	92.6
<b>Total</b>	<b>194.1</b>	<b>118.2</b>

## 25. Off Balance Sheet Transactions

CHF millions	31.12.2022	31.12.2021
Letters of comfort	2.7	2.7
Guarantees*	291.5	7.9
Off balance sheet leasing	2.0	2.4
<b>Total</b>	<b>296.2</b>	<b>13.0</b>

\* As of 31 December 2022, CHF 137.9 million had not been used as a loan by the guarantee holder.

Contingent liabilities are stated at their maximum amounts (full sum of liability).

The repayment structure of the off balance sheet leasing liabilities is as follows:

CHF millions	31.12.2022	31.12.2021
Maturity		
– 1 to 2 years	0.8	0.9
– 3 to 5 years	1.2	1.1
– > 5 years	–	0.4
<b>Total</b>	<b>2.0</b>	<b>2.4</b>

## 26. Pledged Assets

The following assets' book values are used as collateral to secure bank credits and mortgages:

CHF millions	31.12.2022	31.12.2021
Accounts receivables	27.1	18.0
Inventories	6.9	7.3
Real estate	56.1	59.0
<b>Total</b>	<b>90.1</b>	<b>84.3</b>

## 27. Derivative Financial Instruments

As at 31 December 2022, Vetropack Holding Ltd has open currency swaps in the amount of EUR 64.0 million (CHF 63.0 million) with a negative market value of CHF 73.600.

## 28. Transactions with Related Parties

CHF millions	31.12.2022	31.12.2021
<b>Pension Funds</b>		
Accounts receivables	–	–
Accounts payables	0.1	0.1
Interest expenses	–	–
<b>Associated Companies</b>		
Accounts receivables	–	–
Accounts payables	0.9	1.0
Capitalised services	–	–
Service income	–	–
Equity income	–	–
Glass cullet purchasing expenses	– 4.4	– 4.6
Maintenance and repairs expenses	–	–
Other service expenses	–	–
Equity valuation expenses	–	–
<b>Other Closely Associated Persons</b>		
Accounts receivables	–	–
Accounts payables	–	0.2
Investments in tangible assets	–	–
Distribution income	–	–
Service income	–	–
Packaging material expenses	–	– 0.4
Distribution expenses	–	–
Service expenses	– 0.1	– 0.1
Interest expenses	–	–
Tangible assets/material sales	1.0	–

The classification of “Other Closely Associated Persons” includes transactions with the following natural persons and legal entities, irrespective of the Vetropack Company in which they occurred: shareholders with voting rights of more than 20%, BoD members, MB members and all companies that are directly or indirectly controlled by these persons.

Transactions with closely associated persons and companies are handled on the basis of normal market terms and conditions.

## 29. Pension Fund

There exist various pension schemes within the Group, which are based on regulations of their respective countries. In Switzerland, these are contributor funded schemes in accordance with Swiss pension fund law; abroad they are state-guaranteed contribution-based pension schemes. The schemes are financed either through contributions to legally independent institutions and trusts or by registering the pension fund liability in the financial statements of the Group companies.

### Employer's Contribution Reserves

#### Company Sponsored Pension Funds

CHF millions	2022	2021
Nominal value 31.12.	12.4	13.1
Utilisation waiver 31.12.	–	–
Other value adjustments 31.12.	–	–
Discounting effects 31.12.	– 0.5	– 0.6
<b>Book value 31.12.</b>	<b>11.8</b>	<b>12.5</b>

### Assets and Liabilities from Pension Funds

CHF millions	Company Sponsored Pension Funds	Pension Funds without Excess / Deficiency Cover	Pension Funds with Excess / Cover	Pension Funds without own Assets	Total
Excess / deficiency cover 31.12.2022	13.8	–	77.8	–	91.6
Economic utilisation/liabilities 31.12.2021	–	–	–	– 10.3	– 10.3
Economic utilisation/liabilities 31.12.2022	–	–	–	– 9.7	– 9.7
Changes 2022	–	–	–	– 0.6	– 0.6
Contributions restricted to the period*	0.6	–	2.6	2.6	5.8
Pension expenses 2021	– 0.2	–	2.5	0.5	2.8
Pension expenses 2022	0.6	–	2.6	2.0	5.2

\* including changes in employer's contribution reserves

The values for pension funds of Swiss companies are based on previous years' financial statements, whereby all substantive decisions in the current fiscal year are taken into account. The uncommitted funds are not available to the Vetropack Group.

CHF millions	2022	2021
Key influential factors		
– Changes in employer's contribution reserves	0.7	– 0.2
– Changes in economic utilisation / liabilities	– 0.6	– 1.5
– Pension fund contributions	5.1	4.5
<b>Total Pension Fund Expenses</b>	<b>5.2</b>	<b>2.8</b>

## 30. Acquisition

The total consideration includes a fixed purchase price component of CHF 44.4 million for the acquisition of the Moldovan glass factory in Chişinău and further payments dependent on future results, which as of 31.12.2021 is estimated at CHF 14.1 million. There was no change in the estimate as of 31.12.2022.

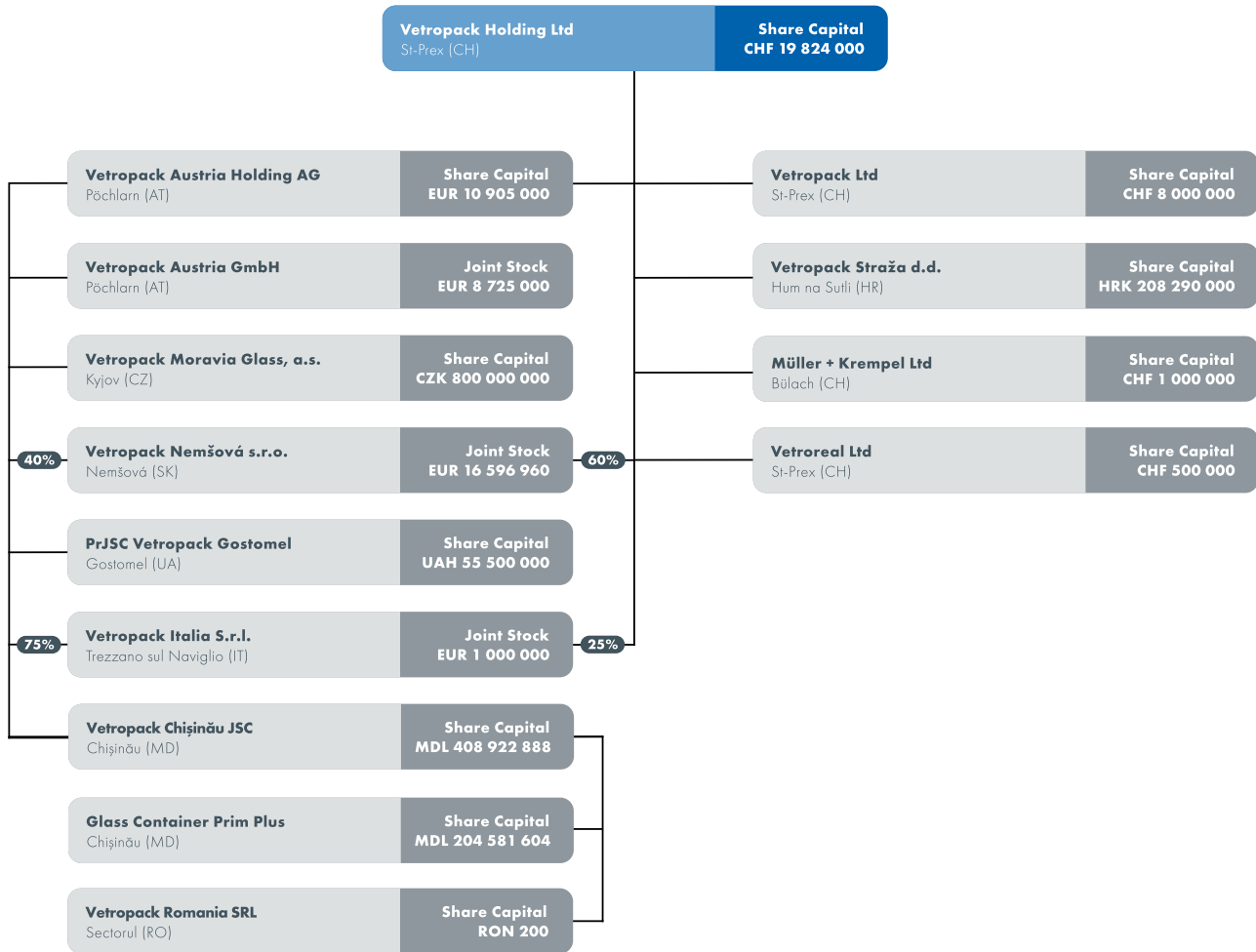
The goodwill of a purchased consolidated company is offset with equity at the date of acquisition. The theoretical amortisation of the goodwill is determined with a useful life of five years. A theoretical capitalisation of the goodwill would have the following impact on the consolidated financial statements:

CHF millions	2022	2021
<b>Theoretical goodwill</b>		
Gross book value as at 1.1.	44.8	34.4
Addition from acquisition	–	10.4
<b>Gross book value as at 31.12.</b>	<b>44.8</b>	<b>44.8</b>
Accumulated amortisation as at 1.1.	– 22.9	– 17.3
Amortisation	– 5.6	– 5.6
<b>Accumulated amortisation as at 31.12.</b>	<b>– 28.5</b>	<b>– 22.9</b>
Net book value as at 1.1.	21.9	17.1
<b>Net book value as at 31.12.</b>	<b>16.3</b>	<b>21.9</b>
<b>Effect on Balance Sheet</b>		
Sharholders' Equity according to Balance Sheet	749.3	774.5
Theoretical capitalisation of net book value of goodwill	16.3	21.9
<b>Theoretical Shareholders' Equity incl. net book value of goodwill</b>	<b>765.6</b>	<b>796.4</b>
<b>Effect on Income Statement</b>		
Consolidated Profit	40.7	63.8
Amortisation goodwill	– 5.6	– 5.6
<b>Theoretical Consolidated Profit incl. amortization of goodwill</b>	<b>35.1</b>	<b>58.2</b>

## 31. Events after the Balance Sheet Date

No events occurred between 31 December 2022 and 8 March 2023 (approval of the consolidated annual report by the Board of Directors) that would result in an adjustment to the carrying amounts of assets and liabilities or would need to be disclosed here.

