

Integrated annual report 2023



Vetropack

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End-of-year review

In a fiscal year dominated by a massive market downturn, we positioned ourselves as a strong market player and exerted a decisive influence on the evolution of the glass industry. Thanks to our innovative strength – coupled with the profound engagement of our employees and a business model that is geared to sustainability – we achieved some notable successes in 2023.

The Vetropack Group faced challenges in the 2023 fiscal year on account of the volatile and tense market environment. As in the past, we were confronted yet again with high energy prices, and we felt the effects of inflation and the impacts of the war in Europe. Subdued consumer sentiment made its mark on the packaging industry as a whole. We nevertheless successfully drove innovations (such as Echovai) ahead, and we deepened our commitment to sustainability. Click on the picture below or follow this [link](#) to watch a video showing some of the milestones that gave us particular cause for celebration, proving that we are on the right track:



These are some of the events you can see in the video:

We resumed glass production at our Ukrainian plant in Gostomel at the end of May, and the Vetropack Foundation Gostomel demonstrated solidarity with our employees who were impacted by the war.

Echovai, our exceptionally stable lightweight glass bottle that is economical on materials and manufactured in a sustainable process, won the Swiss Packaging Award 2023.

As another stage in the integration of our Chişinău plant, we published the Romanian-language versions of our website and catalogue.

To mark the 140th anniversary of Moravia Glass, our plant in the Czech Republic, we installed our first servo-driven electric glass-blowing machine. As well as reducing energy consumption, the new machine will operate to the highest standards of precision.

In connection with the Zero CO₂ project, we conducted experiments on changing the raw material input for glass production. By eliminating soda, glass can be manufactured with lower emissions.

In autumn, we celebrated the opening of our new site at Boffalora sopra Ticino, Italy. This impressive state-of-the-art plant features eight production lines and offers high production capacity.

At the end of the year, we showcased our exceptionally stable returnable bottles at BrauBeviale, the trade fair for the European beverage industry.

These positive events – in parallel with the implementation of our [Strategy 2030](#) – will help us to strengthen our market position in 2024.



End-of-year-review

Letter from the Board of Directors

Dear Shareholders,

A good first half of the year was followed by a sharp slowdown in business during the second half, so the Vetropack Group is closing the 2023 fiscal year with a stable operating result at the same level as in the prior year. By investing in state-of-the-art production plant and thanks to the development and introduction of product innovations, Vetropack was able to strengthen its position as a market and technology leader. Especially in the second half of the year, however, the Group also felt the effects of a noticeable downturn in consumer demand as a consequence of inflation. At CHF 898.8 million, net sales from goods and services were more or less the same as in the prior year. After adjustments for currency effects, the Group was able to increase net sales from goods and services by 2.8 percent. Consolidated EBIT rose to CHF 91.3 million (prior year: CHF 89.1 million). Below the line, the Group is posting a profit of CHF 63.3 million (prior year: CHF 40.7 million).

2023 will go down in our records as a difficult fiscal year. Even more so than in previous years, our sector – in common with the entire packaging industry – felt the effects of the climate of crisis prevailing at present: wars, the aftermath of the energy crisis, inflation, and growing overall uncertainty are slowing down consumer behaviour, and this is also curtailing demand for packaging. Especially in the second half of 2023, this situation confronted our Group with a number of challenges to which we responded by very swiftly adjusting our production capacities. Across the Group, we are recording hundreds of line downtime days throughout 2023 – and it is currently impossible to predict when or how quickly this situation will change again.

Market situation remains tense

In fact, we can already see that 2024 is following on seamlessly from the weak second half of the preceding year. We will therefore be focusing on our efficiency even more intensively than in 2023: alongside proactive management of our capacities, this means that we will concentrate on reducing costs. This also applies to human resources, and in particular to restraint regarding the creation of new positions as well as new appointments to existing positions. We will also defer planned investments in our plants as far as possible.

Irrespective of these measures, we reserve the option of temporarily shutting down further lines and furnaces at individual sites if a change in the market situation necessitates such steps. In this same context, we already announced a difficult decision a few days ago: we are currently reviewing the closure of our production at the site in St-Prex, Switzerland, probably in the second half of 2024. We have already opened the consultation process on the future of the production site. Should this come to pass, it would be a drastic step for us. St-Prex is not merely our only plant in our home market of Switzerland: it is also the Vetropack Group's parent plant. For our employees in St-Prex, furthermore, this would mean that the majority of their jobs would cease to exist.

Nevertheless, we cannot yet see any alternative to closure: major investments in a complete furnace overhaul would become necessary in the coming years, even though this would bring about no permanent change in the plant's future prospects and competitiveness.

Regardless of the outcome of the consultation process, Switzerland will remain our home and one of our core markets. Our company headquarters will remain in Bülach in the future. At all events, we will continue our commitment to glass recycling (Vetrorecycling) in collaboration with our Swiss partners at municipal level.

Proactive management of production capacities

Given that the tense market situation remains unchanged, we still reserve the general option of proactively adapting our Group-wide production capacities in response to developments. Following the furnace shutdown lasting several months in Kyjov, for instance, we are considering another furnace shutdown at the Kremsmünster site. Until further notice, moreover, we will only be using one of the two remaining furnaces at our Ukrainian plant in Gostomel.

These cutbacks mean that we are withdrawing massive production capacity from the market, because demand for glass packaging is currently weak due to the economic situation. The emphasis here is on "currently": in fact, we assume that we are experiencing a temporary weakness in the market and that we can expect a recovery in the medium term. At that point, we will again have need of these capacities.

Stable development despite a difficult market environment

In view of the difficult environment, it is most remarkable that we maintained our sales in fiscal 2023 and closed the year with a good result. Given the current market conditions, this was certainly not an achievement that could be taken for granted – and, above all, it was the result of many correct decisions taken in preceding years. More than ever before, we are convinced that our [Strategy 2030](#), with its five cornerstones, stakes out the right framework for the successful development of our group of companies in the coming years. This was clearly demonstrated once again in the past year, when we were able to make major progress in all our core areas: strengthening our market position, entering new business areas, quality and operational excellence, and innovation and sustainability. On this basis, we shall resolutely continue along this path again in 2024.

Overview of main results and key figures for the 2023 fiscal year

		2023	2022	+/-
Net sales	CHF millions	898.8	899.4	- 0.1%
EBIT	CHF millions	91.3	89.1	2.5%
EBIT margin	%	10.2	9.9	-
Cash flow ¹	CHF millions	130.1	142.2	- 8.5%
Cash flow margin	%	14.5	15.8	-
Consolidated profit ²	CHF millions	63.3	40.7	55.5%
Investments	CHF millions	238.0	194.6	22.3%
Total assets	CHF millions	1 263.8	1 234.5	2.4%
Shareholders' equity	CHF millions	750.7	749.3	0.2%
Gearing ratio	%	59.4	60.7	-
Employees	Headcount	3 772	3 676	2.6%

¹ operating cash flow before change of net working capital

² included extraordinary costs of CHF 31.4 million in 2022 as a result of the war in Ukraine

Sound operating result level with prior year

2023 was a challenging fiscal year, dominated by external crises. High energy and raw material prices, the war in Ukraine, and the significant deterioration in consumer sentiment due to inflation: all these factors had an exceptionally severe impact on the packaging industry and thus on our business in our core European markets. The second six months in particular were marked by an extreme market downturn, and the gains made in the first half of the year could no longer be realised in the second half. Below the line, therefore, there is a sound operating result at the same level as in the prior year.

Consistent development of our commitment to sustainability

2023 was also a year when we expanded the Clearly Sustainable pillar of our Strategy 2030 across all aspects of our ESG approach; we established appropriate governance for this purpose in the Group, and we added ESG risks to our risk matrix. These steps relate to all aspects of the concept of sustainability: in our commitment to sustainability, we have achieved progress in many different ways. We are driving ahead with the evaluation and implementation of new climate protection measures as part of our commitment to the Science Based Targets initiative (SBTi). We are deploying new and particularly efficient glass-blowing machines, and we will be launching our Echovai lightweight glass bottle in additional markets. We have also created a new position focussing on diversity, equity and inclusion.

New plant in Italy combines innovation with sustainability

Another major contribution to these endeavours is the opening of our new and exceptionally resource-efficient production facility in Italy: without doubt, the [official opening of our plant in Boffalora sopra Ticino](#) was the outstanding milestone as well as the highlight of the second half of 2023. This is one of the most modern glass container production facilities not only in our own Group, but anywhere in Europe.

In many respects, the site epitomises our vision of glass production that is both sustainable and innovative. For example: closed-loop systems ensure that water and waste heat are re-used, and smart technology is deployed to ensure efficient processes in production and storage. The new plant also enables us to produce more flexibly in smaller batches, helping us to respond directly to dynamic market conditions going forward. At a volume of over CHF 400 million, Boffalora so-

pra Ticino is also the largest investment that Vetropack has ever made in its future – and furthermore, we expect it to generate impetus for our other sites.

Ukraine plant resumes production

We also invested at other sites and launched some major initiatives in 2023. In May, we were able to [resume glass production at our Ukrainian plant in Gostomel near Kyiv](#). This site was severely damaged by a Russian military attack during the first weeks of the war in 2022. Its reopening not only offers future prospects for our colleagues on the ground there. It also sends out an important signal of the strength of our entire Group, which has shown the utmost solidarity with our Ukrainian colleagues throughout the entire period. In 2023, the Vetropack Gostomel Foundation – which was set up specifically to support them – began making aid payments to Ukrainian employees particularly impacted by the war.

Anniversary and expansion of our site in the Czech Republic

[An exceptional anniversary was celebrated in 2023 by Vetropack Moravia Glass](#), a.s., the Vetropack Group's Czech subsidiary. This glassworks in the South Moravian town of Kyjov has been in existence for 140 years, and it has been part of the Vetropack Group since 1991. Our Czech facility has established its position within Vetropack as one of the leading glass packaging suppliers for Central Europe. In 2023, our site also became one of the first plants to operate two energy-saving high-performance machines with servo drives to ensure particularly precise control of the glass forming process. A newly retrofitted, state-of-the-art melting furnace to produce coloured glass also resumed operation in February.

Focus on innovation

As well as consolidating our market position, investments in our plants and modern technologies boost our innovative strength. One key focus in 2023 was on the ongoing market launch of our Echovai solution. With Echovai, Vetropack becomes the world's first glass packaging manufacturer to offer 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 significantly more resistant to abrasion. [Vetropack's innovation was honoured in several categories of the prestigious Swiss Packaging Award at the start of June](#): as well as winning an award in the 'Technology' category, Echovai also received the jury's special prize.

Outlook for the 2024 fiscal year

Demand for glass packaging will only recover slowly in the coming fiscal year. This will continue to result in significant under-utilisation of our capacities. The consequence of this overcapacity on the market is likely to be further price erosion. We therefore assume that net sales from goods and services in fiscal 2024 will prove to be lower than in 2023, despite a forecast increase in volume. As things stand today, the reduced energy and raw material costs are already reflected in the lower market prices.

The market situation means that we are facing a challenging fiscal year in 2024; we are therefore pleased that our strategy gave us the basis for taking the right steps in recent years so that we can successfully overcome such situations. Our Group's strength and the agility of our organisation have become guarantors of success, allowing us to take a positive view of the future.

Annual General Assembly of Vetropack Holding Ltd

The 55th Ordinary Annual General Assembly of Vetropack Holding Ltd will take place on Thursday, 25 April 2024 at 3:30 p.m. in the Stadthalle Bülach, Allmendstrasse 8, 8180 Bülach, Switzerland.

The Board of Directors will propose to the General Assembly that dividends are paid out as follows: a gross dividend of CHF 1.00 per class A registered share (2022: CHF 1.00), and a gross dividend of CHF 0.20 per class B registered share (2022: CHF 0.20).

The Board of Directors of Vetropack Holding Ltd will propose to the General Assembly that Urs Ryffel is elected to the Board of Directors. Urs Ryffel has acquired many years of industrial experience at ABB Kraftwerke AG, as Head of the Hydro Power Plant Service Global Business Unit,

then as Unit General Manager for Alstom Power Hydraulique S.A., and at Huber+Suhner AG, which he has managed as CEO since 2017. Urs Kaufmann, who has been a member of the Board of Directors of Vetropack Holding Ltd since 2017, is not standing for re-election. Through his many years of committed service as a member of the Board of Directors, he has played a major part in the growth of the Vetropack Group. We are very grateful to him for this.

Our sincere thanks!

The Board of Directors thanks all our employees for their excellent collaboration and enormous dedication in the 2023 fiscal year. We thank our customers, suppliers, business partners and shareholders for their trust and support.

Bülach, 13 March 2024



Claude R. Cornaz
Chairman of the Board of Directors



Johann Reiter
CEO



End-of-year review

Management report

“We shall maintain our strategic focus.”

The 2023 fiscal year started out with a successful first half, but a significant market downturn emerged as the dominant feature in the second half. The new year of 2024 is also overshadowed by a tense situation in Vetropack’s core markets. We talked with CEO Johann Reiter about the issues that will play an important part going forward, and the priorities he is setting for the Group.



Johann Reiter, CEO Vetropack Group

Mr Reiter: 2023 is behind us, and the business figures are now available. Vetropack made a good showing in a difficult environment, but the company hardly achieved any growth. What's your assessment of the results?

2023 is a fiscal year that I look back on with very mixed feelings. In overall terms, like the two preceding years, it was largely dominated by external crises that we – as a company – are unable to influence, but which nevertheless directly impact our business. These are, first and foremost, the war in Ukraine and the sustained energy crisis – but also the tense global economic situation, with high inflation rates affecting our European core markets in particular. This led to restrained consumer sentiment which impacted us severely, especially in the second half of the year. For this reason, we had to implement massive capacity scalebacks in several plants.

Conversely, 2023 also saw a series of very positive events that I shall look back on with fond memories. I'd like to mention two specific examples here: the opening of our new plant in Italy, and the resumption of production at our Ukrainian site in Gostomel. Both these events pointed the way ahead for our Group. And even though 2023 was a difficult year, we shouldn't forget that we closed it with a stable result at the same level as the prior year's figure. This testifies to our Group's energy and capacity to perform, and it should stand us in good stead for the new fiscal year.

Although, according to the latest data, 2024 is unlikely to be any less difficult than the previous year ...

True. In actual fact, we're expecting the difficult situation in our markets to persist in the new year as well. We do see a slight decrease in inflation, but that is definitely not going to bring about a fundamental change in consumer behaviour. And meanwhile, it's precisely this shortfall in consumption that continues to be a critical factor for us, as it is for the entire packaging industry.

For us, this ongoing trend means that we have to take action, and we have to do so right now. We can only respond to this sharp downturn in consumption by adjusting our capacities accordingly. We in the Vetropack Group can't cope with a market slump on this scale by temporary shutdowns and closures alone. We have to ramp down production rates, at least for the time being, or close down some production lines entirely.

You've now opened a consultation process for your site at St-Prex in Switzerland, and this could ultimately lead to the closure of the plant. How does that fit in?

Believe me: this was no easy decision for us. For years, the St-Prex plant has been struggling with difficulties relating to its location, modernisation and profitability – and we simply cannot see any

possible way of continuing to operate the site competitively. This is very tough, because St-Prex is our only glass production facility in Switzerland and we are well aware of the impact that a closure would have – especially for our employees at the site. After all, this is where our history began.

Even so, we cannot close our eyes to the difficult situation that has now prevailed at the site for some considerable time. We are an international group of companies, and we have to be fair when we assess our various locations. We constantly evaluate our plants and keep them under scrutiny so we can make well-founded decisions on issues such as investments in existing or new locations. For months now, we've been experiencing a persistent situation where massive downturns in demand have forced us to cut costs, halt investments and ramp down capacities. We can't afford to make exceptions for any of our sites, no matter which country they are located in. In past years, we've undertaken comprehensive analyses at St-Prex to examine whether continued operation of the plant makes sense and is economically viable. These have shown that the site's competitiveness and opportunities for development are negative, because of the noticeable deterioration in the market situation. This situation was ultimately the reason for opening the consultation process.

So will the plant in St-Prex be closed?

That hasn't been decided yet. The consultation process is ongoing, and we're now awaiting the results. In the first place, the employees and their representatives now have the opportunity to comment on the situation and possibly submit alternative proposals. The Board of Directors will then analyse this input in depth and arrive at a final decision. For the time being, we just need to wait for this decision – and otherwise, concentrate on our ongoing business. As I've said, this year is certainly not going to be an easy one for us.