# Ownership Structure



# Company Participations

Company	Domicile	Currency	Share Capital	* Share	Consolidation	Owner
<b>Switzerland</b>						
Vetropack Holding Ltd (VPH)	St-Prex	CHF	19 824 000		fully	the public
Vetropack Ltd	St-Prex	CHF	8 000 000	100%	fully	VPH
Vetro-Recycling Ltd	Bülach	CHF	100 000	100%	fully	VPH
Müller + Krempel Ltd	Bülach	CHF	1 000 000	100%	fully	VPH
Vetroreal Ltd	St-Prex	CHF	500 000	100%	fully	VPH
<b>Austria</b>						
Vetropack Austria Holding AG (VAH)	Pöchlarn	EUR	10 905 000	100%	fully	VPH
Vetropack Austria GmbH (VPA)	Pöchlarn	EUR	8 725 000	100%	fully	VAH
Austria Glas Recycling GmbH	Wien	EUR	50 000	24.5%	equity	VPA
PTP Pro Glas GmbH	Wien	EUR	35 000	50%	equity	VPA
<b>Czech Republic</b>						
Vetropack Moravia Glass, a.s.	Kyjov	CZK	800 000 000	100%	fully	VAH
<b>Croatia</b>						
Vetropack Straža d.d.	Hum na Sutli	HRK	208 290 000	100%	fully	VPH
<b>Slovakia</b>						
Vetropack Nemšová s.r.o.	Nemšová	EUR	16 596 960	60/40**	fully	VPH/VAH
<b>Ukraine</b>						
PrJSC Vetropack Gostomel	Gostomel	UAH	55 500 000	100%	fully	VAH
<b>Italy</b>						
Vetropack Italia S.r.l.	Trezzano	EUR	1 000 000	25/75**	fully	VPH/VAH
<b>Republic of Moldova**</b>						
Vetropack Chişinău JSC (VPC)	Chişinău	MDL	408 922 888	100%	fully	VAH
Glass Container Prim Plus	Chişinău	MDL	204 581 604	100%	fully	VPC
<b>Romania***</b>						
Vetropack Romania SRL	Bucureşti	RON	200	100%	fully	VPC

\* Capital shares and voting rights are identical; held indirectly via Vetropack Austria Holding AG

\*\* In 2022 Glass Container Company S.A. and Glass Container Prim S.A. were merged to Vetropack Chişinău JSC.

\*\*\* In 2022 Glass Container Company – SP SRL was renamed to Vetropack Romania SRL.

There were no other changes in company participations compared with 31 December 2021.

As per 31 Dezember 2022

# Report of the statutory auditor on the consolidated financial statements

To the General Meeting of Vetropack Holding Ltd, Saint-Prex

Zurich, 8 March 2023

**Opinion.** We have audited the consolidated financial statements of Vetropack Holding Ltd and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2022, the consolidated income statement, the consolidated statement of cash flows and the consolidated statement of changes in equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements (PDF version: pages 80 to 103 /online version: marked with the label "audited information") give a true and fair view of the consolidated financial position of the Group as at 31 December 2022 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Swiss GAAP FER and comply with Swiss law.

**Basis for opinion.** We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section of our report. We are independent of the Group in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key audit matters.** Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the consolidated financial statements.



## Tangible Assets

**Area of focus.** The balance sheet position “tangible assets” amounts to MCHF 661.6 as of 31 December 2022 (Prior Year: MCHF 593.4) and therefore represents approximately 54% of total assets. More than half of the tangible assets are production facilities, which are exposed to hard industrial operations. This leads to two significant management assessments. Firstly, the management has to assess the moment a machine is ready for use and therefore depreciation can start. Secondly, management has to estimate the useful life and challenge the estimations continuously. Furthermore, events during production can lead to unplanned impairment of machines. These events can have an impact on the consolidated profit as well as the consolidated equity.

**Our audit response.** We assessed and tested controls regarding design and operational effectiveness of asset purchase respectively recognition and valuation of tangible assets. Besides testing controls, we performed substantive procedures where we recalculated the depreciation rates, evaluated the appropriateness of tangible asset useful lives applied in the calculation of depreciation and searched for indications for impairment. Furthermore, we performed test of details regarding the recognition of tangible assets and assessed the timeliness of the transfer of assets in the course of construction.

Our audit procedures did not lead to any reservations concerning the recognition and measurement of the tangible assets.

Refer to consolidated Balance Sheet on page 80, Valuation Principles on page 87 as well as Note Nr. 5 on page 90 regarding the financial statement.

**Other information.** The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements, the remuneration report and our auditor’s reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Board of Directors’ responsibilities for the consolidated financial statements.** The Board of Directors is responsible for the preparation of the consolidated financial statements, which give a true and fair view in accordance with Swiss GAAP FER and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the consolidated financial statements.**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is located on EXPERTsuisse's website at: <https://www.expertsuisse.ch/en/audit-report>. This description forms an integral part of our report.

**Report on other legal and regulatory requirements.** In accordance with Art. 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of the consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

Ernst & Young Ltd

Willy Hofstetter  
Licensed audit expert  
(Auditor in charge)

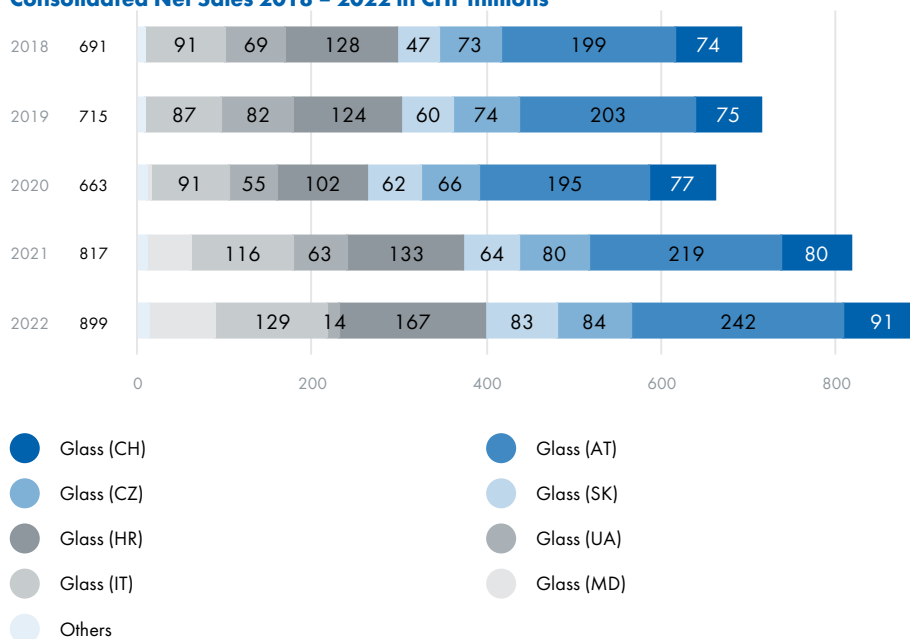
Marc Hegetschweiler  
Licensed audit expert

# Five Year Overview

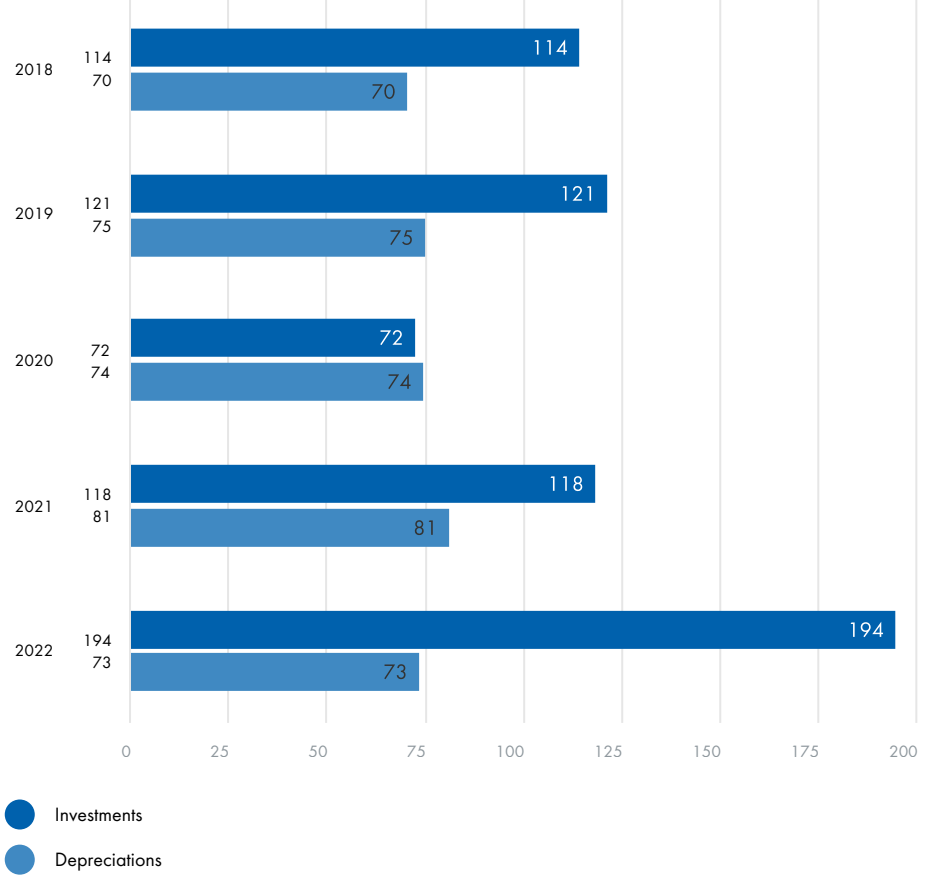
		2022	2021	2020	2019	2018
<b>Consolidated Income Statement</b>						
Net sales from goods and services	CHF millions	899.4	816.5	662.6	714.9	690.7
Change net sales from previous year	%	10.2	23.2	- 7.3	3.5	9.4
Workforce	FTE	3 561	3 896	3 882	3 366	3 291
Net sales per employee	TCHF	253	210	195	212	210
Operating cash flow before change of net working capital	CHF millions	142.2	154.1	141.2	153.3	135.7
Cash flow as % of net sales	%	15.8	18.9	21.3	21.4	19.6
Depreciation/Impairments on tangible assets*	CHF millions	73.5	82.2	74.3	75.7	70.5
Income taxes	CHF millions	9.4	12.1	8.5	14.2	14.0
Net profit	CHF millions	40.7	63.8	81.2	72.4	58.1
<b>Consolidated Balance Sheet as per 31.12.</b>						
Investments in tangible assets	CHF millions	194.1	118.2	71.6	121.1	114.2
Total assets	CHF millions	1 234.5	1 047.8	991.5	949.2	947.4
Short-term assets	CHF millions	552.3	432.3	395.3	365.0	399.6
Long-term assets	CHF millions	682.2	615.5	596.2	584.2	547.8
Liabilities	CHF millions	485.2	273.3	227.9	200.8	235.8
Shareholders' equity	CHF millions	749.3	774.5	763.6	748.4	711.6
Equity ratio	%	60.7	73.9	77.0	78.7	75.1

\* including depreciation on non-operating buildings

**Consolidated Net Sales 2018 – 2022 in CHF millions**



### Investments and Depreciations 2018 – 2022 in CHF millions





**Financial Report  
Vetropack Holding Ltd**

# Financial Report

## Vetropack Holding Ltd

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# Balance Sheet

CHF millions	Note	31.12.2022	31.12.2021
<b>ASSETS</b>			
<b>Short-term Assets</b>			
Liquid funds		101.2	95.8
Accounts receivables from third parties		0.2	0.2
Accounts receivables from Group companies		11.0	7.6
Other short-term receivables from third parties		0.3	0.2
Other short-term receivables from Group companies		2.7	19.8
Prepaid expenses and accrued income		2.1	0.9
Subtotal Short-term Assets		117.5	124.5
<b>Long-term Assets</b>			
Loans to Group companies*		300.2	259.5
Participations	3	120.2	120.2
Tangible assets		0.6	0.3
Intangible assets		2.7	4.0
Subtotal Long-term Assets		423.7	384.0
<b>Total Assets</b>		<b>541.2</b>	<b>508.5</b>
<b>LIABILITIES</b>			
<b>Liabilities</b>			
– Accounts payables to third		2.0	2.4
– Accounts payables to Group companies		2.5	2.1
Accounts payables		4.5	4.5
Short-term interest-bearing financial debts		68.1	41.7
Other short-term liabilities	4	0.1	0.1
Accrued expenses, deferred income and short-term provisions		3.0	2.5
Subtotal Short-term Liabilities		75.7	48.8
– Long-term financial debts to Group companies		3.0	3.0
– Long-term provisions		0.7	0.6
Subtotal Long-term Liabilities		3.7	3.6
<b>Total Liabilities</b>		<b>79.4</b>	<b>52.4</b>
<b>Shareholders' Equity</b>			
Share capital	5	19.8	19.8
Legal capital reserves/reserves from capital investments		0.3	0.3
Legal profit reserves		28.6	28.6
– Voluntary profit reserves		364.4	354.4
Retained earnings brought forward from previous year		17.2	18.0
Annual profit		31.5	35.0
– Accumulated profits		48.7	53.0
Subtotal Shareholders' Equity		461.8	456.1
<b>Total Liabilities</b>		<b>541.2</b>	<b>508.5</b>

\* Thereof CHF 30.0 million are subordinated.

# Income Statement

CHF millions	Note	2022	2021
Dividend income		31.0	42.0
Income generated from licenses		12.8	12.0
Management fees		12.1	9.6
Other income		18.7	20.5
<b>Total income</b>		<b>74.6</b>	<b>84.1</b>
Personnel expenses		- 16.4	- 16.9
- Administrative expenses		- 17.3	- 16.1
- Promotional expenses		- 1.2	- 0.9
- various operating expenses		- 2.6	- 2.5
Other operating expenses		- 21.1	- 19.5
Depreciation		- 0.1	- 0.1
Amortisation		- 1.7	- 1.8
<b>Operating Result (EBIT)</b>		<b>35.3</b>	<b>45.8</b>
Currency exchange losses		- 15.4	- 16.8
<b>Total financial expenses</b>		<b>- 15.4</b>	<b>- 16.8</b>
Interest income		1.8	3.9
Currency exchange gains		10.3	2.1
<b>Total financial income</b>		<b>12.1</b>	<b>6.0</b>
<b>Ordinary Result</b>		<b>32.0</b>	<b>35.0</b>
Extraordinary result	6	- 0.3	-
<b>Annual Profit Before Taxes</b>		<b>31.7</b>	<b>35.0</b>
Income taxes		- 0.2	-
<b>Annual Profit</b>		<b>31.5</b>	<b>35.0</b>



## 1. Information on the Principles Applied in the Annual Financial Statement

The annual financial statement has been prepared in accordance with the provisions of Swiss law, in particular the articles governing commercial accounting and financial reporting in the Swiss Code of Obligations (Art. 957 ff).

## 2. Range of Full-Time Positions Averaged Across the Year

As in the previous year, the company employed between 50 and 250 people in the year under review.

## 3. Participations

The overview [here](#) provides a breakdown of the participations held directly or indirectly by Vetropack Holding Ltd. No value adjustments to participations were released in the reporting year (2021: CHF 0.0 million).

## 4. Other Short-Term Liabilities

Liabilities to pension funds amounted to CHF 0.1 million on the reporting date (2021: CHF 0.1 million).

## 5. Share Capital

The detailed information on share capital can be found [here](#).

## 6. Extraordinary result

The extraordinary costs are related to the events in Ukraine.

## 7. Derivative Financial Instruments

As at 31 December 2022, Vetropack Holding Ltd has open currency swaps in the amount of EUR 64.0 million (CHF 63.0 million) with a negative market value of CHF 73.600.

## 8. Total Amount of Securities Provided for Third-Party Liabilities

There are guarantees in favor of Vetropack AG, St-Prex, of CHF 2.7 million (2021: CHF 2.7 million), in favor of Vetropack Italia S.r.l., Trezzano, of EUR 5.7 million (CHF 5.6 million) and Vetropack Austria Holding AG, Pöchlarn, for EUR 290.0 million (CHF 285.6 million), of which EUR 140.0 million (CHF 137.9 million) was not claimed as a loan by Vetropack Austria Holding AG as of 31 December 2022. As of 31 December 2021, there were guarantees in favor of Vetropack Italia S.r.l. over EUR 7.3 million (CHF 7.6 million).

## 9. Joint Liability

In the framework of VAT group taxation, all affiliated Swiss companies within the Vetropack Group are jointly and severally liable for total debt owed to the federal tax authorities.

## 10. Contingent Liabilities

Vetropack Group operates a cash pooling system for which Vetropack Holding Ltd performs the function of pool master. As a result of the cash pooling agreements with the banks, the pool master has a liability for possible negative balances in the participating pool accounts.

## 11. Off Balance Sheet Transactions

As of 31 December 2022 there were unrecognized leasing obligations in the amount of CHF 0.3 million (2021: CHF 0.2 million). CHF 0.2 million are due within 1 to 2 years and CHF 0.1 million are due within 3 to 5 years.

## 12. Disclosure in Accordance with Swiss Code of Obligations (Art. 663c)

The table below lists the numbers of shares per member of the BoD and MB as of 31 December 2022. Shares held by closely associated persons are included in the total for the respective individual.

Voting Rights	Registered Shares	Registered Shares	Registered Shares	Registered Shares
	A 2022	B 2022	A 2021	B 2021
Claude R. Cornaz*	48 260	–	48 260	–
Richard Fritschi*	1 000	–	1 000	–
Sönke Bandixen*	2 000	–	2 000	–
Pascal Cornaz*	50 000	–	50 000	–
Rudolf Fischer*	500	–	500	–
Urs Kaufmann*	2 450	–	2 450	–
Jean-Philippe Rochat*	500	–	500	–
Diane Nicklas*	–	–	–	–
<b>Total</b>	<b>104 710</b>	<b>–</b>	<b>104 710</b>	<b>–</b>
Johann Reiter**	750	–	750	–
David Zak**	–	–	–	–
Nuno Cunha**	–	–	–	–
Johann Eggerth**	–	–	–	–
Stephen Rayment**	–	–	–	–
Guido Stebner**	–	–	–	–
Evan Williams**	–	–	–	–
<b>Total</b>	<b>750</b>	<b>–</b>	<b>750</b>	<b>–</b>

\* BoD members; position see [here](#)

\*\* MB members; position see [here](#)

### List of Major Shareholders with Holdings > 3%

	31.12.2022	31.12.2021
Shareholder group Cornaz according to latest SIX publication	71.6%	71.6%

One shareholders' agreement exists between the shareholders of Cornaz AG-Holding, another between Cornaz AG-Holding and other shareholders (details see [here](#)).

# Board of Directors' (BoD) Proposal for the Corporate Profit Appropriation

The board of Directors proposes the following appropriation of profits to the Annual General Assembly of shareholders (AGA):

CHF millions	2022	2021
<b>At disposal of the AGA</b>		
Retained earnings	17.2	18.0
Annual profit	31.5	35.0
Total profit	48.7	53.0
Total at the disposal of the AGA	48.7	53.0
<b>Board of Directors' Proposal</b>		
Total profit	48.7	53.0
Allocation profit	- 10.0	- 10.0
Dividend payment	- 19.8	- 25.8
Retained earnings	18.9	17.2

Acceptance of this proposal results in the following dividend payments:

CHF	Gross Dividend	35% Withholding Tax	Net Dividend
Registered share A CHF 1.00 nominal value	1.00	0.35	0.65
Registered share B CHF 0.20 nominal value	0.20	0.07	0.13

The dividend payment to the shareholders will be made on 25 April 2023 to the paying agent known to us.