What do you think will be the key issues in 2024?

We're currently assuming that we can achieve a stable result as a group of companies in 2024, but without significant growth. It goes without saying that this picture could still change as the year goes on. But as long as consumer sentiment stays as it is, there will be little change to the current economic situation.

We will need to continue keeping a very close watch on market developments so we can react swiftly to changes as and when necessary. We are doing so already by implementing the cost savings I've just mentioned, and by withdrawing capacities from the market. Further immediate adjustments in response to the changeable market situation are also conceivable – and everyone in our team clearly understands that we have to keep to this course.

That brings me to another point: despite the pressure of current developments that often materialise at short notice, we must never lose sight of our long-term goals. With our Strategy 2030, we have defined an ambitious framework for ourselves that will make Vetropack successful and fit for the future in the long term. This framework remains essential for us, even under present conditions.

So no changes will be made to the Group's strategic orientation in 2024?

There's really no reason to do so. The priorities we set ourselves in our strategy are still the right ones, and they are designed to position Vetropack as a strong market player with a key role in shaping the future development of our industry.

The past two years, in particular, have clearly demonstrated this yet again: we came through them so well and so successfully precisely because we set the right priorities and achieved major progress in all five strategic areas. We made great strides in 2022 and 2023, particularly on key issues such as sustainability and innovation. This will help us in 2024 – and especially in the years after that – and these achievements will make our market position even stronger.

Could you give us a specific example to illustrate this?

Well now: a year and a half ago, we launched our Echovai solution on the market. This was one of the most important innovations – if not the most important one – in our industry for at least a decade. It has the potential not only to revolutionise the market for returnable glass bottles, but also to advance the switch from non-returnable to returnable containers in the medium term. We

ourselves developed the special manufacturing process in Vetropack's own Innovation Centre at Pöchlarn, and we made the product ready for its market launch.

Echovai shows how innovation and sustainability go hand in hand – adding up to genuine market opportunities for us. We're already seeing enormous interest in Echovai. It could well become one of our growth drivers in future years – not only through sales of the containers, but also from licensing the technology to other glass manufacturers. With that in mind, 2024 and 2025 will see us enabling more sites to produce Echovai bottles so we can gradually increase the market share for this solution.

The new site at Boffalora sopra Ticino was officially opened last October. How does that fit into this context?

Our new plant in Italy sets new standards in terms of sustainability as well as innovation. We shouldn't forget that innovation at Vetropack isn't just about our products – it also embraces our production processes. This means we can leverage innovations such as digitalisation and smart technologies to streamline and accelerate our processes going forward. At the same time, we save valuable resources and thus protect the environment. At Boffalora, for instance, we systematically re-use the waste heat from the furnaces and drastically reduce emissions with the help of modern filter systems.

The main challenge now is to develop these tremendous technological possibilities to the fullest extent, and exploit them as competitive advantages for our Group. As a Group, we will benefit greatly from the experience gained in Boffalora – all the more so as we set about successively modernising our other production facilities by 2030. These modernisations will be accompanied by an increase in the share of renewable electricity compared to gas as a source of energy. Ultimately, this will contribute to making our glass packaging even more sustainable.

Bearing in mind, of course, that glass containers are already a highly sustainable packaging solution ...

That's certainly true, and it also makes us very optimistic about the future. Consumers have a very high regard for glass as a sustainable and healthy form of packaging. They view glass as synonymous with recycling and reusability. Glass also makes it possible to preserve food and beverages, so it reduces food waste – which, in turn, safeguards the environment. So we have good arguments on our side to show why a significant increase in the share of glass used in packaging would be both sensible and right. However, policymakers are called on to play their part here as well. For example: we could quickly replace a large percentage of single-use bottles by returnable ones without any problems. To do this, the markets need returnable systems that function in the right way – but we see that many countries still have a lot of ground to make up in this regard.

Finally, let's take another look at the current fiscal year. Are there any factors that make you optimistic in spite of the difficult market situation?

Yes, of course there are some. We have already talked at length about our innovative strength, our market potential, and Echovai. Above and beyond those advantages, what makes me most optimistic is our excellent international positioning as a Group, in terms of human resources as well as locations. We have superb employees on board, and we benefit greatly from the experience and expertise of our entire workforce across all our sites. A major venture such as the new construction project in Boffalora sopra Ticino was only ever possible thanks to support from the entire Vetropack Group.

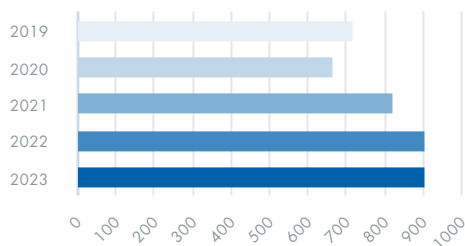


End-of-year review

Key figures

Net sales

CHF millions



Net sales

CHF millions

898.8

Change compared to the previous year

-0.1%

Recycled glass used

in %

56

Change compared to the previous year

-1%P

Employees

Headcount

3 772

Change compared to the previous year

+2.6%

Presence in Europe

Locations

12



Foundations for success

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Foundations for success

The central basis for our business success is our business model, which was redefined and given a sharper strategic focus in 2023. We aim to use this model to present our corporate purpose transparently to all our stakeholder groups, and to maintain our successful positioning in the glass industry going forward.

Vetropack's business model is based on glass as a raw material. Glass can be recycled an infinite number of times without any loss of quality, and it is re-usable – attributes that make it an integral element of the circular economy. Glass affords protection for beverages and foods, and makes it possible to preserve them. At the core of our business model is our corporate purpose: 'We make it possible for everyone to enjoy food and beverages in the most elegant, safest and most responsible way.'

So we can continue developing our business successfully through to 2030, we are focussing on five strategic thrusts. They define our identity, and they help to ensure that Vetropack will play its part in shaping the glass industry's long-term development. The right organisational structure helps us to implement the strategy.

Thanks to systematic risk management, we act with foresight and we are able to plan and implement the necessary measures.

Another key foundation for success is interaction with our stakeholder groups. By interacting with them, we learn at first hand what is required and expected of us; we know which trends impact our business, and we come to understand where our strengths lie and where we could have potential for improvement.



Foundations for success

Business model

The Vetropack Group numbers among Europe's leading manufacturers of glass packaging for the food and beverage industry. Headquartered in Bülach, Switzerland, the Group has around 3 800 employees. Vetropack has state-of-the-art production facilities as well as sales and distribution centres in Switzerland, Austria, the Czech Republic, Croatia, Slovakia, Ukraine, Italy, the Republic of Moldova and Romania.

At Vetropack, we make it possible for everyone to enjoy food and beverages in the most elegant, safest and most responsible way. We view glass as the most sustainable packaging solution – and the perfect material to ensure that food is packaged safely. Our holistic Service plus+ approach helps our customers to optimise their value chains and guarantee consumers' safety. Close, long-lasting relationships are the hallmarks of our collaboration with partners. Guided by our understanding of environmental responsibility and cost efficiency, we aim to minimise our carbon footprint throughout the supply chain, and we are committed to recycling as the key to optimising product life-cycles.

You can find detailed information about our organisation and locations on our [website](#).

We protect your enjoyment.



We are partners throughout the entire product life cycle

- 1.** Recycled glass accounts for the largest proportion of raw materials we use to manufacture our products. We also use quartz sand, soda, lime, dolomite, feldspar and other minor components to produce glass.
- 2.** We are committed to modern manufacturing processes, and we prioritise energy-efficient and customer-oriented production.
- 3.** We value quality and innovation: one example [Echovai](#), our reusable bottle that is more resistant, lighter in weight, and more sustainable.
- 4.** We ensure proximity to our customers with nine glassworks in eight countries and a maximum delivery radius of 400 km.
- 5.** We offer technical customer service solutions – for example, to solve problems during the filling process.
- 6.** We also collaborate with our customers to develop personalised glass colours and designs for distinctive products.
- 7.** Our goal: to make it possible for everyone to enjoy food and beverages in the most elegant, safest and most responsible way.
- 8.** We promote the circular economy with our reusable and recyclable glass bottles.



Circular economy – the foundation of our business model

Our business model supports the transition to a circular economy – because it is based on natural raw materials and because glass is almost infinitely reusable. Vetropack was already a pioneer of glass recycling back in the 1970s and nowadays, we collect used glass for recycling in all the countries where we operate glassworks. In many countries, we collaborate with special-purpose associations (e.g. the European Container Glass Federation [FEVE](#)) and maintain our own cullet treatment plants to promote high glass collection rates. We are also driving the development of returnable bottles ahead: these are made in part from resource-efficient lightweight glass, so they are even easier to handle.

We supply safe glass packaging of high quality to the food and beverage industry

Vetropack produces glass bottles and wide-neck jars in close collaboration with our customers. On request, we develop individual customised glass packaging based either on our own designs, our customers' ideas, or concepts devised by externally commissioned designers. Our focus is always on the quality and safety of our products.

Glass packaging to meet the highest standards

No matter which foods or beverages our customers want to package – be it jam, mineral water, wine or beer – Vetropack offers around 2,500 different glass packaging designs, both standard and customised, for a huge variety of products. You can find our product portfolio and reference stories on our [website](#).



Foundations for success

Strategy 2030

Our Strategy 2030, which comprises five initiatives, is intended to shape and drive the development of our business until 2030. Strategy 2030 supports us with tapping potentials for growth in our existing business, and helps us to develop new business segments. We are successfully implementing Strategy 2030 thanks to our culture and our values, and on the basis of clear structures and responsibilities.



In 2019, Vetropack launched a comprehensive transformation process based on five strategic initiatives. Projects relating to all five initiatives have been undertaken at our locations since the process began. The five main axes indicate the business development we intend to achieve by 2030; our aims are to enable Vetropack to position itself as a strong player on the market in the long term, and to play a key role in shaping the glass industry.

Flexibility and stability

Our mature corporate culture gives us the flexibility we need to respond to unexpected challenges. Strategy 2030 has proven its worth in this regard – particularly in the last few years, which were dominated by the coronavirus pandemic and the war in Ukraine. Credit for this is also due to our [business model](#), which is resilient and therefore robust.

Five strategic initiatives – the basis for Strategy 2030

Below is an overview of our five strategic initiatives.

Clearly sustainable

Vetropack pursues a holistic approach to sustainability with the aim of becoming Best in Class in Sustainability in our industry by 2030. Within our **Clearly sustainable** strategic initiative, we focus on careful use of resources, development of our employees, and legally compliant business practices.

Expand the core

Expand the core defines a strategy that will enable us to maintain and consolidate our positions in the home markets. By doing so, we will move even closer to our customers and position ourselves as a high-quality partner and a full-service provider. **Expand the core** also includes the expansion of our proven products and services into selected markets.

Value growth

With the **Value growth** initiative, Vetropack is broadening its proven areas of expertise. We will enter new business sectors and launch new services throughout the value chain for our glass packaging. This will help us to strengthen our customer relationships and generate value.

Drive innovation

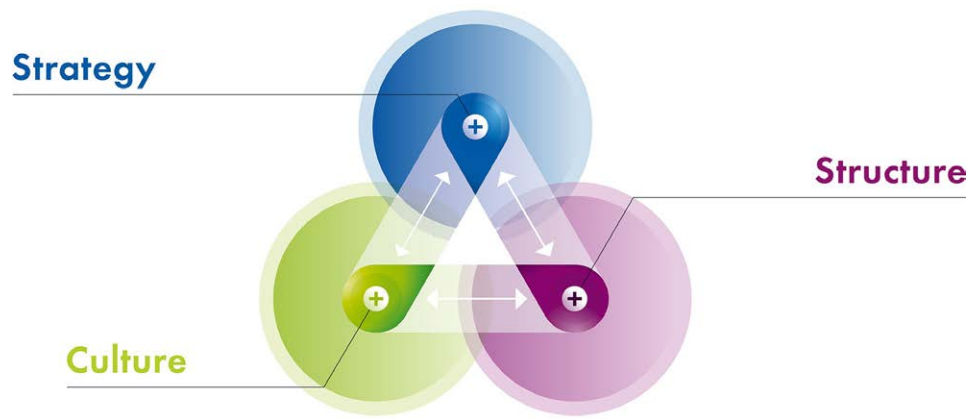
As part of the **Drive innovation** initiative, Vetropack is strengthening its position as a trendsetter in the glass industry and opening up new business areas with new product and market innovations.

Leader in quality

As a **Leader in quality**, Vetropack gears all its activities towards providing optimal support for the strategy at Group level. This includes a holistic operational excellence approach as well as corresponding structures and processes in sales, marketing, technology and production. Vetropack is taking advantage of the opportunities offered by digitalisation and positioning itself as an Employer of Choice.

Corporate purpose and values

We have defined a process to provide a framework for the fundamental transformation of the company and its business model over a period of ten years. As well as the strategy, with the **corporate purpose**, the transformation we seek to achieve embraces the structure – in terms of **organisation and responsibilities** – together with the culture, which also includes our values.



Our corporate purpose is as follows: ‘We make it possible for everyone to enjoy food and beverages in the most elegant, safest and most responsible way.’ We create unique, high-quality products and services.

Based on a tradition in the food and beverage industry that dates back many years, we understand the needs of our stakeholder groups and we endeavour to offer products of high quality. Glass is an elegant material; ‘elegant’ also means offering individual, customised products. The most important requirement that our products must meet is safety: glass comes from natural origins and has an inert structure, so food and beverages are packaged safely in it. ‘Responsible’ highlights the fact that glass can be completely recycled an infinite number of times, so it protects the environment.

Our values convey our convictions and principles. They guide our day-to-day work, and the way we relate to one another and to our stakeholder groups. These are our values:

- Ensuring accountability
- Navigating safely together
- Guaranteeing leadership in quality
- Anticipating change
- Generating trust and confidence
- Exercising environmental responsibility



Foundations for success

Risk management

The Vetropack Group's risk management serves the purposes of identifying and assessing material risks, and of addressing them strategically. The risk matrix and the measures resulting from it are updated each year by the Management Board and approved by the Board of Directors.

Identifying and assessing risks

Vetropack identifies and assesses potential risks on the basis of a standardised process which is not only essential to our long-term business success, but is also intended to raise awareness. All our employees are called upon to deal with risks responsibly in the course of their daily activities. The company takes account of opportunities as well as risks.

Vetropack classifies risks as follows:

- Financial risks
- Strategic and geopolitical risks
- Operational risks
- Organisational risks

Management draws up a risk matrix for the Vetropack Group each year. This matrix classifies the material risks according to the potential extent of loss or damage they could cause, and the likelihood of their occurrence. Vetropack uses these four levels to assess risks:

- Worst-case scenario: existential risks
- High risk: major impact on business objectives
- Moderate risk: disruption of important business processes
- Low risk: minor impairment of individual business processes

Risk management measures

Following consolidation and assessment of the risks, we develop measures and strategies to minimise them in cases where identified risks cannot be tolerated. Implementation of the measures is monitored continuously on a systematic basis.

Approval of the risk matrix

The risk matrix drawn up for the entire Group, with the strategies and measures identified to minimise the risks, is validated each year by management and submitted to the Board of Directors for approval.

Sustainability risks

In 2023, Vetropack also devoted particular attention to sustainability risks and their impact on business performance. Vetropack's Sustainability Manager was also involved in this process. In addition, a comprehensive risk analysis of environmental and social aspects in the supply chain was undertaken.

As in previous years, energy prices presented a critical business risk in 2023. An appropriate energy procurement strategy enabled us to optimise our planning processes and improve our ability to anticipate the development of energy costs.

Some Swiss companies will be obliged to report in accordance with the requirements of the Task Force on Climate-related Financial Disclosures (TCFD) as from the 2024 fiscal year, and climate-related aspects are proving to be increasingly relevant for Vetropack. For both these reasons, the Board of Directors approved a roadmap for the systematic integration of physical and transitory climate risks into our risk management at the end of 2023.



Foundations for success

Stakeholders

Our relationships with our stakeholder groups are defined and influenced by many interactions and dependencies. We interact with our stakeholders in order to listen to their concerns and identify any risks. We aim to raise awareness of the Vetropack (employer) brand through public relations work and transparent communication. Our memberships of associations and industry federations help us to transfer knowledge.

Given that Vetropack is an exchange-listed stock corporation ('Aktiengesellschaft'), our **shareholders** – gathered together at the Annual General Assembly – are our company's highest governing body. They define the framework for the company's activities and its strategy on the basis of the Articles of Association and decisions regarding personnel. By approving the annual report and the consolidated financial statements, they vote each year on whether they are satisfied with the implementation of the strategy, the business activities and the financial result. We keep shareholders and other interested stakeholder groups informed by issuing annual and semi-annual reports as well as media releases. If shareholders collectively hold at least 0,5 percent of the share capital or votes, they may require an item for discussion to be added to the agenda. Shareholders who represent at least over 5 percent of the share capital or votes may require an Extraordinary General Assembly to be convened at any time, provided that the motions to be discussed are submitted to the Board of Directors in writing.

The **majority shareholder** in Vetropack Holding Ltd, the Cornaz AG-Holding, has a special position. It appoints Richard Fritschi as the Chairman of the Board of Directors and Claude R. Cornanz as the Vice-Chairman.

Both the CEO and the CFO maintain relationships with investors and are responsible for responding to their enquiries. These exchanges take place at meetings or during plant visits.

Our **suppliers, customers** and the **consumers** are stakeholder groups of central importance in our operational business. The Chief Supply Chain Officer (CSCO), for example, is responsible for interaction with the suppliers. The Chief Commercial Officer (CCO) is responsible for customer care and retention, requirements planning, and sales. Development of innovative customised products is driven ahead by the Engineering and Production department. We interact with our customers on a daily basis; we also conduct regular surveys to obtain knowledge about their needs and requirements, and to continue our strategic development. The most recent survey of this sort was carried out in 2023.

Our glassworks create jobs, generate added value, and can also promote the development and expansion of local infrastructure. The **communities** where our plants are located also have to tolerate certain negative impacts such as traffic or also noise (in the immediate vicinity). For this reason, Vetropack endeavours to respect the relevant emission limits by implementing technological optimisations.

Vetropack cooperates with **schools** in certain countries to raise children's awareness about collecting glass and environment-friendly behaviour. In this context, we collaborate with local schools to organise projects and competitions (such as the Vetro Challenge staged by Vetropack Straža). Vetropack also participates in Switzerland's nationwide Day of the Future, when we offer insights into everyday working life to school students who are interested.

We engage in public relations work – for example, by supporting events and through advertising – to draw the attention of the **general public** (the end consumers of our products) to the advantages of glass as a packaging for food and beverages, and to the environmental relevance of recycling. By implementing strict quality controls and standardised production processes, we guarantee that the **consumers** can enjoy food and beverages without risks or hazards; our glass packaging products also ensure that foods and beverages can be preserved.

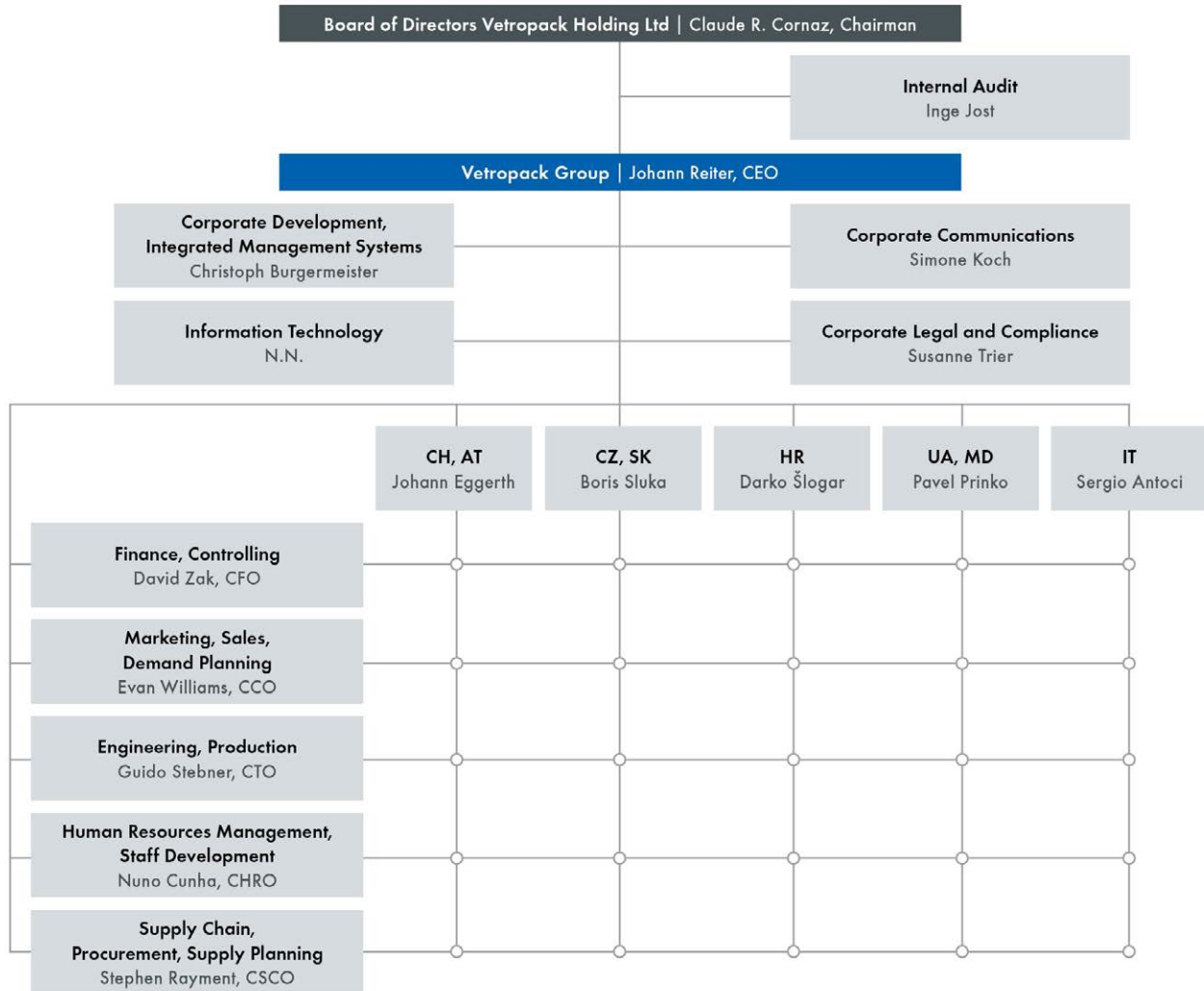
Media: to interact with our stakeholder groups (the general public, customers, potential new customers, business partners and others), we make use of various communication channels: our company website, our internal portal, employee magazines and the employee app (Beekeeper), brochures, trade magazines, our customer magazine Vetrotime, and LinkedIn as our preferred social media channel. We focus on compact, fact-based communication in all these media. In order to reach our stakeholder groups, we offer insights into specific aspects of our day-to-day work. For this purpose, we opt for a mix of Group communication and posts from our sites. We have also published a large number of media releases since 2022.

The Sustainability section of this report ([Social impact](#)) includes a detailed description of how we interact with our employees and how we integrate them.

Memberships and associations

We participate in associations and industry federations for the purpose of transferring knowledge about innovative processes, the latest technology and safe, environment-friendly production processes. A list of all our memberships is available on our [website](#). The most important of these for us is FEVE (the European Container Glass Federation). As part of our membership activities, we collaborate with other glass manufacturers to engage in initiatives such as 'Close the Glass Loop', and we help to raise public awareness about the advantages of glass as a packaging material.

Organisational structure



Extended Management Board



From left: Sergio Antoci, Pavel Prinko, Darko Šlogar, Johann Reiter, David Zak, Nuno Cunha, Evan Williams, Stephen Rayment, Johann Eggerth, Simone Koch, Boris Sluka, Guido Stebner, Christoph Burgermeister; not present in the photograph: Susanne Trier

Organisation chart as at 31 December 2023

Management Board	
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	
Finance, Controlling, IT and Procurement	
David Zak	
- Group Reporting and Transfer Pricing	Andreas Buchs
- Group Controlling and Accounting	Adriano Melchiorretto
- IT	TBA
Sales, Marketing and Production Planning	
Evan Williams	
- Group Technical Customer Service	Christoph Böwing
- Commercial Excellence	Armelle Dupont
- Marketing	Tanja Gašpar
Human Resources	
Nuno Cunha	
- Talent Acquisition	Maja Darija Skrljak
- Learning and Development	Keiko Seki von Allmen
- Talent Management	Panagiota Katiniou
Technology and Production	
Guido Stebner	
- Performance	Dubravko Stuhne
- Technology and Projects	Nick Giannoulas
- Innovation	Daniel Egger
Supply Chain, Procurement and Supply Planning	
Stephen Rayment	
- Group Procurement	Ulrich Ruberg
Corporate Development and Integrated Management Systems	
Christoph Burgermeister	
- Integrated Management System	TBA
- Quality Management	Andrea Steinlein
- Occupational Health and Safety	Nenad Horvath
- Sustainability	Nicolas Lootens
Corporate Communications	
Simone Koch	
Corporate Legal and Compliance	
Susanne Trier	
Switzerland/Austria	
Johann Eggerth	
Sales + Marketing	
- Switzerland	Christine Arnet
- Austria	Ina Graggaber
Human Resources	
- Switzerland	Birgit Bally
- Austria	Sabine Hameter-Weber
Finance	
Gudrun Brack	
Supply Chain	
Werner Schaumberger	
Production	
- St-Prex plant	Philippe Clerc
- Pöchlarn plant	Gerd Buchmayer
- Kremsmünster plant	Thomas Paxleitner
Integrated Management Systems	
- St-Prex plant	Renaud Roquigny
- Pöchlarn and Kremsmünster plants	Hannes Fasshuber
Czech Republic/Slovakia	
Boris Sluka	
Sales + Marketing	
Peter Sumrák	
- Czech Republic	Peter Sumrák
- Slovakia	Zuzana Hudecová
- Export Europe East	Vlastimil Ostrezi
Supply Chain	
Jaroslav Mikliš	
Engineering	
Miroslav Šebík	
Integrated Management Systems	
Aleš Habán	
Kyjov plant	
- Production	Antonín Pres
- Finance + Human Resources	Milan Kucharčík
Nemšová plant	
- Production	Roman Fait
- Finance + Human Resources	Eva Vanková
Croatia	
Darko Šlogar	
Sales + Marketing	
Mario Matković	
Finance	
Marija Špiljak	
Supply Chain	
Robert Vražić	
Human Resources	
Lahorka Krsnik Cingulin	
Production	
Božo Hršak	
Engineering	
Mario Berc	
Integrated Management Systems	
Anica Hriberski-Leskovar	
Ukraine/Republic of Moldova	
Pavel Prinko	
- Ukraine	Pavel Prinko
- Republic of Moldova	Boris Crivoi
Finance	
- Ukraine	Oleksandr Bondarenko
- Republic of Moldova	Oleksandr Bondarenko
- Republic of Moldova	Boris Crivoi
Supply Chain	
- Ukraine	Serhii Kazhan
- Republic of Moldova	Serhii Kazhan
- Republic of Moldova	Igor Hincu
Human Resources	
- Ukraine	Antonina Dobrovska
- Republic of Moldova	Antonina Dobrovska
Integrated Management Systems	
Pavel Prinko (interim)	
Gostomel plant	
- Sales + Marketing	Yaroslav Klimenko
- Production	Roman Yatsuk
- Engineering	Mikola Marchenko
Chişinău plant	
- Sales + Marketing	Oleg Garstea
- Production + Engineering	Igor Volcanov
Italy	
Sergio Antoci	
Sales + Marketing	
Francesco Bonazzi	
Finance	
Chiara Garancini	
Supply Chain	
Luca Marini	
Human Resources	
Annalisa Girardi	
Production	
Alessandro Canulli	
Engineering	
Giovanni Depoli	
Integrated Management Systems	
TBA	
Group companies	
Müller + Krempel AG	Mark Isler
Vetoreal Ltd	Matthias Bieri

Sustainability



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Sustainability

Our strategy embraces five strategic thrusts, and Clearly sustainable is the first of them: it represents our ambition of becoming Best in Class in Sustainability in our industry by 2030. As we journey towards this destination, we are holding all areas and hierarchical levels of our company accountable; we are setting ourselves binding goals, and integrating sustainability into our business activities.

Our ambition is to position Vetropack as Best in Class in Sustainability in our industry by 2030. Our **Clearly sustainable** strategic thrust guides us along the path towards this goal.

We intend to be known for our innovative, ecologically compatible and socially acceptable manufacturing processes and our safe glass products of high quality. To protect the environment, we endeavour to conserve resources and water, close substance cycles, and reduce greenhouse gas emissions. Thanks to an inclusive corporate culture and development of our employees based on continuous learning, Vetropack should be appreciated as an Employer of Choice.

In keeping with **Clearly sustainable**, we are setting ourselves the following goals for our focus topics:

- Climate protection: 30 percent reduction of CO₂ emissions per metric ton of glass produced by 2030 as compared to 2019
- Resources: 70 percent recycled content by 2030
- Water: water stress risks to be identified and goals defined by 2025
- Occupational health and safety: Group-wide TRIR* of 2.0 by 2030
- Diversity, equity and inclusion: vision to be defined and roadmap to be developed in 2024
- Sustainable supply chain to be ensured

* Total Recordable Injury Rate



Sustainability

ESG governance

Sustainability is the first of our five strategic thrusts. To achieve our sustainability goals, we must hold all hierarchical levels accountable and we have to integrate sustainability into our daily business.

Thanks to our glass packaging products that can be recycled an infinite number of times, we promote sustainable consumption and production patterns – fully in keeping with United Nations Sustainable Development Goal (SDG) 12. Guided by our Strategy 2030, we aim to make this inherent sustainability focus into a living reality, to embrace it, and to convey it to the outside world. To achieve this, we are embedding responsibility for sustainability aspects throughout the entire company and at all levels of the hierarchy.



Responsibility at different levels

The Board of Directors approves the development and implementation of the corporate strategy and reviews annual progress. It may delegate duties to the Management Board, with the exception of those duties reserved for the Board of Directors by article 716a of the Swiss Code of Obligations (CO). The Management Board acts within the scope of the guidelines issued by the Board of Directors and in this regard, is responsible for the operational management of the Vetropack Group.

The Board of Directors has delegated operational implementation of the sustainability strategy to the CEO. The CEO meets this responsibility, in particular, in his role as a member of the Sustainability Steering Committee which was established in 2022. In addition to the CEO and the Group Sustainability Manager, this body consists of the following management functions: Head of Corporate Development, Chief Commercial Officer, Chief Technology Officer, Chief Supply Chain Officer and Chief Human Resources Officer; it convenes two or three times each year.

The Sustainability Steering Committee defines Vetropack's overarching sustainability ambitions, formulates the targets, develops the action plans, draws up the specific and practical measures to implement them and monitors progress. At least once each year, the Board of Directors is briefed on the work of the Sustainability Steering Committee and progress with implementing the sustainability strategy.

The Group Sustainability Manager, who reports to the Head of Corporate Development, is responsible for developing targets and action plans. In this role, he is also responsible for verifying the sustainability goals and measuring progress towards attaining them.

Sustainability aspects in performance assessment

The Board of Directors and the Management Board pursue a long-term strategy that is geared to sustainable business success. Sustainability is an integral element of Vetropack's business strategy, as enshrined in our **Clearly sustainable** strategic thrust; consequently, no separate procedure is in place to assess the Board of Directors' performance based on sustainability criteria. Attainment of Vetropack's sustainability targets is acknowledged and assessed once a year.

Key financial indicators are not the only parameters used to measure our Management Board's performance. During the year under review, we introduced a performance indicator that relates to our sustainability targets. As a new feature, the bonus is now dependent on attainment of our occupational safety target as measured with the TRIR (Total Recordable Incident Rate) performance indicator. We have taken this step because we are convinced that safe workplace conditions are an important element of our responsibility towards our employees.



Sustainability

Material topics and SDGs

The material topics are the core elements of our sustainability work, and they provide the basis for the related reporting. As stipulated by the legal requirements and standards, we review these material topics at regular intervals: the most recent review was undertaken ahead of the reporting for the 2023 fiscal year. Our appraisal included changes to the regulatory environment, and we aligned the topics even more closely to our core business activities and processes. As in the past, we continue to establish specific links between our material topics and the United Nations Sustainable Development Goals (UN SDGs).

Identifying the material topics is the prerequisite for meeting the requirements of Swiss legislation on non-financial reporting, and for correctly applying the GRI standards. As part of our annual reporting, we review our material topics to ensure that they are up to date and legally compliant.