# Report of the statutory auditor on the financial statements

To the General Meeting of Vetropack Holding Ltd, Saint-Prex

Zurich, 8 March 2023

**Opinion.** We have audited the financial statements of Vetropack Holding Ltd (the Company), which comprise the statement of financial position as at 31 December 2022 and the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements (PDF version: pages 111 bis 116 /online version: marked with the label "audited information") comply with Swiss law and the Company's articles of incorporation.

**Basis for opinion.** We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key audit matters.** We have determined that there are no key audit matters to communicate in our report.

**Other information.** The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements, the remuneration report and our auditor's reports thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Board of Directors' responsibilities for the financial statements.** The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements.** Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on EXPERTsuisse's website at: <https://www.expertsuisse.ch/en/audit-report>. This description forms an integral part of our report.

**Report on other legal and regulatory requirements.** In accordance with Art. 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of the financial statements according to the instructions of the Board of Directors.

Furthermore, we confirm that the proposed appropriation of available earnings complies with Swiss law and the Company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

Ernst & Young Ltd

Willy Hofstetter  
Licensed audit expert  
(Auditor in charge)

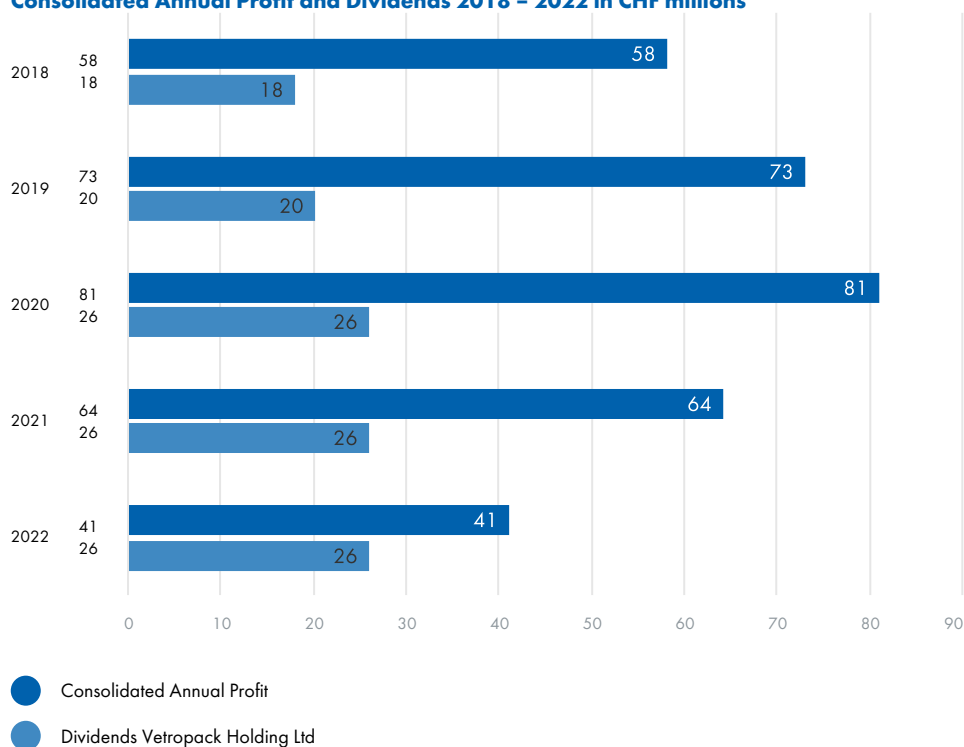
Marc Hegetschweiler  
Licensed audit expert

# Five Year Overview

	2022	2021	2020	2019	2018
<b>Income Statement and Balance Sheet (CHF millions)</b>					
Total income	74.6	84.1	77.5	61.8	55.3
Annual profit	31.5	35.0	44.4	33.4	47.3
Total assets	541.2	508.5	484.1	457.6	430.6
Participations	120.2	120.2	120.2	116.5	116.5
Share capital	19.8	19.8	19.8	19.8	19.8
Shareholders' equity	461.8	456.1	446.9	428.1	414.6
<b>Share details (CHF)</b>					
Share prices					
– Registered share A high	58.90	64.90	65.10	62.40	49.80
– Registered share A low	27.90	53.00	39.60	38.00	34.80
Earnings per share					
	2.05	3.22	4.10	182.61	144.99
Dividends					
– Registered share A	*1,00	1.30	1.30	65.00	50.00
– Registered share B	*0,20	0.26	0.26	13.00	10.00
Distribution ratio in %	48.6	40.4	31.8	35.3	34.1

\* Motion for the AGA on 19 April 2023

**Consolidated Annual Profit and Dividends 2018 – 2022 in CHF millions**





**Corporate Governance**



# Corporate Governance

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# Introduction

The following explanations contain fundamental information for the Vetropack Group as laid out in the Corporate Governance Guidelines defined by the SIX Swiss Exchange as per 29 June 2022.

## Operational Group Structure

Refer to the illustration [here](#).

## Group Companies

For Shareholdings and their Percentage Breakdowns, refer to the illustration [here](#).

## Capital Structure

For details of the share capital, refer to [here](#). For details of changes in capital structure within the last three years, refer to “[Changes in Consolidated Shareholders’ Equity](#)”. Vetropack Holding Ltd does not issue options on participation rights.

## Dividends

Registered shares A and registered shares B are entitled to dividends.

## List of Major Shareholders with Holdings > 3%

	31.12.2022			31.12.2021		
	No. of Registered Shares A	No. of Registered Shares B	Voting Rights in %	No. of Registered Shares A	No. of Registered Shares B	Voting Rights in %
Shareholder group Cornaz according to latest SIX publication	1 264 610	30 250 000	71.6	1 264 610	30 250 000	71.6

There is one shareholders' agreement between the Cornaz AG-Holding shareholders and another between Cornaz AG-Holding and other shareholders.

The core elements of both agreements are as follows:

- concerted exercise of voting rights at the Annual General Assembly;
- mutual tender obligation for the shares upon sale.

With regard to the voting shares indicated, it should be noted that changes to the voting share that do not affect a threshold value do not have to be reported. Accordingly, the number of voting shares disclosed above may differ from the notifications published on the SIX Exchange Regulation website in accordance with Art. 120 ff Financial Market Infrastructure Act (FinMIA). No disclosure reports in terms of Art. 120 FinMIA were submitted to the company in the reporting year. Reports were made to SIX on 15 January 2022 and 31 August in accordance with Art. 121 of the FinMIA.

Detailed information on reports in accordance with Art. 120 ff FinMIA can be accessed on the SIX Exchange Regulation website via the following link: <https://www.six-exchange-regulation.com/de/home/publications/significant-shareholders.html>

# Board of Directors (BoD)

## Principles Underlying the Voting Procedure for Members of the Board of Directors and their Terms of Office

The members of the Board of Directors of Vetropack Holding Ltd are each elected by the Annual General Assembly of shareholders (AGA) on an annual basis. Re-election is permitted. Each year, the AGA elects the Chairman of the Board of Directors and the individual members of the Nomination and Compensation Committee (NCC), who must be members of the Board of Directors, as well as the independent proxy. Their term of office shall end upon the conclusion of the next AGA. The BoD appoints the Chairman of the NCC.

## BoD Duties

The BoD performs its duties as laid out in the Swiss Code of Obligations (CO) Art. 716a.

The BoD Chairman has the following additional main duties:

- Preparing and drawing up the invitations to the AGA jointly with the CEO.
- Drawing up the agenda for BoD meetings, and issuing invitations and relevant documentation jointly with the CEO.
- Chairing the AGA and the BoD meetings.
- Monitoring the implementation of resolutions passed by the AGA and the BoD.
- In urgent cases, the BoD Chairman can conclude transactions that fall within the competence of the BoD by executive decision. Any such actions are communicated in writing without delay to the BoD.

## Respective Areas of Responsibility for the BoD and Management Board (MB)

The duties that are not reserved for the BoD in accordance with Art. 716a CO are delegated to the MB. This means that the MB can act freely within the guidelines laid down by the BoD, but it is also fully responsible for the operational management of the Group.

## Working Methods

In 2022, the BoD exercised its duty of oversight and supervision by accepting written and oral reports from the MB at five ordinary meetings, most of which lasted the entire day, and subsequently discussing them and taking decisions on any motions put forward. The head auditor was invited to the March meeting to disclose the results of the external audit. Moreover, a two-day strategy meeting was held in August. During the November meeting, the results of the 2022 internal audit were discussed.

The BoD Chairman, the CEO and the CFO met regularly to prepare for BoD meetings. They discussed operational topics, preparations for ordinary BoD meetings, as well as reports from internal audit. The BoD is regularly informed regarding the Group's commercial state of affairs and planning via written Monthly, Semi-Annual and Annual Reports, and receives a planning dossier at both company and Group levels (three year plan). The Nomination and Compensation Committee (NCC) is responsible for checking the BoD and MB remuneration scheme. The working methods of the NCC are set out in the [Remuneration Report](#). With the exception of the NCC, the BoD forms no committees.

In his role as executive chairman, the BoD chairman sits on the supervisory bodies of all operating companies and participates in the steering committees of projects and initiatives of strategic importance. He also takes part in the annual management development reviews to discuss appraisals, continuing professional development and succession planning for management team members at all companies. He held twenty-one meetings with the CEO in 2022 to monitor the management of business operations, discuss market trends and implement BoD resolutions.

## Risk Assessment

Vetropack Holding Ltd utilises a risk management system that enables the identification, early recognition, and analysis of risks in order for the company to take appropriate action. The system's scope includes strategic, operational, financial, and compliance risks. It covers not only Vetropack Holding Ltd's risks, but also the key risks of its subsidiaries. All systematically identified risks are listed according to rank. This risk ranking system is formulated from a risk probability matrix. Management is actively involved in checking annually the matrix and in keeping it up to date. During the year under review, the Board of Directors dealt with the topic of risk assessment in its November meeting.