Updating our material topics

We carried out a comprehensive reappraisal of our material topics in 2022. For each topic, internal stakeholders determined the financial materiality (risks and opportunities for business success) and the impact materiality (effects of business activities on the economy, society and the environment).

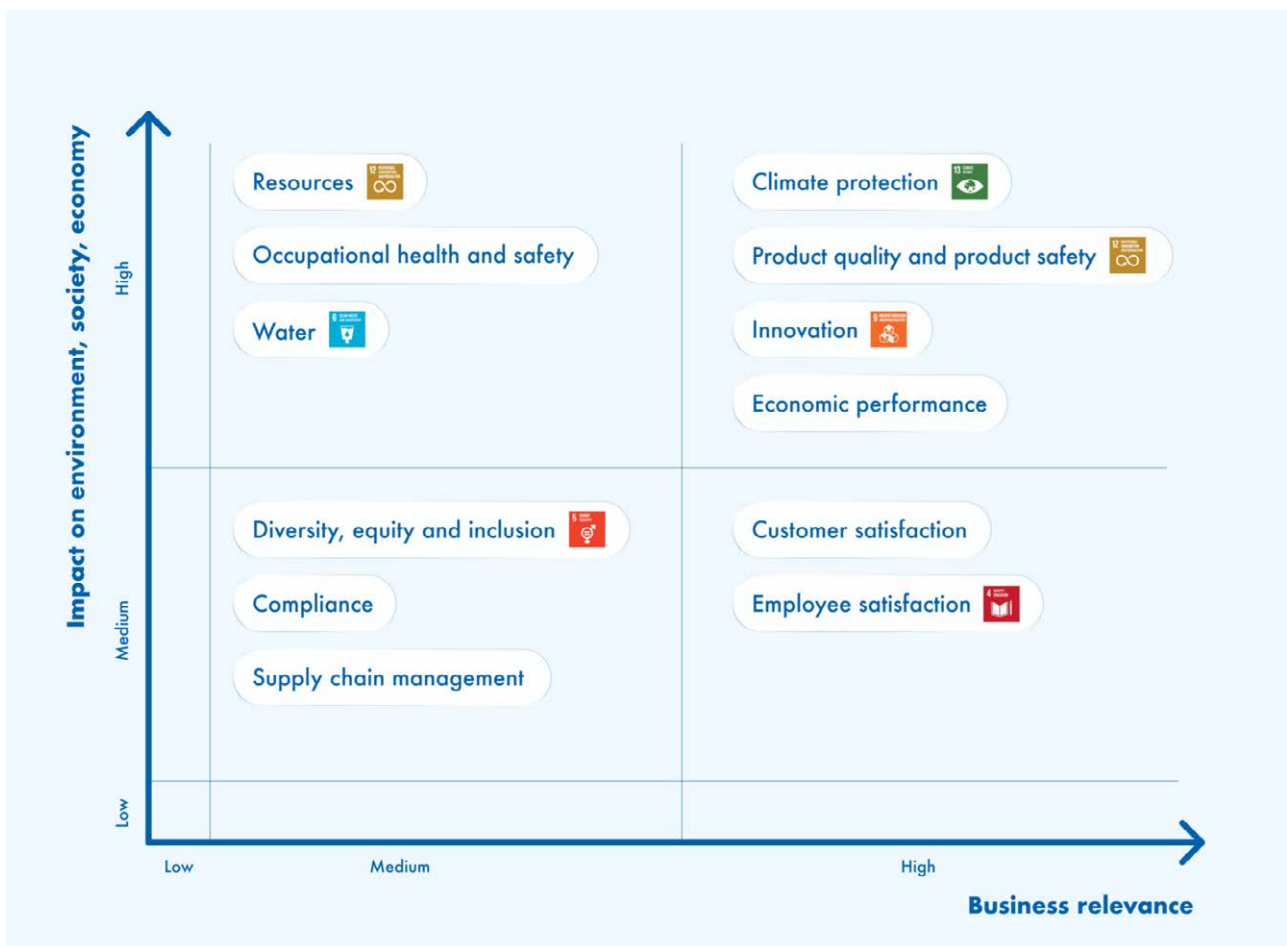
For the 2023 reporting year, management reappraised these topics according to the principles of double materiality. The focal points of this reappraisal were compliance with Switzerland's legal requirements for non-financial reporting, and transparent reporting. For this purpose, we un-

dertook a critical review of the material topics for the 2022 reporting year and identified overlaps in the subject matter covered. We analysed the content and reassigned it to clearly defined and meaningful material topics. **Water** was defined as a new material topic, and the concept for addressing it is currently being developed. In the coming years, we plan to determine the exposure of our plants to the risk of water stress, and to develop the necessary measures from these findings.

The restructured material topics for 2023 support transparent reporting, and help us not only with the strategic orientation of our sustainability management but also with identifying challenges and defining future ambitions.

For reporting purposes, we structure our material topics according to economic impact, environmental impact, social impact, and governance. The **CO reference table** shows the extent to which our material topics cover the non-financial matters required by Swiss legislation (article 964b, Swiss Code of Obligations (CO)).

Materiality matrix



Contribution to achieving the Sustainable Development Goals (SDGs)

The 193 member states of the United Nations decided to adopt the 17 Sustainable Development Goals (SDGs) in 2015. They state the sustainability targets to be achieved throughout the world,

and they provide a frame of reference that covers the different dimensions of sustainability. Not only countries but also companies are called upon to achieve the goals.

By linking our material topics to the SDGs, Vetropack can place the impact of our business activities to promote sustainable development in the context of the global Sustainable Development Goals, and this approach also allows us to define our own ambitions. When redefining the material topics for the current reporting, we also adapted the allocation of the topics to the SDGs. We focus on those SDGs where we can have a significant impact.



Promote basic and continuing education and training

We endeavour to establish ourselves as an Employer of Choice, and we promote continuous learning and personal development for our employees by providing a comprehensive learning infrastructure for them, and by investing in opportunities for basic and continuing education and training. By creating a learning organisation, we are contributing to the attainment of SDG 4.

Material topic:

Employee satisfaction



Create a diverse and inclusive workplace environment

We foster diversity, equity and inclusion at all levels of the hierarchy by responding to our employees' needs, addressing any inequalities that may exist, and paying fair salaries and wages. Non-discriminatory working conditions based on transparent processes boost our employees' motivation, engagement, and willingness to perform.

Material topic:

Diversity, equity and inclusion



Make responsible use of water resources

We make responsible use of water in our production processes by utilising this resource in closed loops. We are committed to systematic monitoring of water withdrawal, water consumption and water discharge, and we comply with the statutory requirements.

Material topic:

Water



Promote the latest technologies and drive innovations ahead

We make use of modern infrastructure to manufacture our glass products, and we deploy innovative technologies. Employees in our plants benefit from industrial processes that match the latest technological standards. By leveraging innovations, we reduce the CO₂ emissions from our production processes. Echovai – our most sustainable and innovative glass product – protects the climate. Our internal and external stakeholder groups benefit because we make our operating processes efficient by including digitalisation as an element of innovations.

Material topic:

Innovation



Promote responsible consumption thanks to refillable and re-usable glass packaging

Thanks to our products – glass containers – food and beverages can be kept for long periods and packaged safely. Glass packaging therefore reduces food wastage by consumers. Glass can be recycled, and glass containers can be refilled many times – so glass is suitable for the circular economy.

By using the highest possible share of recycled glass as a starting material for new glass packaging, we conserve natural resources and reduce the environmental impact of the manufacturing processes. At the same time, we minimise waste in our production processes and comply with environmental laws when disposing of waste.

Material topics:

- Resources
- Product quality and product safety



Reduce greenhouse gas emissions by following a science-based mitigation pathway aimed at protecting the climate

Fossil-based energy sources are required to manufacture our glass products, so their production causes greenhouse gas emissions. Repairs to existing furnaces and construction of new furnaces give us our greatest leverage to promote climate protection by ensuring that the natural gas is used as efficiently as possible. Technical innovations such as oxyfuel or hybrid furnaces reduce the emissions associated with glass production. In 2022, we joined the Science Based Targets initiative and will reduce our greenhouse gases according to a science-based mitigation pathway going forward.

Material topic:

Climate protection



Sustainability

Economic impact

Vetropack endeavours to achieve the long-term development of our company on a self-financed basis. As we work towards this goal, we take account of the interests of our stakeholder groups as well as the impact of our business activities on the environment and society. To achieve our economic objectives, we design glass packaging according to our customers' specific requirements and we focus on innovative products that meet the highest quality and safety standards.



Economic impact

In keeping with our strategic Leader in quality thrust, we meet our customers' expectations and boost our production efficiency – thereby securing competitive advantages. We build up long-lasting partnerships with our customers; we identify their needs by conducting targeted surveys (Voice of the Customer Surveys), and we continue to develop products in collaboration with them. Our central focus is on guaranteeing the health and safety of our customers and of the consumers. To achieve this, we conform to strict internal and external requirements, and we implement standardised production and quality assurance processes. Innovation is another cornerstone of our Strategy 2030: innovative technologies help us to reduce the ecological footprint of our manufacturing processes and our glass packaging products. Our understanding of innovation also includes leveraging digital solutions to make our operating processes efficient, and continuing the holistic development of glass production throughout our entire value chain.

In this chapter

Economic performance

Innovation

Customer satisfaction

Product quality and product safety



//

In the interests of Vetropack's majority shareholders, our financial management aims to achieve our company's self-financed development in the long term.

David Zak, CFO

Sustainability

Economic performance

Our overriding goal is sustainable growth. We set ourselves targets for sustainable return on operating capital that promotes 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.

Vetropack's strategy is geared to the company's long-term development, taking account of the concerns of our stakeholder groups. Growth generates the resources needed for investments that will secure our successful market position. The profitability of our investments ensures that we have the relevant capital at our disposal.

Since Vetropack's growth is largely self-financed, we attach great importance to the cash flow margin and profitability. One key indicator for these parameters is Return on Operating Capital Employed (ROOCE), which must be around 20 percent in the medium term. Long-term financing of the company's ongoing development is ensured by optimised employment of capital and a positive cash flow after deducting investments and dividend payments.

Investments in sustainability

It is our general practice to include ecological aspects in our investment decisions. For example: we assess potential savings of energy and CO₂ on the basis of anticipated future prices for energy or CO₂ certificates.

Focal points of our investments include new furnaces (e.g. oxy-fuel or hybrid furnaces) and cullet processing plants. In both these cases, we are improving our economic and ecological efficiency. The energy performance of a new furnace, for instance, is usually about 10 percent better than

the rate for its predecessor. This is because furnaces lose about 1 percent of their efficiency each year due to decreasing insulation performance. By using our own cullet processing plants, we not only improve our supply of raw materials but also reduce our energy costs.

Clearly Sustainable is one of the cornerstones of our strategy – and to continue strengthening it, we intend to invest more in progressive ecological technology. But suitable options are often unavailable, so we motivate our suppliers to develop appropriate solutions.

Progress and events in the reporting year

Resumption of production in Gostomel

In May 2023, we were able to resume operations at our Gostomel plant in Ukraine, which was severely damaged at the beginning of 2022 due to the war. The site was able to finance the repair work from its own resources, because the stocks destroyed by the attack could be sold as cullet to other Ukrainian glass manufacturers at a good price.

Opening of the new Boffalora plant

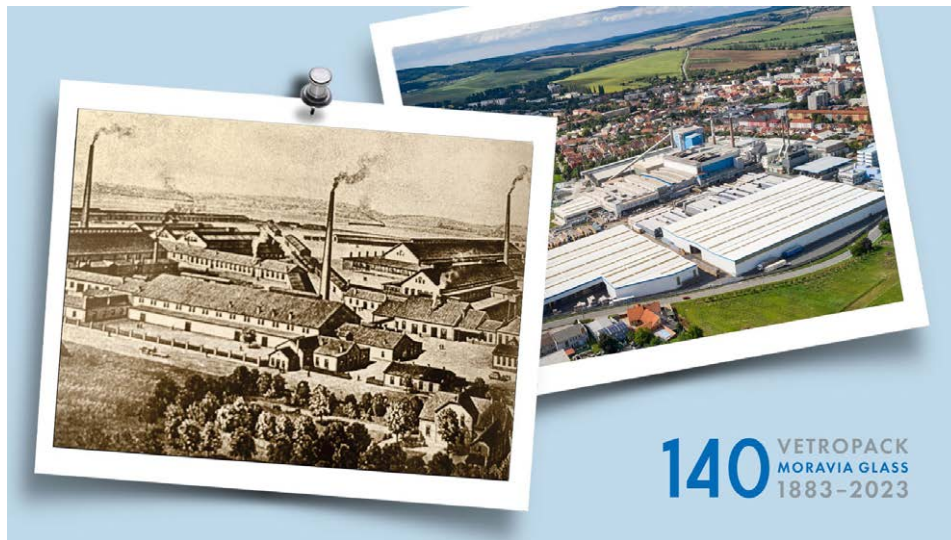
Vetropack has invested about CHF 400 million in the new production facility at Boffalora, Italy. Around 70 percent more glass can be produced here than in the previous plant. This makes it much simpler to serve our customers in Italy with improved resource efficiency and more favourable costs. Sites that have previously supplied Italy now have additional capacities for their local markets.

Investments in state-of-the-art technology

Vetropack invested in cutting-edge technologies during 2023. For example: the first servo-driven electric glass-blowing machine was installed at our plant in Kyjov. On the one hand, the NIS machine is the most flexible high-performance machine on the market – and on the other, it substantially reduces energy consumption because the servo motors use the electricity directly, without an intermediate compressor.

Vetropack Moravia Glass celebrates its 140th anniversary

Thanks to our innovation strategy, we were able to commission a new coloured glass furnace and a new NIS machine at our Kyjov plant in the Czech Republic. The new furnace was specifically developed to produce coloured glass, with higher capacity per day than its predecessor, resulting in significantly increased efficiency.



Croatia's accession to the Schengen area makes processes easier

Croatia acceded to the Schengen area and joined the European Economic and Monetary Union (EMU) in January 2023. Since then, it has been possible to cross the country's borders freely without personal identity checks. Free border crossings now facilitate processes at Vetropack Straža, and currency risks relating to our Croatian site are also reduced. At the plant itself, EMU accession required extensive preparations such as converting the Enterprise Resource Planning (ERP) software and business processes to the new currency.

Optimised peripheral production processes

Vetropack has responded to increasing competition, customers' requirements and the impact of inflation on economic performance by introducing its Performance Improvement Programme or PIP. The PIP pursues a structured approach in order to cut costs, boost overall performance, and implement best practices in production. The focus here is on peripheral processes.

Boosting efficiency in administration

It is our goal to have efficient processes in place throughout the Vetropack Group. To achieve this, our optimisation programmes also include our administration. In the year under review, three areas – HR, Procurement and Finances – have analysed their processes and developed implementation plans with estimated implementation costs and cost savings. The same procedure will be applied to processes in IT and Sales in 2024.

Performance indicators

GRI 201-1 Direct economic value generated and distributed

Key financial indicators can be found [here](#).



“

Here at Vetropack, we have a tradition of taking care of our customers and building long-lasting relationships. In 2023, following three years of volatility on the markets, we conducted an extensive survey to understand our current standing and identify potential for improvements.

Evan Williams, Chief Commercial Officer

Sustainability

Customer satisfaction

Customer satisfaction is the requirement that must be met so Vetropack can maintain a leading position on the European markets and ensure continuously profitable growth. Active exchanges and dialogue with customers help us to understand their requirements and needs, as well as giving us insights as to how added value can be generated for them in the future. Customer satisfaction is increasingly dependent on our offering of sustainable and customised product solutions.

The business model for the glass industry promotes high utilisation of production capacity in order to maintain competitiveness. For Vetropack, therefore, customer satisfaction means reliably offering customers the products they want at the right time. We make sure that our customers are satisfied by putting their ideas into practice with know-how, creativity, and flexibility. We develop customer-specific and individual glass packaging products based on our customers' ideas. We use innovative technologies such as 3D printers so they can literally get to know the glass packaging 'hands-on' prior to series production. Long-term partnerships as well as the Net Promoter Score (NPS) are indicators of our customers' satisfaction levels. We regularly analyse our markets to identify trends so we can respond strategically to them.

Regular customer surveys (Voice of the Customer surveys)

As part of Vetropack's Strategy 2030, we have set ourselves two goals: not only to double sales as compared to the 2019 level, but also to improve our ratings in customer surveys. To systematically determine our customers' expectations of our products and services, we regularly conduct

customer surveys (Voice of the Customer surveys) across the Group. These surveys cover the following topics: willingness to recommend Vetropack to others (based on a Net Promoter Score (NPS) rating), performance versus direct market competition, opportunities for service development and share of wallet as an indication of future spend patterns. The results give us insights into our customers' needs and requirements in relation to both existing and future business areas, and help us to quantify customers' satisfaction levels.

Systematic customer care

Customer experience is one of the key drivers of our commercial excellence initiative. By focusing on a better understanding of our customers' requirements and needs, we systematically strengthen our customer relationships. Our Strategic Account Management (SAM) is one example of Customer experience. The SAM analyses data, assigns clear responsibilities for customer care, and improves our services for strategically relevant key customers. Going forward, a Group-wide Customer Relationship Management (CRM) system will aim to simplify and optimise customer care in the phase between the customer's enquiry and the placement of an order.

Interaction with our customers

At Vetropack, the Sales team has primary responsibility for implementing a customer-oriented sales strategy. The information required for this purpose originates from market research and strategic analyses. Customers' concerns and requirements are determined through direct discussions and on the basis of customer surveys. Daily interactions with our customers help us to identify immediate concerns and respond to them. Decentralised responsibilities enable us to address customers' issues at the local level, and to implement efficient and effective solutions for them.

Main responsibilities for ensuring customer satisfaction



Online presence

Our customers can consult the online catalogue on the Vetropack website to find all our glass packaging products for a variety of beverages (including wines, spirits and beers) and foods. Users can view and then select products based on a wide range of criteria including capacities, shapes, colours, mouths and closure types.

We also make use of our online presence to publish Success Stories referencing satisfied customers. We routinely post these on our [LinkedIn](#) channel or our corporate [website](#). As well as motivating our employees to deliver best performance, the Success Stories inspire our existing customers and help us to acquire new customers.

Joint product development with customers

Comprehensive improvement of the product mix is one of our strategic focus areas. By developing products jointly with our customers, we succeed in implementing their specific requirements.

This co-operation also promotes knowledge transfer. We regularly collaborate with our customers to assess the performance of the products we have sold, and we work with them to develop solutions for returning low-margin products to profitability. In these ways, we optimise the added value created both for our customers and for Vetropack.

3D printing laboratory turns virtual glass containers into physical reality

We offer 3D printing services that enable customers and others to experience the look and feel of new glass containers. We have set up a 3D printing laboratory for glass packaging, in Austria, so our customers can gain 'hands-on' knowledge of the glass product they want before series production begins. The prototypes, which are produced from a special resin, precisely reproduce the container's geometry: this gives customers the opportunity to evaluate the prototype with their stakeholder groups at an early stage of the process, thus supporting a shorter time to market.

Transparency about our products' environmental footprint

Customers increasingly request information about our products' ecological footprint, so we transparently communicate key product-related environmental indicators. In addition, we can provide detailed data on environmental impact in compliance with the requirements defined by the European Container Glass Federation (FEVE). For this purpose, we use a Life Cycle Analysis (LCA) tool that was developed jointly with FEVE to carry out 'Product Life Assessments'. This tool gives us an overview of the product's entire life cycle so we can make the relevant information transparently available to the customer.

Guidelines, policies, supervisory and control instruments

- Market research on glass packaging usage in selected geographical regions
- Strategic Account Management (SAM) programme as part of customer segmentation
- Implementation of a Group-wide Customer Relationship Management (CRM) system.
- Customer-oriented sales and marketing strategy
- Regular customer surveys (Voice of the Customer)
- Daily interactions with customers
- LCA tool to determine the environmental impact of our products
- Pricing guideline as a control mechanism
- Implementation of pricing maturity audits

Progress and events in the reporting year

Voice of the Customer Survey

We conducted another comprehensive customer benefit analysis (Voice of the Customer) during the reporting year. This year's survey covered the following topics: relationship status, preference for Vetropack, innovation, and competitor comparison. We were able to conduct interviews with 124 customers and we also rolled out an e-survey to broaden the reach. The survey met with a high response rate, clearly indicating customers' need to provide feedback. The NPS score in 2023 was +41 and in our Strategic Accounts segment, we achieved a significantly improved rating (+68 points) thanks to the introduction of our targeted Strategic Account Management pro-

gramme. Based on the results of the Voice of the Customer survey, we began identifying areas with improvement potential at the end of 2023. We are putting the first measures into practice in 2024 as part of a comprehensive action plan.

Meeting local market needs

In 2023, the Enterprise Resource Planning (ERP) system that is used throughout the Group was also implemented in our most recent acquisition in Chişinău. With immediate effect, the SAP integration in Chişinău enables us to make all the products manufactured in the plant accessible to the market in the Republic of Moldova via the online catalogue. We are simplifying our planning processes by making use of SAP for all goods handling processes. To serve the regional markets, our website has also been available in Romanian as of this year.

Customer Relationship Management pilot project

With the aim of responding more professionally and systematically to our customers' requirements going forward, we completed the design phase of a blueprint for Group-wide use of a Customer Relationship Management (CRM) system in 2023; this was part of a pilot project. The CRM will also facilitate transparent management of data relating to our customers. We will be making additional use of the CRM for case management, which also includes keeping systematic records of the processing of any complaints we may receive. The Group-wide rollout of our CRM is scheduled for 2024.

Performance indicators

GRI 417-2 Incidents of non-compliance concerning product and service information and labelling

No significant incidents of non-compliance concerning the labelling of product information were notified during the reporting period.



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Drive innovation is the motto that guides us to create scope for new ideas about manufacturing container glass. We are rethinking container glass production so we can meet the challenges that our industry will face in the coming years

Guido Stebner, CTO

Sustainability

Innovation

Drive innovation is one of the five strategic thrusts in our Strategy 2030. Our innovation strategy targets ongoing holistic development of the value chain. Making processes more efficient, developing new ideas for the products of tomorrow, minimising the carbon footprint of the manufacturing process, and leveraging the possibilities offered by digitalisation to improve processes and products: these are the focal points of our work on innovation.

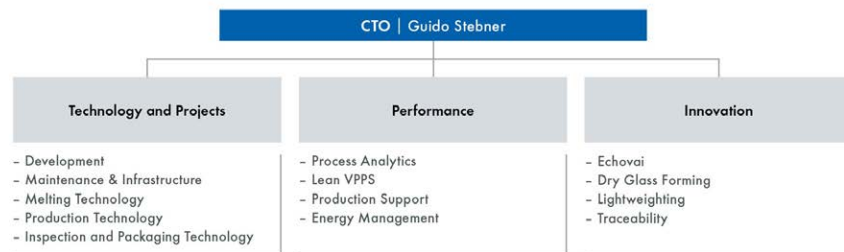
Thanks to innovations, we are continuing to develop our business and strengthen our competitive edge. At Vetropack, innovation knows no limits: our activities range from boosting efficiency in our production processes and developing sustainable products to making our operating processes easier with the help of digital tools. When assessing the relevant factors for innovation projects, we not only consider the economic benefits (such as strengthening our market position or developing new business fields) but also improvements to ecological sustainability.

Technology and Production: responsible for innovations

Our CEO supports the innovation strategy as an integral element of Vetropack's overall strategy. He is assisted by the CTO. The Innovation Steering Committee leads and oversees the concept development and the implementation phases for innovations. We are also planning to create a position for an Innovation Analyst. The Technology and Production division is responsible for practical steps to foster innovations. This division has responsibility for production in our plants,

and for developing processes and technologies. Our responsibilities in Technology and Production are as follows:

- The Technology and Projects unit focuses on technological developments both within and outside the Group. The applied technologies are used to implement production processes within the Vetropack Group, with the focus on three key issues: digitalisation, innovation, and sustainability. We examine known and proven technologies in these 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, standardising and consistently optimising the process landscape, and on benchmarking both within and outside the Group so as to improve operative performance. We make use of continuous improvement (CIP) tools such as Lean and Six Sigma.
- 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, followed by further development in 2023. Research at the Innovation Centre focuses on process and product development as well as digitalisation. Moreover, the Innovation unit was expanded in 2023 by new appointments to the positions of Innovation Manager Process and Innovation Manager Digital Factory.



Steering Committee assesses risks

Innovations entail financial risks – because not all innovation projects ultimately lead to success. A Steering Committee is in place where the success of innovation projects is reviewed regularly with internal stakeholders, so such projects can be aligned and coordinated with Vetropack's innovation strategy.

Partnerships make innovations possible

We collaborate closely with external partners in order to implement our innovation strategy. We require our suppliers to be ready and willing to innovate – and in return, we offer a platform for the industrialisation of new products. We work together with our customers to develop innovations that allow them to operate successfully on the market. In various associations, and through direct contact with universities, colleges and research institutions, we monitor current trends in science and technology, and we take part in strategic projects.

Saving CO₂ thanks to innovations

Vetropack is working on the 'Furnace for the Future' to reduce the energy consumed in producing glass. Going forward, the goals are to boost the energy efficiency of furnaces and replace natural gas with electrical energy. Innovative technologies should be leveraged to cut energy consumption and thus reduce the carbon footprint of the melting processes. Vetropack participates in projects such as Furnaces for the Future launched by FEVE (the European Container Glass Federation) and Zero CO₂, and we also collaborate with the IPGR (International Partners in Glass Research) network and RWTH Aachen University (Germany). In addition, work is under way on digitalisation of the entire value stream in the context of a Smart Factory approach.

Another possible way of reducing greenhouse gas emissions in glass production is to use the highest possible share of cullet (see the sections on [Resources](#) and [Climate protection](#) for more in-

formation). We are making targeted investments to improve internal cullet processing at various sites, and we plan to develop innovative state-of-the-art plant technology.

One current focus of our work to develop innovation concepts is on storage or use of CO₂ emissions generated during the glass manufacturing process, in connection with Carbon Capture and Storage (CCS) or Carbon Capture and Utilisation (CCU) technologies. We are collaborating with an external partner to investigate the possibility of mineralisation of the CO₂ from the process gas. The minerals produced in this way can be used as raw materials for manufacturing glass, and also in a variety of industrial processes. These mineral raw materials would thus be carbon-neutral.

Innovative camera technology

In another collaboration project with an external partner, high-speed camera technology is being used to monitor the glass forming process in real time on a glass forming machine at our Pöchlarn plant. Especially for fast-running machines, the generated images allow precise detection of malfunctions and process anomalies for the purpose of preventive maintenance. A specially developed evaluation algorithm is used to classify the information about malfunctions and anomalies, which it is then made immediately available to the operator. This reduces periods of disruption and enables us to define preventive measures more accurately.

Digitalisation and automation

Ongoing development of information technology and digitalisation of our business processes are elements of our Strategy 2030. 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 and Production in collaboration with IT. However, IT and digitalisation are not 'worlds unto themselves' at Vetropack. On the contrary: they provide the basis for efficient collaboration within the Group and with our customers, suppliers and other business partners.

We are digitalising processes throughout our entire value chain – because digital solutions help us to make our internal operating processes more efficient, meet customers' needs and thus strengthen our competitive edge. The digitalisation of business processes opens up possibilities for rapid and transparent data processing. Automation concepts allow us to generate and evaluate data from the production processes in real time.

We need the right technical conditions to be met for efficient, user-friendly digitalisation processes, and we deploy suitable tools to achieve this. We use SAP as our Group-wide ERP solution. This provides coverage (for example) for the processes from the product order through to payment for it. In the future, we will deploy a Customer Relationship Management (CRM) system for the upstream step from the needs analysis through to the purchase order. You can read more about this in the [Customer satisfaction](#) section.

Information security

Digitalisation also gives rise to risks and hazards such as cyber attacks, breaches of data privacy or loss of human know-how at the operational level. The Director Information Security and the Information Security Board are responsible for preventing cyber attacks and ensuring data privacy and protection.

To ensure protection for our employees' and business partners' data, we follow a Group-wide Security Guideline. Our information security processes are based on the ISO 27001 standard. More information on data protection can be found in the [Compliance](#) section.

Guidelines, policies, supervisory and control instruments

- Innovation Steering Committee
- Security Guideline
- Information security processes based on the ISO 27001 standard
- Information Security Board

Progress and events in the reporting year

Echovai – our most sustainable glass product

Echovai is a robust glass bottle that is also economical on materials. Developed by Vetropack, this unique product is the world's first returnable bottle made of tempered lightweight glass. To manufacture this bottle, we use the Echovai process for thermal tempering of the glass containers. The low weight of the bottles significantly reduces logistics effort and expense, and CO₂ emissions per bottle fall to about one quarter of the level for a normal returnable bottle. In these ways, Echovai accommodates our customers' demand for sustainable products. As Vetropack's first customer for the new product, Mohrenbrauerei (the Austrian brewery) began using Echovai containers for individual products about three years ago. We are particularly proud to report that Echovai won the Swiss Packaging Award in June 2023: as well as winning honours in the Technology category, Echovai also won the jury's special prize. To safeguard our knowledge, Vetropack submitted two patent applications in 2023; their status was pending as at the reporting date.



Standard solution for the brewing industry

For Brau Union Österreich, Vetropack is manufacturing the new 0.33-litre returnable bottle which will reach the market in 2024 as a standard solution in a pool for the brewing industry. This innovative 0.33-litre bottle is about one third lighter than conventional returnable containers. Return-

able packaging pools reduce logistics effort and outlay, shorten transportation distances, save resources, and lower greenhouse gas emissions.

3D printing laboratory

Our new 3D printing services make it possible to physically experience new glass containers. By setting up a 3D printing laboratory, Vetropack is offering its customers the opportunity to gain 'hands-on' knowledge of glass packaging prior to series production. The prototypes, produced from a special resin, precisely reproduce the geometry of the containers to convey a sense of their look and feel. The models can also be used to train machines for automatic fault detection and separation during production.

Manufacturing glass without soda

Vetropack is a member of International Partners in Glass Research (IPGR), a global research organisation that aims to promote glass science and technology through collaboration between the industry, colleges and universities, and public authorities. In a furnace that is no longer operational, Vetropack is conducting tests aimed at changing the raw material input. As part of this 'No Soda Trial', the mix of raw materials was adapted so as to eliminate the additional use of soda, one of the main sources of CO₂ emissions. The melting behaviour of the mix was investigated in the course of a 10-day trial. The formability of bottles from the soda-free melt could be proven at the end of the trial.



Dry Glass Forming project

An industrial coating plant was set up in our Pöchlarn plant to continue progress with implementing the IPGR's Dry Glass Forming project. After completion of the plant, and once all the approvals required for its operation were obtained, a start was made on coating mould sets for container glass production. The aim of this project is to prevent the glass from adhering to the mould surface by selecting suitable coatings, thus avoiding manual or automated lubrication of the moulds in future. IPGR members have already been using the first coated moulds in their plants. Promising results were obtained for the durability of the coatings and the quality of the manufactured products.

Holistic Pallet and Pad Management

Vetropack has launched a project for Holistic Pallet and Pad Management (HPPM). Around one million pallets and six million pallet pads are in circulation to ensure that our products are transported safely to our customers. The HPPM system was developed so we can keep track of information about returns and the quality of pallets and pads across all our sites. With the help of sensors, HPPM enables us to collate and access all information about reusable packaging in one place. HPPM makes it easier to identify the pallets and ensures that they are clearly traceable, which helps with re-usability. A cloud solution for the platform was tested in 2023 so that customers and logistics providers will be able to view and enter their data themselves going forward.

SAP implemented at Chişinău

The ERP system used throughout our Group was introduced at our Chişinău plant in 2023. Following the implementation, our employees in the Republic of Moldova were trained on using SAP. By introducing ERP, we are improving the standardisation and transparency of our business processes because key indicators are now determined systematically.



Contribution to achieving the SDGs

Vetropack's strategic orientation focuses on creating a resilient infrastructure and developing sustainable industrialisation. Processes, plant and technologies are upgraded to the current state of the art. With **Drive innovation** as our strategic thrust, the development of our products and processes is focused on implementing innovations.

A young child with dark hair is shown in profile, drinking from a clear glass bottle. The background is softly blurred, suggesting an outdoor setting with warm, natural light. A semi-transparent blue box is overlaid on the left side of the image, containing text.

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Millions of consumers use our glass products so they can enjoy food and beverages. This is why we believe it is essential that the health and safety of all consumers are guaranteed at all times.

Christoph Burgermeister, Group Director, Corporate Development and Integrated Management Systems

Sustainability

Product quality and product safety

It is our endeavour to become known as a Leader in quality within the industry and among our customers. By this, we mean offering a comprehensive range of functional, safe and high-quality glass packaging that is aligned to customers' requirements. Standardised and certified processes help us to guarantee the highest quality, which also ensures product safety. Consumers' safety is our priority.