Board of Directors as per 31 December 2022

Pascal Cornaz, Urs Kaufmann, Richard Fritschi, Claude R. Cornaz, Rudolf Fischer, Diane Nicklas, Jean-Philippe Rochat, Sönke Bandixen

## BoD Members

	<b>Position</b>	<b>Nationality</b>	<b>Appointed</b>	<b>Elected till</b>
Claude R. Cornaz *	Chairman, executive	CH	1998	April 2023
Richard Fritschi *	Vice-Chairman, non-executive	CH	2005	April 2023
Sönke Bandixen	Member, non-executive	CH	2012	April 2023
Pascal Cornaz	Member, non-executive	CH	2009	April 2023
Rudolf W. Fischer *	Member, non-executive	CH	2000	April 2023
Urs Kaufmann	Member, non-executive	CH	2017	April 2023
Diane Nicklas	Member, non-executive	DE	2022	April 2023
Jean-Philippe Rochat	Member, non-executive	CH	2006	April 2023

\* Members of the Nomination and Compensation Committee (NCC)

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## Claude R. Cornaz (1961, Buchberg SH)

Mechanical Engineer, ETH / BWI, Zürich, Switzerland



- 1987–1989 Management Services Contraves AG, Zürich, Switzerland
- 1989–1993 Project Engineer, Nestec in Vevey, Switzerland and Thailand
- 1993–1999 Head of Corporate Development and Head of Technology & Production Vetropack Group
- Since 1998 Member of the BoD, Vetropack Holding Ltd, Bülach, Switzerland
- 2000–2017 CEO of Vetropack Holding Ltd, Bülach, Switzerland
- Since 4/2018 Chairman of the BoD, Vetropack Holding Ltd, Bülach, Switzerland

### Governing Mandates

Member of Dätwyler Holding AG, Altdorf, Switzerland / Vice-Chairman of H. Goessler AG, Zürich, Switzerland / Vice-Chairman of Cornaz AG-Holding, Zug, Switzerland / Member of Glas Trösch Holding AG, Buochs, Switzerland

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## Richard Fritschi (1960, Oberrieden ZH)

Dipl. Controller SIB, Zürich, Switzerland



- 1979–1985 Various functions for Luwa SA, in Zürich, Switzerland and England
- 1985–1987 Project Controller, Aircal-Luwa SA, Paris, France
- 1987–1991 Head of Finance and Administration, Isolag AG, Zürich, Switzerland
- 1991–1999 Head of Finance, Allo Pro / Sulzer Orthopädie, Baar / Winterthur, Switzerland
- 1999–2001 Head of Sales, Sulzer Orthopädie / Sulzermedica, Winterthur, Switzerland
- 2001–2003 President Europe / Asia / South America, Sulzer Orthopädie / Sulzermedica, Winterthur, Switzerland
- 2003–2005 President Europe / Australasia, Zimmer, Winterthur, Switzerland
- 2006–8/2011 CEO of Ypsomed AG, Burgdorf, Switzerland
- Since 9/2011 Board of Directors in various private and listed companies

### Governing Mandates

President of Cornaz AG-Holding, Zug, Switzerland / President of Bibus Holding AG, Fehraltorf, Switzerland / Member of Fromm Holding AG, Cham, Switzerland

## Sönke Bandixen (1957, Stein am Rhein SH)

Dipl. Mechanical Engineer, ETH Zürich, Switzerland, PMD Harvard Business School, USA



- 1984–1993 Various functions for SIG AG, as of 1990 MB Division Packaging Machines, Neuhausen am Rheinfall, Switzerland
- 1994–1996 Vice President Marketing, Cosatec AG, Dübendorf, Switzerland
- 1997–2003 CEO of Division Door Systems, Kaba Holding AG, Rümlang, Switzerland
- 2007–2010 CEO of Orell Füssli Holding AG, Zürich, Switzerland
- 2010–2011 Self-employed Management Consultant
- 2012–2014 CEO of Landert Motoren AG, Bülach, Switzerland
- Since 2015 Self-employed Management Consultant

### Governing Mandates

President of Schweizerische Schifffahrtsgesellschaft Untersee und Rhein, Schaffhausen, Switzerland

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## Pascal Cornaz (1971, Les Paccots FR)

Dipl. Purchaser, Switzerland



- 1995–2005 Various functions in technical customer support, purchasing, and logistics, Switzerland
- 2005–2007 Member of the Executive Board of Giovanna Holding SA, Clarens, Switzerland
- 2008–2011 Member of the Executive Board and Head of Customer Service of Ginox SA, Clarens, Switzerland
- 2012–2018 CEO of Diamcoupe SA, Cheseaux s. Lausanne, Switzerland
- Since 2018 Managing Partner, Equistructure Sàrl, Les Paccots, Switzerland



## Rudolf W. Fischer (1952, Bergdietikon AG)

PhD. Economics. publ., University of Zürich, Switzerland



- 1982–1991 Various management positions in HR and Trade Marketing, Jacobs Suchard, Switzerland and Belgium
- 1991–1994 CEO of Jockey (Switzerland), Uster, Switzerland part of the Austrian Huber Tricot Group (1991 & 1992), and Hanro AG, Liestal (1993 & 1994), Switzerland
- 1994–1995 Partner Björn Johansson Associates, Executive Search, Zürich, Switzerland
- 1996–2011 Schindler Management AG, Ebikon, Switzerland, Group Management Member, responsible for HR and Training
- 2012–8/2016 Schindler Holding Ltd, Hergiswil, Switzerland, Member of the Board of Directors, Member of the Supervisory and Nomination Committee (full-time), Member of the Compensation Committee
- 9/2016–3/2021 Schindler Holding Ltd, Hergiswil, Switzerland, Member of the Board of Directors, Member of the Compensation Committee

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## Urs Kaufmann (1962, Rapperswil-Jona SG)

Dipl. Masch.-Ing. ETH / BWI Zürich, Schweiz



- 1987–1993 Project Manager, Production Manager and Head of Sales, Zellweger Uster AG, Uster and USA
- 1994–present HUBER+SUHNER Group
- 1994–1997 Managing Director of Henry Berchtold AG, Kollbrunn, Switzerland
- 1997–2000 Division Head and Member of Management Board
- 2001–2002 Sector Head and Member of Executive Group Management
- 2002–2017 CEO, from 2014 Delegate of the Board of Directors
- Since 2017 Chairman of the Board of Directors

### Governing Mandates

Chairman of Schaffner Holding AG (until January 2023), Lutembach, Switzerland / Member of SFS Group AG, Heerbrugg, Switzerland / Member of Müller Martini Holding AG, Hergiswil, Switzerland

### Offices

Board committees of the Executive Committee of Swissmem and of the Schweizerischer Arbeitgeberverband (SAV)

## Diane Nicklas (1969, Germany)

Dr. Ing. Metallurgy and Materials Engineering



- 1994–2001 Research work for the German automotive and steel industries. Subsequently doctorate at the Rheinisch Westfälisch Technische Hochschule, Aachen, Germany
- 2001–2003 Executive Assistant to the CEO Saint-Gobain SEKURIT, Automotive Glass. Aachen, Germany
- 2003–2007 Director global development projects Saint-Gobain SEKURIT, Automotive Glass. Compiègne, France
- 2007–2013 Director global sales Saint-Gobain SOLAR, Solar Glass. Paris, France.
- 2013–2021 Director global sales and strategy Saint-Gobain SEFPRO. Ceramic refractories for the glass industry. Avignon, France.
- 2021–2022 M&A Advisor, Livia Group Munich, Germany
- Since 2021 Board member, freelance strategic consultant for companies in the glass and glass supply industry

### Governing Mandates

Member of Hans OETIKER Holding AG, Horgen, Switzerland

## Jean-Philippe Rochat (1957, Lausanne VD)

Lic. iur. University of Lausanne, Switzerland, Lawyer



1980–1984	Publicitas Ltd, Lausanne, Bern and Basel, Switzerland
1984–1985	Fiduciaire Fidinter Ltd, Lausanne, Switzerland
1985–1987	Legal internship in Geneva, Switzerland
1987–1989	Lawyer, Pfyffer, Argand, Troller & Associates, Geneva, Switzerland
1989–2015	Partner Lawyer at Carrard, Paschoud, Heim et Associés, Lausanne, Switzerland
Since 2015	Partner Lawyer at Kellerhals Carrard, Lausanne, Switzerland

### Governing Mandates

Member of Investissements Fonciers SA – La Foncière, Lausanne, Switzerland / Member of Vaudoise Holding SA, Lausanne, Switzerland / Member of Hochdorf Holding SA, Hochdorf, Switzerland / Member of Sagrave Holding S.A., Lausanne, Switzerland

### Offices

Honorary consul of Finland in Lausanne, Switzerland

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Members of the BoD for Vetropack Holding Ltd do not sit with other BoD members on the boards of other listed companies, nor are there any business relationships between the BoD members and Vetropack Holding Ltd. Claude R. Cornaz, Rudolf W. Fischer, Jean-Philippe Rochat and Urs Kaufmann also act as directors of other listed companies as set out [here](#).

# MB Members

	Position	Nationality	Since
Johann Reiter	CEO	AT	1.1.2018
David Zak	CFO	CH	1.5.2002
Nuno Cunha	CHRO	PT	1.9.2018
Johann Eggerth	Managing Director Division Switzerland/Austria	AT	1.3.2018
Stephen Rayment	CSCO	GB	1.12.2021
Guido Stebner	CTO	DE	1.1.2021
Evan Williams	CCO	GB	1.6.2019

## Johann Reiter (1960)

Dipl. Industrial & Mechanical Engineer, HTL, Kapfenberg, Austria



1976–2010 Various functions at Böhler Edelstahl GmbH & Co KG, Kapfenberg, Austria, including business area manager for free-form forge and casting parts

11/2010–2017 General Manager Business Division Switzerland/Austria / MB Member of Vetropack Group

Since 2018 CEO of Vetropack Holding Ltd

### Governing Mandates

Member of the Board of Directors of the European Container Glass Federation (FEVE), Brussels, Belgium  
Chairman of the executive committee of International Partners in Glass Research e.V. (IPGR), Aachen, Germany

## David Zak (1965)

BSc., Business Administration, Boston University, Boston, USA



1989–1997 Various international Finance and Management positions within the ABB Group, including Controller for ABB Holding AG, Zürich, Switzerland Vice-Chairman of ABB s.r.o., Prague, Czech Republic

1998–2002 CFO of Studer Professional Audio AG, Regensdorf, Switzerland

Since 5/2002 CFO of Vetropack Holding Ltd / MB Member of Vetropack Group

## Nuno Cunha (1970)

Sociology degree, Universidade Nova de Lisboa, Portugal



- 1995–2000 Various human resources roles, Volkswagen Group, Portugal
- 2000–2005 Head of Human Resources Portugal, Spain and Mozambique at Sapa Profiles, Hydro Extruded Solutions, Portugal
- 2005–2007 European HR Development Manager for the General Motors Acceptance Corporation, Germany
- 2007–2009 Global Business Partner at Huntsman, Advanced Materials, Switzerland
- 2009–2013 Head of Human Resources Europe, Middle East, Africa and India at the Valspar Corporation, Switzerland
- 2013–2018 Head of Human Resources Middle East and Africa & Global Director for Specialty Fluids at Cabot Corporation, Switzerland
- Since 9/2018 CHRO, MB Member of Vetropack Group

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## Johann Eggerth (1967)

Dipl. Engineering, Metallurgy and Materials Technology (specialising in business administration and energy management), Montanuniversität Leoben, Austria



- 1995–1998 Project Manager and Product Manager, Voest-Alpine Industrieanlagenbau GmbH, Linz, Austria
- 1998–2003 Consultant, McKinsey & Company Inc., Vienna, Austria and Cologne, Germany
- 2003–2012 Managing Director, Festool Engineering GmbH, Neidlingen, Germany
- 2012–2018 CEO, Adler-Werk Lackfabrik GmbH & Co KG and Adler Beteiligungsgesellschaft m.b.H., Schwaz, Austria
- Since 3/2018 General Manager Business Division Switzerland/Austria, MB Member of Vetropack Group

### Governing Mandates

- Member of Board of Directors Joh. Pengg AG und Pengg Austria GmbH, Thörl, Austria
- Chairman of the Federal Association of the Austrian Glass Industry, Vienna, Austria

## Stephen Rayment (1969)

HNC in Manufacturing Engineering, Solent University, United Kingdom; Bsc in Environmental Science (ETC 2024), Open University, United Kingdom



- 1985–1995 Trainee and project engineer in various industry sectors
- 1995–1999 Various roles in production and supply chain, Pilkington Barnes-Hind, Southampton, United Kingdom
- 1999–2017 Various supply chain management roles at various companies within the Novartis Group, Zurich/Fribourg/Basel, Switzerland
- 2018–2021 Head of Global S&OP, SONG-WON Industrial Group, Frauenfeld, Switzerland
- Since 12/2021 CSCO, member of group management at Vetropack Group

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## Guido Stebner (1966)

Dr. Ing., RWTH Aachen, Dipl. Ing. Metallurgy, TU Clausthal, Germany



- 1991–1994 Trainee and project engineer in the R&D division, Thyssen Stahl AG
- 1994–2001 Managerial roles in production and R&D within the steel industry in Germany, France and Italy, various BUs within ThyssenKrupp AG
- 2002–2007 Production manager at Melt Shop, ThyssenKrupp Nirosta GmbH, Krefeld
- 2008–2012 Project/Operations Director, ThyssenKrupp Stainless LLC, Calvert, Alabama, USA
- 2013–2016 Director/Vice President Operations, Outokumpu Stainless LLC, Calvert, Alabama, USA and member of the Management Board
- 2016–2018 COO at Swiss Steel AG, Emmenbrücke, Switzerland, member of the Management Board
- 2018–2020 COO at Deutsche Edelstahlwerke GmbH, Witten, Germany, member of the Management Board
- Since 1/2021 Chief Technology Officer, member of group management at Vetropack Group

## Evan Williams (1967)

BSc., Business Administration and Applied Psychology, University of Aston, Executive MBA, Hult (Ashridge), United Kingdom and Northern Ireland



1991–1994	MCG Closures Ltd, Graduate Trainee, United Kingdom
1994–2019	Various positions at Owens-Illinois Europe HQ (Switzerland) including:
2010–2014	Sales Director North West Europe (United Kingdom, Germany, Netherlands, Belgium, and Scandinavia)
2014–2016	Director European Beer Segment
2016–2019	Director Global Key Account
Since 6/2019	CCO, MB Member of Vetropack Group

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There are no management agreements between Vetropack Holding Ltd and companies, nor individuals outside the Group.

# Remuneration and Additional Information

The [Remuneration Report](#) and the disclosure pursuant to Art. 663 c [here](#) provide details on the remuneration, shareholdings, loans and credits granted to members of the BoD and MB as well as closely associated persons.



# Shareholders' Participation Rights

**Voting Rights, Voting Rights Restrictions and Representation:** Each registered share A and each registered share B has one voting right. Registered shares can only be represented by other shareholders (persons or legal entities) that own registered shares.

**Statutory Quorums:** The articles of incorporation of Vetropack Holding Ltd specify only the statutory requirements as laid out in Articles 703 and 704 of the Swiss Code of Obligations.

**Convocation of the AGA:** The invitation is issued at least 20 days prior to the date of the assembly. Within the invitation the shareholders are informed of business items to be negotiated during the assembly, as well as motions proposed by the BoD, and by shareholders who have demanded that a given business item be placed on the agenda. Extraordinary General Assemblies (EGAs) are convened as necessary and as defined by legal precedent. Shareholders representing at least 5% of total share capital can demand convocation of an EGA at any time.

**Composition of the Agenda for the AGA:** Shareholders who represent shares with a nominal value of CHF 1,000,000 can demand that a business item is placed on the agenda. This request must be submitted in writing to the Chairman of the BoD at least 40 days prior to AGA.

**Transfer Provisions:** There are no ownership nor transfer restrictions for registered shares A. Transfers of registered shares B must be reported to the Shareholders' Office of Vetropack Holding Ltd. and approved by the BoD.

**Changes of Control and Defence Measures:** There is no statutory regulation in relation to "opting-out" nor "opting-up". There are no clauses on changes of control in favour of members of the BoD nor the MB.

**Period of Notice:** Permanent contracts of employment with a maximum period of notice of nine months have been concluded with the MB members (cp. article 22 of the articles of incorporation).

# Auditors

**Mandate:** Ernst & Young Ltd have been auditors for Vetropack Holding Ltd since 1995. The head auditor has been responsible for the auditing mandate since 2020. The head auditor is changed every seven years.

**Fees:** Ernst & Young Ltd invoiced Vetropack Group CHF 0.5 million in the reporting year for auditing the individual financial statements and the consolidated financial statements, along with CHF 0.1 million for other services. In 2022, all affiliates of the Vetropack Group were audited by Ernst & Young Ltd.

**Supervisory and Control Instruments vis-à-vis the External Auditors:** At the ordinary November meeting, the entire BoD reviews the scope and key aspects of the external audit, including key aspects for auditing the internal control system of the current year. At the ordinary March meeting all BoD members are informed of audit results both in writing (Auditor's Report, Group Auditor's Report, Explanatory Notes) and verbally (the lead auditor attends the BoD's meeting). In February, the main points and results of audits carried out at subsidiaries are also discussed with auditors at the ordinary meetings of the governing body of each subsidiary. The president of the BoD is present at these meetings. With the help of the above-mentioned information sources, the BoD annually assesses both the statutory auditors' and group auditors' performance and independence during the March meeting. The BoD annually analyses the development of external audit costs (multiple year comparison).

# Information Policy

Vetropack Holding Ltd provides information through the following channels: Annual Report, Annual Press Conference, Annual General Assembly, Semi-Annual Report and Press releases. Current information is available via the company's website at [www.vetropack.com](http://www.vetropack.com).

Press releases are published under the "News" header (<http://www.vetropack.com/en/vetropack/news/>). Under the "Investor Relations" header (<http://www.vetropack.com/en/vetropack/investor-relations/vetropack-in-figures/>) key figures, financial publications, financial agenda, news subscription, articles of incorporation, minutes of the last AGA and contact information are published.

By registering for the newsletter (push mail), those interested will automatically receive an e-mail directing to newly released investor relations information pages on the company's website (<http://www.vetropack.com/en/vetropack/investor-relations/news-service/>).

# General blocking periods

According to Vetropack's internal policy, the following general blocking periods apply, within which it is prohibited to conduct direct or indirect stock exchange transactions with securities of Vetropack Holding Ltd:

From 1 January up to and including the trading day on which the year-end figures are published.

From 1 July up to and including the trading day on which the semi-annual figures are published.

The blocking periods apply to the members of the Board of Directors of Vetropack Holding Ltd and the Extended Group Management as well as relevant employees who have access to confidential information in connection with the preparation and communication of the annual financial statements and the semi-annual financial statements.

# Contact Address

Shareholders' Office  
Segetis AG  
Investor Relationship Management  
Platz 4  
6039 Root D4



# Remuneration Report

# Remuneration Report

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## Introduction

The strategy adopted by the Vetropack Group aims to ensure the company's sustainable long-term development, taking account of its stakeholders' interests. Given that Vetropack has strong roots in local markets, specific conditions at individual locations are regarded as highly important. Vetropack's remuneration principles have been drawn up with this in mind; they include a fixed component aligned with local market conditions, and an appropriate variable component related to performance and results.

## Principles of the remuneration scheme and its components

The Vetropack Group's remuneration scheme is geared to its employees' levels of responsibility and experience, and also to local conditions. Members of the Board of Directors (BoD) receive a fixed cash benefit with no variable components.