Glass offers numerous advantages as a packaging for food and beverages. One of the most appreciated features of glass packaging is that it does not impair the taste of food and beverages. Unlike other packaging materials, glass not only keeps food free of foreign odours and flavours, but also prevents the migration of potentially harmful chemicals into the beverage or foodstuff. The molecular structure of glass makes it impermeable to air and moisture, thus extending the shelf life of the food and reducing food waste. In terms of quality and safety, the downside for the consumer is the risk of breakage. The central tool we use to ensure the quality and safety of our products in keeping with our Strategy 2030 is our operational quality management system, which also helps us to increase productivity and reduce costs.

Quality and safety – everyone is responsible

We aim to improve our processes comprehensively and continuously; our top priority in this regard is to ensure product quality and safety. Responsibility for improving quality is assigned to our management team, and this objective is put into practice in our daily work with the support of

the entire workforce. In connection with our strategic Leader in quality focus, the cross-divisional specialist group for technical performance, technology and quality has particular responsibility for guaranteeing product quality. Several in-house specialist groups work on projects to ensure quality at various Vetropack sites.

Certifications and audits

Standardised and certified processes help us to guarantee the high quality and safety of our glass packaging. All our plants are therefore certified to the ISO 9001 quality management standard, with the exception of our Boffalora plant which was commissioned during the reporting year. Certification of the Boffalora facility is scheduled for 2024.

The quality – and, therefore, the safety – of our products are guaranteed by end-to-end monitoring and control in our production. 100 percent of our glass containers are inspected so as to guarantee consistently high quality and safety, and to comply with all statutory and customer-specific requirements.

We use quality indicators as the basis for measuring progress: these include the numbers of complaints per million units sold, and the numbers of critical defects identified in-house. For competitive reasons, these key quality indicators are not published.

Our plants undergo audits to verify our standardised processes. Risk-based internal audits are conducted every year. External audits are carried out for certification (or recertification) purposes. Audits by our customers also help us to identify potential for improvements.

Systematic processes guarantee quality and safety

Our Quality and Food Safety Policy provides a Group-wide framework that offers instructions on ensuring maximum product quality while minimising any and all risks that could jeopardise consumers' health. This policy defines Group-wide requirements for our manufacturing processes and for methodical hazard analysis according to the HACCP (Hazard Analysis and Critical Control Point) system, and it helps us to continuously improve our processes.

Sensor locates hazard points

Glass offers many advantages as a packaging material: it is pollutant-free, it can be recycled, and it provides excellent protection for its contents. However, glass has one disadvantage that cannot be overlooked: it can break or splinter. This presents a dilemma for filling plant operators in the food and beverage industry: they have to decide whether to reduce the filling speed and protect the containers but reduce the filling rate by doing so. We support our customers with selecting appropriate filling speeds to prevent any danger to the glass containers, without the need to accept compromises on the filling rate. To achieve this, a sensor provides extremely accurate measurements of the forces and loads that act on the glass containers during filling. For this purpose, Vetropack produces exact replicas of the glass containers to be tested for customers, and we perform the relevant load tests with the sensor.

Vetropack repairs its own mould sets to ensure highest quality

Our employees themselves repair the mould sets in all our plants. In this way, we ensure uniform quality throughout the Group and reduce our costs at the same time.

Guidelines, policies, supervisory and control instruments

- Standardised production and quality assurance processes
- ISO 9001 certification (except for Boffalora)
- Internal and external audits conducted
- Food Contact Material Safety Concept
- Quality and Food Safety Policy
- Compliance Monitoring Policy
- Hazard analyses in accordance with the HACCP system

Progress and events in the reporting year

Chişinău gains FSSC 22000 certification

In 2023, our Chişinău plant was certified in accordance with FSSC 22000, the Global Food Safety Initiative (GFSI) standard for food safety. FSSC 22000 is aligned with globally recognised standards such as ISO 22000 for food safety and ISO 9001 for quality management. As the basis for certification, a standardised quality assurance process was implemented in Chişinău and the production processes here were adapted to the Group-wide standards.



Contribution to achieving the SDGs

Glass has many properties that can contribute to more sustainable consumption. One of the quality characteristics of glass packaging is its impermeability to air and moisture. Thanks to this attribute, many foods and beverages packaged in glass have longer shelf lives than products in other types of packaging, so food waste is reduced. Guaranteeing the highest quality and safety standards is essential so we can offer our customers the positive properties of glass to their fullest extent.

Performance indicators

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

In 2023, Vetropack received 8 critical complaints. In this context, critical means that these products posed a potential risk to the health and safety of consumers. However, the affected products were identified and separated so that no products had to be recalled.



Sustainability

Environmental impact

We intend to evolve into a glass manufacturer that is known for innovative products and efficient manufacturing processes. In keeping with this objective, we endeavour to ensure that our glass production conserves resources. Our material environmental topics comprise climate protection, resources, and water.



Environmental impact

Glass is a sustainable packaging material because it is manufactured from natural raw materials and can be fully recycled without limitations. Nevertheless, glass production involves greenhouse gas emissions. We reduce such emissions by optimising the processes for the repair of existing furnaces and the construction of new ones, and by using the highest possible shares of recycled glass and renewable energies. In keeping with our commitment to identifying potentials for saving energy, we participate in research projects (e.g. [International Partners in Glass Research \(IPGR\)](#)).

We address environmental risks, increased energy prices and regulatory changes by operating foresighted processes and setting ambitious targets, thus strengthening our competitive edge. We raise public awareness about collecting glass so that our production is able to conserve resources in the long term.

We mainly use water in closed loops. Thanks to systematic monitoring and determination of our sites' future risk exposure, we are able to take strategic action in response to changes in the availability of water.

In this chapter

[Climate protection](#)

[Resources](#)

[Water](#)



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The consequences of climate change demand immediate collective action. Given the high energy demand in the glass industry, we must meet our responsibilities and engage in active climate protection.

Nicolas Lootens, Group Sustainability Manager

Sustainability

Climate protection

Glass production requires large quantities of energy, resulting in the generation of greenhouse gas emissions. Vetropack is mindful of its corporate responsibilities, and we design our production processes to be as energy-efficient as possible. Technically optimised and innovative furnaces, sourcing of renewable electricity, and the use of recycled glass as a raw material: all these measures are helping us to put our climate protection ambitions into practice.

The effects of climate change are being felt all over the world, and they are also impacting Vetropack as an industrial enterprise. Given that the energy demand involved in glass production is very high, we need to optimise our processes and define ambitious reduction targets. Rising energy and CO₂ prices are future climate-related risks and make it a matter of urgency to commit to efforts to protect the climate.

As things stand at present, natural gas is required as the main source of energy for heating the furnaces. However, greenhouse gas emissions in the form of CO₂ are also generated by the process of melting raw materials to form glass. Greenhouse gas emissions in the upstream value chain can be mainly attributed to the production of raw materials (soda, dolomite, limestone and sand) and to transportation. Collaboration with our suppliers helps us to reduce emissions in the supply chain.

A comprehensive calculation of our upstream and downstream CO₂ emissions showed that Scope 3 accounts for over 40 percent of our total emissions. The most relevant Scope 3 categories are 'purchased goods and services', 'fuel- and energy-related activities', 'upstream and downstream transportation and distribution' and 'capital goods'.

Firmly entrenched climate targets in the company

Group-wide strategic thrusts to foster a responsible approach to the environment are enshrined in our Health, Safety and Environmental Policy. All our employees are expected to reduce environmental impacts whenever possible, and training on environmental awareness helps to achieve this. The Group Sustainability Manager designs and develops efforts to protect the climate, and the Sustainability Steering Committee approves them.

Climate targets are included in our **Clearly sustainable** strategic thrust which is an element of our Strategy 2030. By 2030, we are aiming for a 30 percent reduction of our CO₂ emissions per metric ton of glass produced as compared to the 2019 level – and, whenever possible, we intend to produce renewable electricity ourselves.

So that we can effectively reduce our greenhouse gas emissions, we account for emissions in the Scope 1, 2 and 3 categories; we are also developing a roadmap for the decarbonisation of our processes. For these purposes, we identify various measures to reduce emissions and assess their effectiveness. We will approve a comprehensive decarbonisation roadmap in 2024.

By committing to the Science Based Targets initiative (SBTi) at the end of 2022, we are pledging to reduce emissions throughout our company in accordance with science, and we undertake to implement a science-based emission reduction pathway. We determined possible reduction pathways in 2023, and we shall submit a science-based climate target to the SBTi in 2024.

Effective measures to protect the climate

Furnace rebuilds and the construction of new furnaces give us our greatest leverage to reduce operational CO₂ emissions. By making more efficient use of natural gas to generate the heat for the required melting processes and increasing the share of renewable electricity used in this process, we will reduce the negative impact on the climate from the manufacture of new glass products.

If furnaces need to be rebuilt, we optimise the processes at the same time so that energy efficiency is improved by 10 to 15 percent. We are also evaluating conversion to oxy-fuel, or hybrid furnaces, and we take part in research projects through the International Partners in Glass Research (IPGR) association.

We achieve significant emission savings by using recycled glass as a raw material: according to FEVE (the European Container Glass Federation), for example, a 10 percent admixture of cullet achieves energy savings of around 3 percent and cuts CO₂ emissions by about 7 percent as compared to production of glass from raw materials. We are also doing more to investigate innovations such as reducing the percentage of soda. You can read more about this in the [Innovation](#) section.

Whenever possible, we produce our own electricity from photovoltaic systems. Going forward, we intend to increase our sourcing of renewable electricity through Power Purchase Agreements (PPAs) or to buy Guarantees of Origin (GoOs).

Electric vehicles

To reduce greenhouse gas emissions, we aim to only use electrically powered forklifts throughout the Group by 2030. Since 2020, Vetropack has opted for electric or hybrid vehicles in its own vehicle fleet.

Guidelines, policies, supervisory and control instruments

- Health, Safety and Environmental Policy
- Regular audits conducted to determine potential for saving energy
- Planned emission reduction pathway as per the Science Based Targets initiative

Progress and events in the reporting year

Supplier Leadership on Climate Transition (Supplier LoCT)



In connection with the Supplier Leadership on Climate Transition (Supplier LoCT) initiative, the analysis modules on our own operations (Scopes 1 and 2) were completed in 2022; then in 2023, the focus shifted to Scope 3 emissions and the formulation of a greenhouse gas reduction target. We began developing a mitigation pathway to reduce greenhouse gases at the end of the year, and this work is due to be completed by the date of publication of this Report.

At the end of 2023, Vetropack earned the Supplier LoCT badges for the disclosure of its CO₂ footprint in Scopes 1, 2 and 3. The badges demonstrate that our Scope 1, 2 and 3 emissions data are in line with the best practice standards of the GHG Protocol.

Efficient processes at Boffalora sopra Ticino

We commissioned a new plant at Boffalora in 2023: in terms of resource-efficient production, this is a showpiece facility. Utilisation of waste heat allows exceptionally energy-efficient design of the processes here, so greenhouse gas emissions are reduced. All the forklifts have been equipped with modern low-consumption lithium batteries which not only reduce the duration of the charging cycles, but also improve the efficiency of the charging process. Moreover, we are evaluating the construction of a photovoltaic plant with potential of about 7 MW.

Photovoltaic systems in Kremsmünster

We have installed two new photovoltaic systems at our site in Kremsmünster. They produce about 6 percent of the plant's total electricity requirement.



Optimised furnace in Kyjov

One furnace at our Kyjov plant was rebuilt in 2023. Gains in energy efficiency are being achieved thanks to the improved design. We therefore expect a year-on-year reduction of around 13 percent in CO₂ emissions per metric ton of glass produced.



Contribution to achieving the SDGs

As an industrial enterprise with a significant energy demand in our production, Vetropack is able to influence SDG 13. Increasing the energy efficiency of our furnaces saves greenhouse gas emissions and promotes protection of the climate. Glass can be produced with lower emissions by using recycled glass as a raw material. Our climate targets and the decarbonisation roadmap will help us to play our part in achieving SDG 13.

Performance indicators

Energy consumption

	2023	in %	2022	in %
Total energy consumption in GWh	2 747		2 563	
Electricity	433	16%	439	17%
Natural gas	2 299	84%	2 119	83%
Other (Heating oil, diesel, petrol...)	14	<1%	5	<1%
Specific energy consumption in MWh/t ¹⁾	1.97		1.72	

¹⁾ Per metric ton of glass produced that satisfies all quality and safety requirements thus qualifying for sale

Greenhouse gas emissions

	2023	in %	2022	in %
Scope 1 + 2 greenhouse gas emissions in tCO₂e¹⁾	652 566		610 789	
Scope 1 natural gas	421 510	65%	389 819	64%
Scope 1 process emissions	104 921	16%	126 488	21%
Scope 1 other fuels and refrigerant leakages	2 625	1%	N/A	
Scope 2 electricity ²⁾	123 511	19%	94 482	15%
Specific greenhouse gas emissions in tCO₂e/t³⁾	0.468		0.407	
Scope 3 greenhouse gas emissions in tCO₂e⁴⁾	N/A		493 795	

¹⁾ Greenhouse gas inventory calculated in accordance with the Greenhouse Gas Protocol. Emission factors used for the calculations of Scope 1 are from DEFRA 2023 for 2023 and DEFRA 2022 for 2022. Emission factors used for Scope 2 location-based are from IEA 2023 for 2023 and IEA 2022 for 2022. For 2022 natural gas has been recalculated with adjusted emission factors.

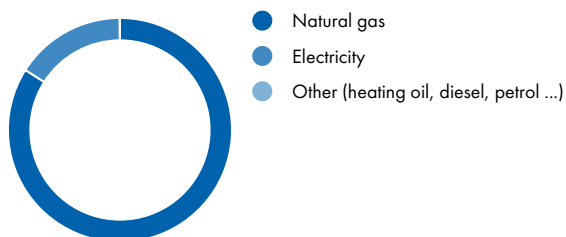
²⁾ Emissions for 2023 and 2022 are calculated acc. to the market-based approach (using energy certificates – where available – which represent approx. 92% (2023) and 43% (2022) of overall electricity consumption). According to the location-based approach, 106'540 tCO₂e and 113'371 tCO₂e result for 2023 and 2022, respectively.

³⁾ The specific greenhouse gas emissions were calculated on the basis of Scope 1 and 2 emissions. Per metric ton of glass produced that satisfies all quality and safety requirements thus qualifying for sale. For 2022 natural gas has been recalculated with adjusted emission factors.

⁴⁾ Vetropack's reporting of their Scope 3 greenhouse gas emissions is delayed by a year. Therefore, no value is indicated in current reporting period.