Members of the Management Board (MB) receive basic remuneration reflecting their individual responsibility and experience, as well as a variable performance- and results-related component. They are awarded additional non-cash benefits in the form of supplementary pension contributions and a company car, which is also available for their private use.

All remuneration is paid in cash; there are no option or share plans.



## Organisation and authorities for determining remuneration

The BoD determines the principles underlying its own remuneration scheme and the scheme for the MB at the request of the Nomination and Compensation Committee (NCC). It also sets the remuneration for the BoD and the CEO annually at the request of the NCC.

The NCC consists of three members of the BoD who are elected individually by the Annual General Assembly each year. The Annual General Assembly of 20 April 2022 elected Claude R. Cornaz, Richard Fritschi and Rudolf Fischer to the NCC; the BoD designated Rudolf Fischer as Chairman of the NCC. The NCC reports on its discussions and decisions, and proposes any motions, at the next meeting of the entire BoD. The committee met four times during 2022, in February, July, October and November.

The NCC's main task is to review the remuneration schemes for the BoD and MB on a regular basis. The NCC submits remuneration proposals for the members of the BoD and the CEO to the entire BoD so that the latter can pass the relevant resolutions. The NCC takes independent decisions regarding remuneration for the remaining members of the MB at the request of the CEO. The NCC also submits proposals to the BoD regarding the motions on overall remuneration for the BoD and MB that are to be put forward at the Annual General Assembly.

In addition, the NCC prepares the medium- and long-term human resources planning for members of the BoD and the MB, and submits its proposals to the entire BoD so that the latter can pass the relevant resolutions.

The Annual General Assembly of Vetropack Holding Ltd votes separately on remuneration for the Board of Directors and the Management Board as follows:

- Prospectively, on the maximum total amount of remuneration for the Board of Directors for the period until the next Annual General Assembly (cf. article 27 of the company's Articles of Incorporation <https://www.vetropack.com/en/vetropack/investor-relations/corporate-governance/>).
- Prospectively, on the maximum total amount of remuneration for the Management Board for the fiscal year that follows the Annual General Assembly (cf. article 27 of the Articles of Incorporation).

Article 28 of the Articles of Incorporation provides for an additional 40% of the amount approved by the Annual General Assembly for members of the Management Board nominated during the remuneration period.

# Description of the remuneration components

## Board of Directors (BoD)

Members of the BoD receive fixed remuneration in cash, with the Chairman, Vice-Chairman and ordinary members entitled to different amounts based on a graduated scale. The members of the NCC also receive fixed remuneration in cash for their work on the Committee, with the Chairman and ordinary members likewise entitled to different amounts based on a graduated scale. There are no variable components. Remuneration is paid out in 12 monthly instalments.

## Management Board (MB)

Members of the MB receive fixed basic remuneration (fixed basic salary), which is commensurate with the level of responsibility involved in their individual function, their experience, and local conditions.

They also receive a variable cash bonus that consists of two parts:

- An individual bonus, based on the attainment of individually defined performance goals. This bonus component is calculated on the basis of an individually specified percentage of the personal fixed basic salary, multiplied by the goal attainment rate.
- A net result bonus, calculated on the basis of an individually defined per mille rate of the Group's consolidated net profit after tax. If the consolidated net profit is lower than 2% of the net revenue, this net result bonus is zero.

When appraising the attainment of individual performance goals, those elements that cannot be quantified are evaluated at the appraiser's discretion.

The target range for the variable component as a whole, i.e. the individual bonus and net result bonus together, should be between 25% and 50% of the basic salary.

In all cases, however, it is limited to a maximum of 75% of the basic salary and is paid out in April of the following year, after the Annual Report has been approved by the BoD.

## Remuneration for the Board of Directors (BoD)

Only cash benefits were paid to members of the BoD in 2022. No shares, options, loans, credits, additional fees or remuneration of any other kind were disbursed either to members of the BoD, former members of the BoD, or persons closely associated with them. Furthermore, there are no outstanding credits or loans.

### 2022 BoD remuneration

in CHF	BoD	Cash	Social Security Contributions	Total
		NCC		
Claude R. Cornaz, Chairman	315 800	10 000	99 634	425 434
Richard Fritschi, Vice-Chairman	90 000	10 000	7 505	107 505
Sönke Bandixen, Member	65 000	–	4 132	69 132
Pascal Cornaz, Member	65 000	–	4 878	69 878
Rudolf W. Fischer, Member	65 000	15 000	4 048	84 048
Urs Kaufmann, Member	65 000	–	4 878	69 878
Diane Nicklas, Member	43 334	–	8 331	51 665
Jean-Philippe Rochat, Member	65 000	–	4 729	69 729
<b>Total</b>	<b>774 134</b>	<b>35 000</b>	<b>138 135</b>	<b>947 269</b>

### 2021 BoD Remuneration

in CHF	BoD	Cash	Social Security Contributions	Total
		NCC		
Claude R. Cornaz, Chairman	315 800	10 000	100 286	426 086
Richard Fritschi, Vice-Chairman	90 000	10 000	7 516	107 516
Sönke Bandixen, Member	65 000	–	4 885	69 885
Pascal Cornaz, Member	65 000	–	4 885	69 885
Rudolf W. Fischer, Member	65 000	15 000	4 055	84 055
Urs Kaufmann, Member	65 000	–	4 885	69 885
Jean-Philippe Rochat, Member	65 000	–	4 885	69 885
<b>Total</b>	<b>730 800</b>	<b>35 000</b>	<b>131 397</b>	<b>897 197</b>

## Remuneration for the Management Board (MB)

Only cash and non-cash benefits were provided to members of the MB in 2022. No shares, options, loans, credits, additional fees or remuneration of any other kind were disbursed either to members of the MB, former members of the MB, or persons closely associated with them. Furthermore, there are no outstanding credits or loans.

in CHF	Basic Salary	Bonus	Pension/ Social Security Contributions	Non-cash Benefits*	Total
<b>2022 MB Remuneration</b>					
Total MB	2 331 028	925 297	825 024	56 126	4 137 476
Highest level of remuneration **	607 250	329 152	228 344	8 602	1 173 348
<b>2021 MB Remuneration</b>					
Total MB	2 148 091	756 526	757 763	43 105	3 705 485
Highest level of remuneration **	600 000	244 863	229 875	7 285	1 082 023

\* Company car for personal use

\*\* Johann Reiter, CEO

# Comparison of remuneration disbursed with remuneration approved

## Board of Directors

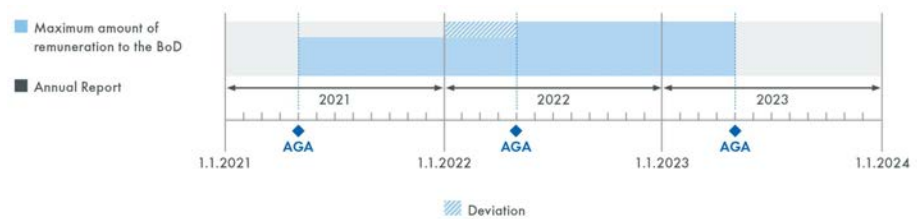
At the Annual General Assembly on 20 April 2022, a vote was held on the total remuneration for the Board of Directors and a maximum amount of CHF 1,000,000.00 was defined.

In accordance with the Articles of Incorporation, remuneration for the Board of Directors is approved prospectively for the period until the next ordinary Annual General Assembly. The table below compares the maximum amount of remuneration for the Board of Directors approved by the Annual General Assembly with the amounts actually disbursed in 2022.

### in CHF

Approved total remuneration for the BoD from the 2022 AGA until the 2023 AGA	1 000 000
Remuneration disbursed to the BoD in 2022	947 269

The difference is due to the addition of a new member to the Board of Directors and a comparison of two different time periods.



## Management Board

The maximum amount of the Management Board's total remuneration for the 2022 fiscal year (CHF 5,100,000.00) was approved at the Annual General Assembly held on 21 April 2021. At the Annual General Assembly held on 20 April 2022, the maximum amount of the Management Board's total remuneration was increased by CHF 450,000.00 to CHF 5,550,000.00. The table below compares the remuneration approved and disbursed in 2022.

### in CHF

	<b>2022</b>
Approved total remuneration for the Management Board for 2022	5 550 000
Remuneration disbursed to the Management Board in 2022	4 137 476

## Shareholdings

Information on shares held by members of the Board of Directors and the Management Board can be found [here](#).

# Report of the statutory auditor on the remuneration report

To the General Meeting of Vetropack Holding Ltd, Saint-Prex

Zurich, 8 March 2023

**Opinion.** We have audited the remuneration report of Vetropack Holding Ltd (the Company) for the year ended 31 December 2022. The audit was limited to the information on remuneration, loans and advances pursuant to Art. 14–16 of the Ordinance against Excessive Remuneration in Listed Companies Limited by Shares (Verordnung gegen übermässige Vergütungen bei börsenkotierten Aktiengesellschaften, VegüV) in PDF version: pages 144 to 149 /online version: marked with the label “audited information” of the remuneration report.

In our opinion, the information on remuneration, loans and advances in the remuneration report complies with Swiss law and Art. 14–16 VegüV.

**Basis for opinion.** We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the “Auditor’s responsibilities for the audit of the remuneration report” section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Other information.** The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include pages 144 to 149 /online version: marked with the label “audited information” in the remuneration report, the consolidated financial statements, the stand-alone financial statements and our auditor’s reports thereon.

Our opinion on the remuneration report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the remuneration report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the audited financial information in the remuneration report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Board of Directors’ responsibilities for the remuneration report.** The Board of Directors is responsible for the preparation of a remuneration report in accordance with the provisions of Swiss law and the Company’s articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of a remuneration report that is free from material misstatement, whether due to fraud or error. The Board of Directors is also responsible for designing the remuneration system and defining individual remuneration packages.