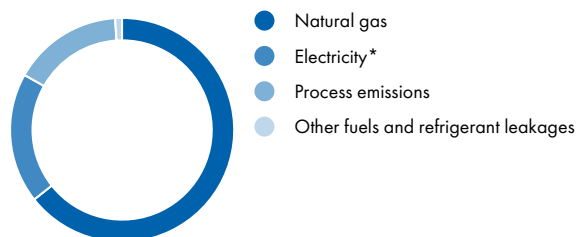
Total energy consumption by source

in %



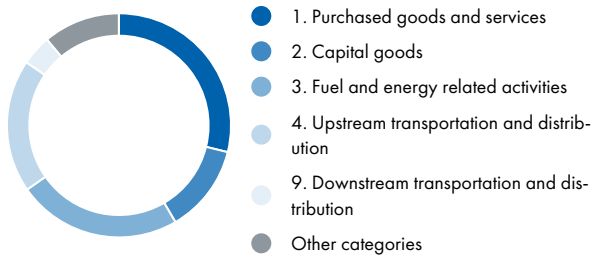
Greenhouse gas emissions (Scope 1 + 2) by source

in %

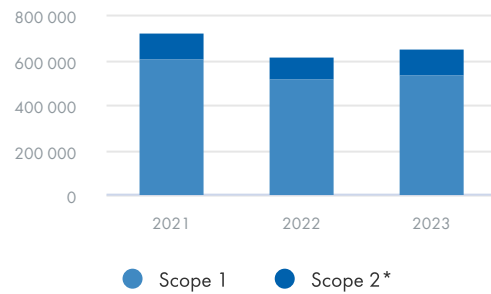


* market-based

Composition of Scope 3 emissions by category in 2022
in tCO₂e

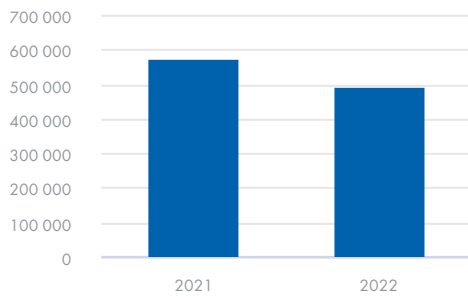


Greenhouse gas emissions Scope 1 + 2
tCO₂e



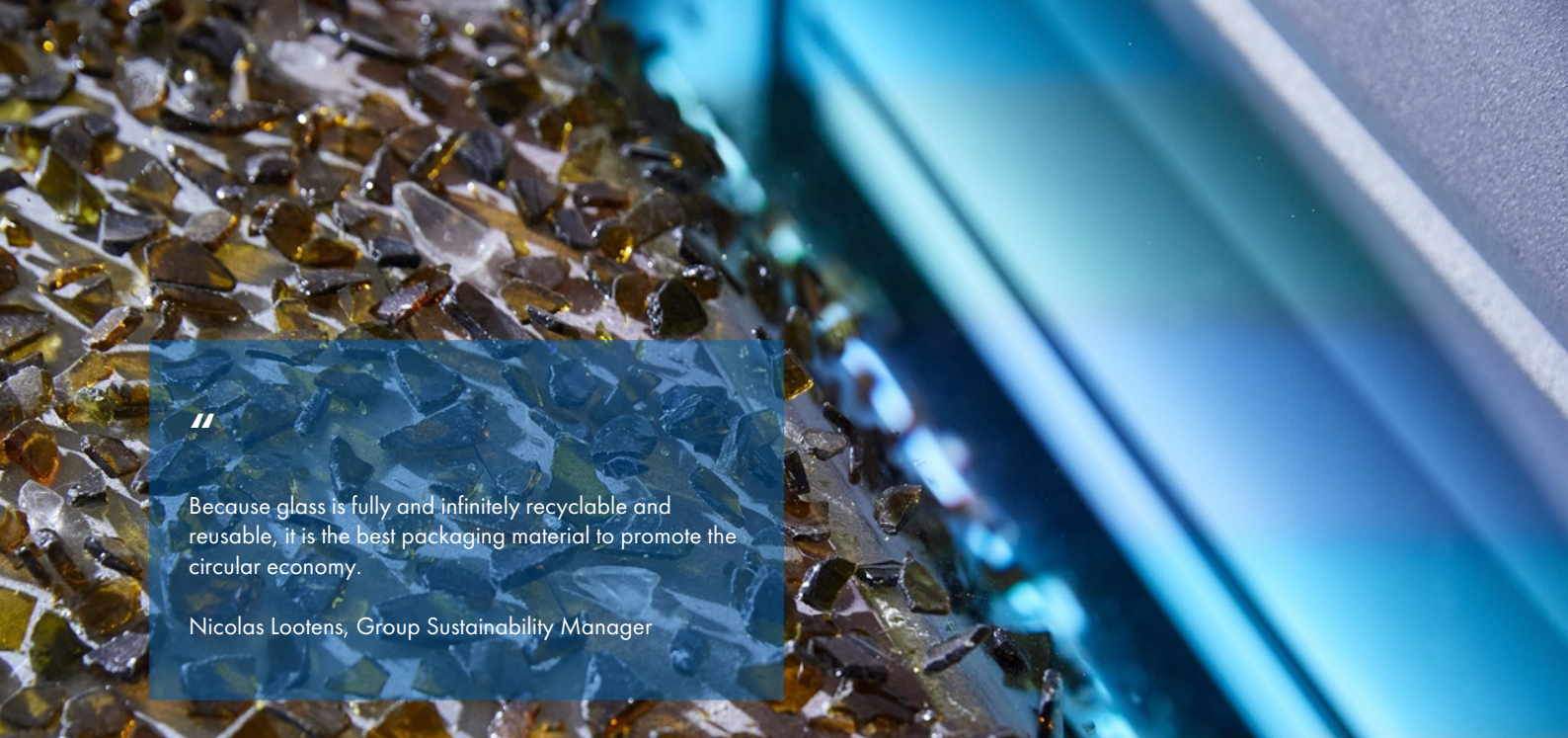
* market-based

Greenhouse gas emissions Scope 3
in tCO₂e



Increase in greenhouse gas emissions

Despite climate protection efforts, energy efficiency deteriorated and greenhouse gas emissions intensity increased in the year under review. Vetropack attributes this to a reduced production and to the stopping and starting of several furnaces and production lines.



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Because glass is fully and infinitely recyclable and reusable, it is the best packaging material to promote the circular economy.

Nicolas Lootens, Group Sustainability Manager

Sustainability

Resources

Glass is manufactured from quartz sand, soda, lime, dolomite, feldspar and other minor components. These raw materials occur in nature. Processing them leads to impacts on the environment. It is recycling that makes glass one of the most sustainable of all packaging materials – because it is 100 percent recyclable, an infinite number of times. Increasing the proportion of recycled glass that is added to the mix reduces the environmental impact of glass production. This is why we use as much recycled glass as possible (in the form of cullet) for new products, and also why we operate our own cullet treatment plants and raise consumers’ awareness about glass collection.

Glass is one of the most sustainable of all packaging materials because it is 100 percent recyclable. Using a high percentage of cullet in the form of recycled glass helps us to reduce the impacts of our products on the environment. After the glass containers reach the end of their lifetimes, we aim to fully recycle the used raw materials in the form of cullet for the manufacture of new products – an approach that is in keeping with the principles of the circular economy. The higher the percentage of recycling glass, the lower the energy consumption and CO₂ emissions will be.

Effects of raw materials used in production

Besides a varying amount of recycling glass, the glass for our food packaging products consists of four main ingredients: quartz sand (silicon dioxide), soda (sodium carbonate), lime, and

dolomite. Quartz sand is the main component of glass; the soda reduces the melting point of the quartz sand, and the lime makes the glass stable, hard and shiny. Metal oxides such as iron or copper oxides may be used as additional ingredients to colour the glass. Extraction and production of these raw materials cause environmental impacts. Going forward, we intend to implement appropriate strategies to reduce them. We are already using as few raw materials and as much recycling glass as possible. We also design the weight of our glass containers to be low enough to meet customers' requirements and fulfil their purpose – but without the need for any additional material. We call this approach rightweighting. The [Innovation](#) section includes a presentation of our exceptionally lightweight Echovai product.

Utilising used glass to conserve resources, lower the energy demand and reduce CO₂ emissions

The glass industry aims to implement the principles of the circular economy; one key factor in achieving this goal is to use the highest possible share of recycled content to manufacture new products. The average share of recycled glass we used during the year under review was 56 percent. Green glass cullet accounted for the highest share, at 69 percent. We aim to increase the overall share of recycled content to 70 percent by 2030.

The higher the proportion of used glass, the lower the required quantity of raw materials will be. If cullet is used as the starting material for new glass containers, the energy required to manufacture new products can also be reduced: according to [FEVE](#), a 10 percent share of recycled glass achieves energy savings of around 3 percent and cuts greenhouse gas emissions by 5 to 7 percent.

Availability of high-quality recycling glass presents a challenge

We use as much recycled glass as is technically possible and accessible – but this does not always prove to be easy. In Slovakia, for example, the availability of cullet presents a challenge because the glass containers for sorting by colours have been abolished. Switzerland has the highest share of recycled glass. However, the share is less than 50 percent at some other sites (in the Republic of Moldova, for example). In locations such as these, the low collection rate makes it challenging to obtain sufficient quantities of high-quality glass for recycling. And the situation is particularly complex when it comes to white glass, a popular colour: on the one hand, demand for white glass is especially high – but on the other, white glass does not tolerate contamination with cullet of different colours. We have created new production capacities for white glass in our Italian plant.

The availability of recycled glass depends not only on public awareness and motivation to collect glass, but also on the local infrastructure. Vetropack is committed to increasing the collection rate as part of the 'Close the Glass Loop' initiative, and we maintain our own cullet treatment plants. By investing in our own cullet treatment plants, we increase the quality of the cullet, thus making it easier to use recycled glass as a starting material for new glass products.

Raising awareness about glass collection

FEVE (the European Container Glass Federation) is advocating an ambitious circular glass economy by setting a glass collection rate of 90 percent as the target by 2030. Vetropack intends to achieve a 70-percent share of recycled content in new glass container production by 2030. To reach this goal, we are dependent on two factors: the availability of high-quality cullet, and consumers' behaviour. As part of our collaboration with FEVE, we undertake public relations work aimed at raising peoples' awareness about the positive properties of glass as a safe, sustainable packaging material for food and beverages. We also aim to focus consumers' attention on collecting glass, and to motivate them to do so. We deploy [online advertising](#), posters and campaigns for these purposes.

Responsible production processes

We are careful to make responsible use of natural resources in glass production, and we minimise the environmental impacts in keeping with our Group-wide Health, Safety and Environmental Policy. Stricter regulatory requirements and growing customer expectations highlight the particular importance of sustainable production and our range of reusable glass containers – aspects that represent opportunities for us in an environment where packaging regulations are constantly on the increase.

Interdisciplinary responsibilities

Given that the topic of resources is a crucial issue with many diverse aspects, the responsibilities for it are also spread across multiple levels. Responsibility for cullet procurement is assigned to Supply Chain Management. Our Engineering and Production department undertakes the calculations to determine the optimal use of resources. The Supply Chain, Procurement and Supply Planning department is responsible for implementing the strategy to increase the share of recycling glass. Legally compliant waste disposal is handled by the Integrated Management Systems department. Policies, guidelines and minimum requirements are defined here; this department also ensures that line managers and site managers guarantee systematic implementation, while raising all employees' awareness about legally compliant waste disposal.

A responsible approach to waste

A responsible approach to resources also includes reducing the amount of waste generated, and disposing of it correctly. Our Group-wide Health, Safety and Environmental Policy requires all our employees to comply with the relevant legal provisions regarding waste. The measures needed to reduce the negative effects caused by waste must be implemented in every process step.

At our sites, waste is mainly generated during the treatment of recycling glass. This waste includes foreign materials deposited in the collection containers on the one hand, and impurities in the glass cullet on the other. Waste occurs in the form of the following materials: ceramic, food residues, wood, various packaging materials, plastic, plastic bags, excess oil, and glass that is not suitable for the production of new food and beverage packaging.

Guidelines, policies, supervisory and control instruments

- We are part of 'Close the Glass Loop', an initiative that aims to achieve a glass collection rate of 90 percent in Europe
- Health, Safety and Environmental Policy
- Our own cullet treatment plants
- Awareness-raising campaigns to promote collection of glass

Progress and events in the reporting year

Recycled foil

In 2023, we launched a pilot project at St-Prex and Boffalora aimed at utilising recycled foil to package and protect the pallets with the glass containers. Customers close the substance cycles by returning the used foil to the foil manufacturer.

Vetro Challenge: school pupils come up with sustainable solutions

The Vetro Challenge project at Vetropack Straža was aimed at making primary school pupils more aware of the issues of waste management and the circular economy. The children formed teams and chose a topic related to the use and recycling of glass packaging. Participants were educated about the circular economy, and they developed solutions focusing on responsible utilisation of resources for their projects.



Contribution to achieving the SDGs

By using the highest possible share of recycled content, Vetropack encourages sustainable production patterns and conserves natural resources in keeping with SDG 12.

Performance indicators

Material consumption: Share of recycled content

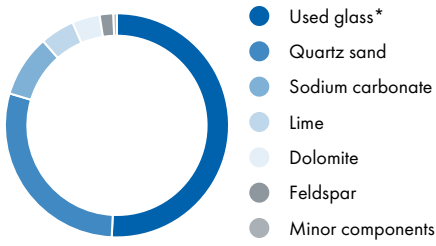
	2023	2022	2021	2020	2019
Material consumption: recycled content					
in green glass	69%	66%	63%	65%	65%
in amber glass	65%	71%	61%	55%	53%
in white glass	43%	41%	41%	42%	43%
overall average	56%	57%	55%	55%	53%

Waste

	2023	in %	2022	in %
Waste disposal in metric tons	82 036		N/A	N/A
Waste diverted from disposal (i.e recycled)	57 718	70%	N/A	N/A
Non-hazardous waste	57 365	99%	N/A	N/A
Hazardous waste	353	1%	N/A	N/A
Waste directed to disposal	24 317	30%	N/A	N/A
Non-hazardous waste	23 114	95%	N/A	N/A
Hazardous waste	1 204	5%	N/A	N/A

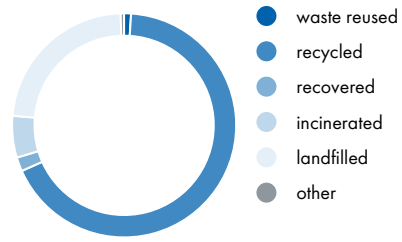
Raw materials for glass production

in %



Waste and its disposal

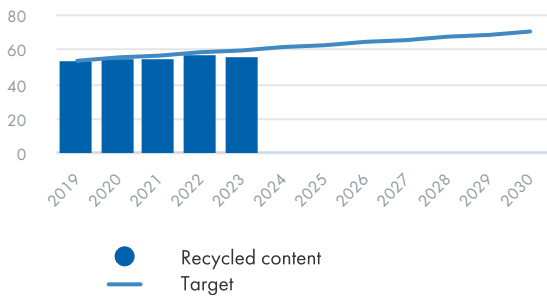
in %



* there is a natural difference between the recycled content used and the percentage of raw materials used due to the weight losses of some materials (sodium carbonate, lime and dolomite) in the melting process.

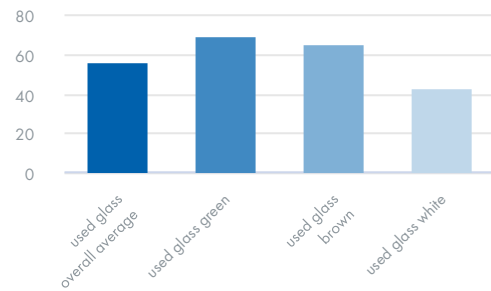
Share of recycled glass content and target

in %



Recycled glass by colours

%





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Vetropack mainly uses water in closed loops; we aim to keep our water consumption as low as possible, and we ensure that our wastewater discharge is compliant with legal requirements.

Nicolas Lootens, Group Sustainability Manager

Sustainability

Water

We are committed to making careful use of natural resources – which also include water. Even though our production only requires water for cooling processes, we might be affected in the future by changes in water availability resulting from climate change. We mainly use water in closed loops; we minimise water contamination in our production processes, and we comply with the applicable legal requirements.

At Vetropack, the material topic of water comprises water withdrawal, water consumption and water discharge. We make use of water in compliance with the legal regulations, and we aim to use it both sparingly and responsibly. By adopting this approach, we protect this natural resource and reduce costs.

Using water in closed loops

Vetropack believes that it is crucially important to implement the principles of the circular economy not only in the production of glass packaging, but also as regards water consumption. In glass production, water is mainly used as a coolant for the machines; it circulates in closed loops and is only exchanged at infrequent intervals. When replacing our cooling systems, we are also careful to ensure closed loops whenever possible.

Impurities can occur in the cooling water if oil adheres to the shears that cut the molten glass.

Environmental policy

Responsibilities for the material topic of water are assigned as follows: the Group Sustainability Manager is responsible for strategy and goal-setting, while two departments – Engineering and Production, and Integrated Management Systems – share responsibility for implementing the legal requirements regarding water usage.

Our Group-wide Health, Safety and Environmental Policy calls for a responsible approach to the environment. As well as ensuring that legal requirements are met, our Environmental Policy sets our own standards: for example, the Health, Safety and Environmental Policy requires us to reduce the negative impacts of our business activities on water. Regular analyses assist us with quality control.

Compliance with applicable regulations

Vetropack obtains most of its water from the groundwater, with about one quarter taken from municipal water supplies. We undertake to comply with the regulations on wastewater discharge that are in force at our production locations. If a deviation is detected, we initiate actions in collaboration with the responsible authorities.

Future ambitions

Thus far, we have focused on regular monitoring of water sourcing, water consumption, wastewater discharge and analysis of wastewater.

We are mindful that the availability of water may present an increasing risk due to the effects associated with climate change, and we are aware that business continuity may be impaired as a result. For this reason, we have set ourselves the goals of determining our plants' exposure to water stress by 2025, and of implementing appropriate measures based on these findings. We will also set reduction targets for our water consumption in 2024.