**Auditor's responsibilities for the audit of the remuneration report.** Our objectives are to obtain reasonable assurance about whether the information on remuneration, loans and advances pursuant to Art. 14–16 VegüV is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this remuneration report.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the remuneration report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Ernst & Young Ltd

Willy Hofstetter  
Licensed audit expert  
(Auditor in charge)

Marc Hegetschweiler  
Licensed audit expert



# Sustainability Report



# Sustainability Report

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# Introduction to the sustainability report

Our reporting on sustainability performance has been based on the GRI Standards (the Global Reporting Initiative) each year since 2014. The basis for the topics to be reported is the result of the materiality analysis, which corresponds to a procedure in compliance with the GRI Standards 2021. Sustainability reporting has been fully integrated into the Annual Report for several years. Starting this year, reporting on all material environmental, social and economic topics is presented centrally in the [Performance review](#), which now includes additional content.

If a new presentation, calculation method or optimised data collection procedure has led to different results for prior years in connection with individual GRI Disclosures, this is mentioned in the relevant notes.

The non-financial information and data has not undergone an external audit.

# General Disclosures as per GRI standards

The majority of the General Disclosures stipulated by the GRI Standards 2021 can be found in the [Foundations for success](#) and the [Performance review](#). In cases where the GRI Standards 2021 on governance, strategy, policies, practices and stakeholder engagement require specific information that could not be fully integrated into the reporting structure, the additional information concerned is provided below.

## Governance

### **GRI 2-12 Role of the highest governance body in overseeing the management of impacts**

The Board of Directors and the Management Board pursue a long-term Strategy which is presented in the [à Foundations for success](#). The Board of Directors is responsible for and controls the implementation of the corporate strategy. The Sustainability Committee (chapter [«Clearly Sustainable»](#)) reports regularly to the Board of Directors on the impacts, risks and opportunities of environmental and social topics. Sustainability goals and their attainment are reviewed and approved by the Board of Directors.

### **GRI 2-14 Role of the highest governance body in sustainability reporting**

Vetropack's sustainability reporting is reviewed and approved by the Board of Directors and the Management Board within the scope of the Integrated Annual Report.

### **GRI 2-17 Collective knowledge of the highest governance body**

Vetropack's internal business processes are geared to comprehensive and continuous improvement and innovation. This also entails the inclusion of stakeholders' concerns relating to economic, environmental and social topics. The Board of Directors and the Management Board receive feedback and input on these aspects from discussions with various stakeholder groups such as customers and investors. Vetropack's governance bodies thus advance their collective knowledge about the sustainability aspects that are relevant to the company.

### **GRI 2-18 Evaluation of the performance of the highest governance body**

Vetropack's success is based on the fact that the Board of Directors and Management Board adopt a long-term perspective. Sustainability aspects are an integral element of this performance evaluation. Because these issues are integrated into Vetropack's business model, there is no separate formal process for evaluating the performance of the Board of Directors in these respects.

# Strategy, policies and practices

## GRI 2-28 Membership associations

- [CelSian](#) (formerly TNO)
- [Cetie](#) (International Technical Centre for Bottling)
- [FEVE](#) (European Container Glass Federation)
- [SEC](#) (Chamber of Commerce Switzerland - Central Europe) c/o Switzerland Global Enterprise
- [HKSÖL](#) (Swiss-Austrian-Liechtenstein Chamber of Commerce)
- [HVG-DGG](#) (Hüttentechnische Vereinigung der Deutschen Glasindustrie e. V.)
- [IPGR](#) (International Partners in Glass Research)
- [Food Packaging Forum](#)

# Stakeholder engagement

## GRI 2-30 Collective bargaining agreements

About 90 percent of our employees are covered by collective bargaining agreements, which are formulated in various ways according to local legislation.

# GRI Content Index



CONTENT INDEX  
ESSENTIALS SERVICE

2023

Vetropack has reported for the period from 1 January 2022 until 31 December 2022 in compliance with the GRI Standards 2021. For the «Content Index – Essentials» service, GRI Services checked whether the GRI content Index is presented clearly and in accordance with the Standards, and whether the references for Disclosures 2-1 to 2-5, 3-1 and 3-2 correspond to the relevant sections in the main part of the report. This service was provided for the German version of the report.

Vetropack publishes an Integrated Annual Report each year. The present report was published on 14 March 2023. Point of contact: questions and suggestions regarding this report can be emailed via [info@vetropack.com](mailto:info@vetropack.com) to Corporate Communications at Vetropack Holding Ltd, CH-8180 Bülach.

GRI 1 used	GRI 1: Foundation 2021	
Applicable GRI Sector Standard	none	
<b>General Disclosures</b>		
<b>GRI Standard</b>	<b>Disclosure</b>	<b>Omission</b>
		(Requirements omitted (RO), Reason (R), Explanation (E))
	<b>The organization and its reporting practices</b>	
GRI 2: General Disclosures 2021	2-1	Organizational details
	2-2	Entities included in the organization's sustainability reporting
	2-3	Reporting period, frequency and contact point
	2-4	Restatements of information
	2-5	External assurance
	<b>Activities and workers</b>	
GRI 2: General Disclosures 2021	2-6	Activities, value chain and other business relationships
	2-7	Employees
	2-8	Workers who are not employees
	<b>Governance</b>	
GRI 2: General Disclosures 2021	2-9	Governance structure and composition
	2-10	Nomination and selection of the highest governance body
	2-11	Chair of the highest governance body
	2-12	Role of the highest governance body in overseeing the management impacts
	2-13	Delegation of responsibility for managing impacts

	2-14	Role of the highest governance body in sustainability reporting	
	2-15	Conflicts of interest	
	2-16	Communication of critical concerns	
	2-17	Collective knowledge of the highest governance body	
	2-18	Evaluation of the performance of the highest governance body	
	2-19	Remuneration policies	
	2-20	Process to determine remuneration	
	2-21	Annual total compensation ratio	Annual total compensation ratio (RO) Data not available (R) Data will be collected in the future (E)
		<b>Strategy, policies and practices</b>	
GRI 2: General Disclosures 2021	2-22	Statement on sustainable development strategy	
	2-23	Policy commitments	
	2-24	Embedding policy commitments	
	2-25	Processes to remediate negative impacts	
	2-26	Mechanisms for seeking advice and raising concerns	
	2-27	Compliance with laws and regulations	
	2-28	Membership associations	
		<b>Stakeholder engagement</b>	
GRI 2: General Disclosures 2021	2-29	Approach to stakeholder engagement	
	2-30	Collective bargaining agreements	

### Material Topics

GRI Standards	Disclosures	Omission (Requirements omitted (RO), Reason (R), Explanation (E))
GRI 3: Material Topics 2021	3-1	Process to determine material topics
	3-2	List of material topics
		<b>Sustainable Return on Capital</b>
GRI 3: Material Topics 2021	3-3	Management approach
		<b>Innovation Strategy and Portfolio</b>
GRI 3: Material Topics 2021	3-3	Management approach
		<b>Continuous Quality Improvement along the Value Chain</b>
GRI 3: Material Topics 2021	3-3	Management approach
		<b>Sustainable growth and Market Position</b>
GRI 3: Material Topics 2021	3-3	Management approach
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed
		<b>Cashflow and Profitability</b>
GRI 3: Material Topics 2021	3-3	Management approach

**Manufacturing Process Innovation  
with Suppliers**

GRI 3: Material Topics 2021	3-3	Management approach
		<b>Digitalszation and Automation</b>
GRI 3: Material Topics 2021	3-3	Management approach
		<b>Customer-specific Products</b>
GRI 3: Material Topics 2021	3-3	Management approach
		<b>Sustainable Product Solutions</b>
GRI 3: Material Topics 2021	3-3	Management approach
		<b>Energy Efficiency and lower GHG Emissions</b>
GRI 3: Material Topics 2021	3-3	Management approach
GRI 302: Energy 2016	302-3	Energy intensity
GRI 305: Emissions 2016	305-1	Direct GHG emissions (Scope 1)
	305-2	Energy indirect GHG emissions (Scope 2)
	305-4	GHG emissions intensity
		<b>Circular Economy and Ressource Efficiency</b>
GRI 3: Material Topics 2021	3-3	Management approach
GRI 301: Materials 2016	301-2	Recycled input materials used
GRI 303: Water and Efflu- ents 2018	303-1	Interactions with water as a shared resource
	303-2	Management of water discharge-re- lated impacts
	303-3	Water withdrawal
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts
	306-2	Management of significant waste-re- lated impacts
	306-3	Waste generated
		<b>Talent Management</b>
GRI 3: Material Topics 2021	3-3	Management approach
GRI 404: Training and Ed- ucation 2016	404-2	Programs for upgrading employee skills and transition assistance pro- grams
	404-3	Percentage of employees receiving regular performance and career de- velopment reviews
		<b>Knowledge Management and Learning Organization</b>
GRI 3: Material Topics 2021	3-3	Management approach
		<b>Employee Engagement</b>
GRI 3: Material Topics 2021	3-3	Management approach
GRI 401: Employment 2016	401-1	New employee hires and employee turnover

	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees
GRI 402: Labor/Management Relations 2016	402-1	Minimum notice periods regarding operational changes
<b>Occupational Health and Safety</b>		
GRI 3: Material Topics 2021	3-3	Management approach
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system
	403-2	Hazard identification, risk assessment, and incident investigation
	403-3	Occupational health services
	403-4	Worker participation, consultation, and communication on occupational health and safety
	403-5	Worker training on occupational health and safety
	403-6	Promotion of worker health
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships
	403-9	Work-related injuries
	403-10	Work-related ill health
<b>Diversity, Equity and Inclusion</b>		
GRI 3: Material Topics 2021	3-3	Management approach
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken
<b>Health and Safety of Customers and Consumers</b>		
GRI 3: Material Topics 2021	3-3	Management approach
GRI 416: Customer Health and Safety 2016	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data
<b>Compliance</b>		
GRI 3: Material Topics 2021	3-3	Management approach
GRI 205: Anti-corruption 2016	205-2	Communication and training about anti-corruption policies and procedures
GRI 206: Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor
<b>Active Stakeholder Engagement</b>		
GRI 3: Material Topics 2021	3-3	Management approach
<b>Multi-Supplier Strategy</b>		





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