Guidelines, policies, supervisory and control instruments

- Health, Safety and Environmental Policy
- Systematic monitoring and analysis of water withdrawal, water discharge and water consumption

Progress and events in the reporting year

Sustainable use of water at our Boffalora plant

As well as increasing production by an estimated 70 percent, the facility at Boffalora which began operating in the middle of the year is designed to make production significantly more resource-efficient and sustainable. Thanks to closed-loop systems, the water used for production is re-used as long as possible.



Contribution to achieving the SDGs

Vetropack is committed to making careful use of water resources. We use water in closed loops for our cooling processes, and we take account of the relevant environmental protection regulations for wastewater treatment and discharge.

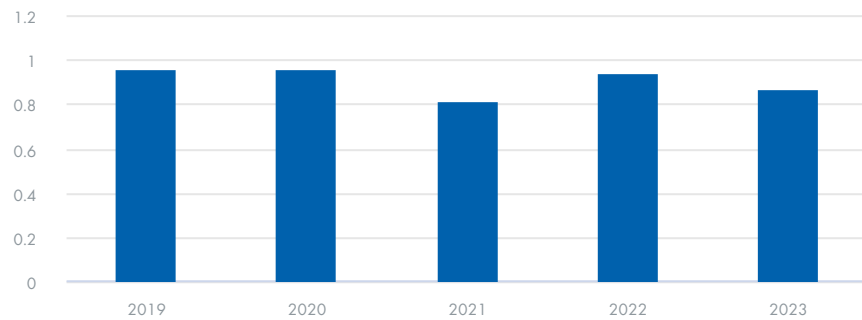
Performance indicators

Water consumption

Water in m ³	2023	in %	2022	in %
Total water withdrawal	1 210 010		1 418 023	
Surface water (incl. collected rain water)	56 899	5%	N/A	N/A
Groundwater	800 852	66%	1 081 703	76%
Third-party water (i.e. municipal water supply)	352 258	29%	336 320	24%
Total water discharge	1 020 014		1 386 172	
Surface water	171 992	17%	N/A	N/A
Groundwater	-	0%	N/A	N/A
Third-party water (i.e. wastewater treatment plants)	848 022	83%	N/A	N/A
Total water consumption	189 995		N/A	
Water intensity in m³ per metric ton of glass produced¹⁾	0.87		0.94	

¹⁾ The specific water intensity was calculated on the basis of m³ withdrawal per metric ton of glass produced that satisfies all quality and safety requirements thus qualifying for sale.

Water intensity in m³ per metric ton of glass produced *



*glass produced that satisfies all quality and safety requirements thus qualifying for sale



Sustainability

Social impact

Our business success is critically dependent on our employees. They help us to maintain our competitive edge. This is why Vetropack is setting itself the goal of being viewed as an Employer of Choice. And to achieve this goal, we offer our employees fair, safe and secure working conditions.



Social impact

Our corporate vision focuses on continuous learning. We deploy strategic talent management to promote our employees' development, and we place a wide and varied range of learning channels at their disposal. Our learning organisation culture motivates our employees to continue developing, so we are able to offer them prospects and create value for our company at the same time. We build up close relationships with our employees thanks to transparent communication, dialogue, and regular engagement surveys. We endeavour to guarantee equal opportunities for all our employees – and to ensure this, we are committed to a non-discriminatory and inclusive corporate culture where diversity is valued and respected. We also regard our employees' safety as a factor of central importance. Because glass production entails hazards due to the high temperatures and machines involved, we accord the highest priority to compliance with laws and adherence to our internal safety rules and safety principles.

In this chapter

[Employee satisfaction](#)

[Diversity, equity and inclusion](#)

[Occupational health and safety](#)



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By creating an environment that supports our employees in their development and helps them to acquire knowledge and skills, our company is better positioned to prevail in the competitive market.

Nuno Cunha, Chief HR Officer

Sustainability

Employee satisfaction

Our long-term success is critically dependent on our employees. They are the factor that differentiates us from our competitors. This is why we invest in the development, engagement and satisfaction of our employees. We create fair working conditions, and we require people to treat each other with respect. Our corporate vision emphasises continuous learning, so our employees have a diverse range of learning channels at their disposal. Given the growing shortage of skilled professionals, we are endeavouring to position Vetropack as an Employer of Choice in order to strengthen our employer branding.

It is increasingly challenging to attract and recruit employees who are the right fit in terms of personality as well as skills. This makes it all the more important to offer our employees development opportunities so they stay with the company. We create overall conditions that will maintain high levels of employee satisfaction and motivation. Given the shortage of skilled professionals, we decided back in 2020 to strategically align our talent management. We have made qualified personnel resources and additional financial funding available at Group level, and we have upgraded our processes and tools in line with the latest standards.

Employee engagement

All management functions share responsibility for supporting and empowering our employees. Our managers' mission is to create a motivating environment for employees, to recognise talent, and to promote it. Employee engagement leads to a win-win situation: motivated employees contribute to a thriving company which is thus able to provide the resources needed to continue fos-

tering employee engagement. Employees feel they are appreciated, and the company benefits from their productivity and innovative ideas – and this, in turn, ensures long-term economic success.

Our Human Resources department is putting the Group-wide Employer of Choice strategy into practice. Becoming an Employer of Choice forms an integral element of Vetropack's Strategy 2030. Alongside the role of our HR department, which is primarily to provide the guidelines and tools, all our managers are tasked with implementing this strategy and playing their part in developing our employees' engagement.

One key element of this strategy is the Great Place to Work® certification. We regard this award as a foundation on which we can continue to improve the quality of our workplaces. 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 was already awarded this certification in 2021, and we are aiming to obtain it for all our sites in the future.

Other relevant indicators for measuring employee satisfaction and engagement include staff turnover and employee retention, the results of employee surveys, statistics on training and ongoing education, and promotions of in-house employees.

Going forward, we intend to place more emphasis on standardised onboarding and offboarding processes. Systematically recording and evaluating the reasons why employees move away from Vetropack will help us to identify targeted improvement measures.

Learning organisation

To create a learning organisation, it is essential that employees can continue their development, and that they can access appropriate tools to support them as they evolve and acquire new knowledge. We encourage each and every employee to take on responsibility for their own development – and we make sure that the necessary overall conditions for them to do so are in place.

Our corporate vision emphasises continuous learning as one of our values. Our comprehensive learning infrastructure empowers managers to strengthen both their hard skills and their soft skills. We support what is known as 'blended learning'. For this purpose, we develop various learning channels for our employees: these include classroom training, virtual training and eLearning, among others. One example of this is the Litmos platform, which enables all our employees to access over 1,500 courses for individual learning at their own pace.

Our company's own Training Centre in Pöchlarn (Austria) equips the next generation of glass-makers with industry-specific glass production expertise, and offers them hazard-free opportunities for training.

Our Vetroademy platform is intended to develop important soft skills. The first programme, targeted at managers, addressed topics such as strategy, market trends and leadership management. The aims of this interactive platform are to empower teams by equipping them with proven skills, to support Vetropack's sustainable growth, and to foster the development of leaders throughout the Group.

Because we have grown internationally, we are stepping up our investments in language and diversity training to facilitate interaction among our sites and promote knowledge transfer.

To recruit young specialists, most of our sites and departments offer places for apprentices or internships. To take one example: we offer school pupils the opportunity of gaining insights into our company's activities by attending the 'Day of the Future' event held in Switzerland.

Employee recruitment and development

The environment for finding and retaining good employees is becoming increasingly competitive. This makes it a key concern for Vetropack to identify and develop employees with potential at every level, across all areas of activity, and to make sure they stay in our company.

Vetropack is facing a challenge because large numbers of the glass industry's skilled professionals are reaching retirement age, and these long-serving technical specialists have to be replaced by new talents. Aligning the jobs on offer with the requirements of the working world helps with recruiting suitable employees.

We have responded to the worsening shortage of skilled specialists by strategically aligning our employee development activities and providing appropriate resources for them. They include the three strategic corporate functions: Talent Attraction and Acquisition, Learning and Development, and Talent Management.

In the Talent Attraction and Acquisition area, we have digitalised some parts of our recruitment processes. Examples of this include our remodelled website and a stronger presence on digital platforms. We are proud of our workplace culture, and we invest resources continuously to enhance the visibility of our Employer Value Proposition to the outside world so we can attract potential new employees.

As part of Talent Management, our Talent and Organisation Review (TOR) programme identifies employees with potential who are keen to continue their personal development. This annual process focuses on the company's upper levels, and it comprises two parts.

- Talent screening: identifying employees with leadership potential or unique expertise to support the corporate strategy. A framework programme is in place to promote career development and offer targeted support for future leaders.
- Organisation review: evaluating the organisation's long-term future viability, including organisational design and succession planning. This process identifies future requirements and allows us to adopt a strategic orientation.

Vetropack Training Centre in Pöchlarn

The Training Centre in Pöchlarn is a key element of our extensive learning infrastructure. This facility offers employees the opportunity to learn the craft of glassmaking in a controlled environment, free from the hazards that can emanate from hot glass. Supported by Virtual Reality (VR) technologies, employees and trainees can learn how to use tools or avoid critical situations. The Training Centre helps to pass on the art of glassmaking to new talents and to perfect the craft.

eLearning platform (digital learning)

The Litmos eLearning platform is a valuable – and highly appreciated – instrument for Vetropack as a learning organisation. Litmos offers our employees over 1,000 courses on a variety of specialist topics. Employees can independently select learning modules in their preferred subject areas. We have recently created eLearning programmes that provide employees with knowledge about Vetropack as a company (covering the history of our evolution and our products, etc.) or about our Code of Conduct. We believe this type of learning is an important priority because digital learning methods make high-quality content available to everyone, anywhere and at any time – a flexible and interactive approach that is in keeping with modern lifestyles.

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. This culture is entrenched in our company's objectives, roles, values, processes and behaviour patterns. To continue our evolution as an Employer of Choice, we are working to develop our corporate culture – for example, by deploying a growing network of Agility Scouts that comprises about twenty employees from various sites and functions. They are committed to helping shape Vetropack's corporate culture in keeping with the philosophy they have adopted: 'For a working culture that is just as transparent, sustainable and natural as our glass.' As ambassadors of our corporate culture, their mission is to seek out new pathways and try out new ideas. The Agility Scouts also play a key role by helping us to identify new talents, in view of the skills short-

age and (as mentioned above) the challenges we face because more and more glass industry specialists are reaching retirement age.

Group-wide employee engagement surveys

Once every two to three years, we conduct a Group-wide employee survey to determine our employees' satisfaction and engagement levels, and to obtain valuable feedback about the continuous improvement of our workplace culture. At the same time, we always invite our employees to express their opinions on the company's strengths and weaknesses.

Guidelines, policies, supervisory and control instruments

- Code of Conduct
- Business Ethics Policy (BEP)
- Employee surveys conducted
- Advanced Education Guidelines
- Recruitment Guidelines
- Promotion Guidelines

Progress and events in the reporting year

More eLearning licenses

In spring 2023, we increased the number of licenses for our digital online learning platform, which offers around 1,500 courses. As a new feature, all employees with daily access to a PC can have unlimited access to the learning platform. We are also working on a mobile solution as another way to encourage digital learning.

Employee survey conducted

All our employees were once again invited to participate in an employee survey in the second half of 2023. Great Place To Work, the independent survey institute, recorded our employees' opinions anonymously. We will focus on identifying measures based on the results in 2024.

New offices in Zagreb

Our plant in Croatia dates back to 1860. Given the increasing shortage of space at Hum na Sutli in recent years, Vetropack Straža d.d. has rented new office space with state-of-the-art equipment in Zagreb. These additional workstations allow the company to create jobs that are especially attractive to employees who prefer to live in the urban areas around Zagreb.

SuccessFactors Performance Management tool

In the year under review, Vetropack implemented a new module in SuccessFactors from SAP: the Performance Management tool. We are using this tool to digitalise and standardise our HR processes, thus making them more transparent. For example: the Performance Management module supports us with conducting employee interviews, setting goals and tracking goal attainment, and employee development.

The Vetrocademy's XLR8TOR

Vetropack rolled out the XLR8TOR (pronounced 'accelerator') in 2023. As part of our Talent and Organisation Review (TOR) programme, we identified a selected group of particularly well-qualified employees and invited them to take part in this 'accelerated' programme to develop leaders. The programme was carried out in collaboration with a management college in Slovenia. The XLR8TOR complements the Vetrocademy Leadership Programme by offering an in-depth focus on issues such as strategy and project management.

Participants complete the Vetrocademy Leadership Development Programme

In 2023, 30 managers from all our sites completed the Vetrocademy Leadership Development Programme that was launched in 2021. This programme fosters the development of leaders throughout our Group. To graduate successfully, participants had to complete six modules covering various aspects of leadership and corporate management.



Contribution to achieving the SDGs

We recognise that the ongoing development of our employees is important not only in terms of business, but also at the individual level. By offering a wide range of training programmes, we contribute towards UN Sustainable Development Goal 4.

Performance indicators

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 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 402-1 Minimum notice periods regarding operational change

Vetropack regards transparent communication as a top priority. All regulatory requirements for notification periods were observed in 2023.

Key indicators regarding employees

Composition of the workforce (at year's end)	2023	in%	2022¹⁾	in%
Number of employees in full-time equivalents (excl. apprentices, interns, trainees, contract workers, temporary workers)	3 741		3 626	
Total number of employees in head count (excl. apprentices, interns, trainees, contract workers, temporary workers)	3 772		3 676	
Permanent employees by employment type	3 685	98%	3 626	99%
Full time (excl. apprentices, interns, trainees, contract workers, temporary workers)	3 602	98%	3 490	96%
Female	817	23%	796	23%
Male	2 785	77%	2 694	77%
Part time (excl. apprentices, interns, trainees, contract workers, temporary workers)	83	2%	136	4%
Female	66	80%	92	68%
Male	17	20%	44	32%
Temporary employees by employment type ¹⁾	87	2%	50	1%
Full time (excl. apprentices, interns, trainees, contract workers, temporary workers)	84	97%	48	96%
Female	22	26%	8	17%
Male	62	74%	40	83%
Part time (excl. apprentices, interns, trainees, contract workers, temporary workers)	3	3%	2	4%
Female	3	100%	2	100%
Male	-	0%	-	0%
Number of workers who are not employees in head counts (apprentices, trainees) ²⁾	37		42	
Apprentices	36	97%	37	88%
Female	6	17%	6	16%
Male	30	83%	31	84%
Trainees	1	3%	5	12%
Female	-	0%	2	40%
Male	1	100%	3	60%

¹⁾ In 2022, temporary employees were reported as trainees. In order to correspond to the structure of 2023, the previous year's figure was splitted into temporary employees and trainees.

²⁾ Data about contract workers is currently not available.

New hires and employee turnover

New employee hires and employee turnover¹⁾	New employees (joiners) in headcount	Employees who left the company (leavers) in headcount
Total	534	438
Under 30 years	150	98
Female	30	23
Male	120	75
between 30-50 years	279	159
Female	79	44
Male	200	115
Over 50 years	105	181
Female	39	71
Male	66	110
Turnover rate in %	14.5%	11.9%

¹⁾ excl. apprentices, interns, trainees, contract workers, temporary workers

Performance reviews

Regular performance reviews	in %
Permanent employees	13%
Female	24%
Male	10%
Temporary employees	9%
Female	24%
Male	3%

Our process for conducting systematic performance reviews currently covers our white-collar workers (without Austria). Since the integration of the "Performance and Goals" module in SAP SuccessFactors we have been able to track data on employees with regular performance reviews. This enables us to take action to increase in this number.



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Work in glass production is physically taxing, and it entails hazards. We aim to improve safety at these workplaces through automation and by providing training and equipment.

Nenad Horvat, Safety Manager

Sustainability

Occupational health and safety

Glass production involves high temperatures, noise, emissions and moving machine parts that present substantial risks for the people who work in our plants. This is why we accord the highest priority to compliance with occupational safety legislation and put measures into practice in keeping with the Health, Safety and Environmental Policy that is applicable throughout our Group. This policy, which goes beyond the statutory requirements, helps our employees to carry out their daily work in safety. We also promote our employees' mental health with measures to raise awareness.

Our understanding of a sustainable business model includes the duty of care towards our employees. Our goals are to promote a safety culture and reduce occupational accidents: both of these are decisive factors in ensuring reliable production. Occupational health and safety are essential to our long-term business success, so they are focus topics with strategic priority. The perception of the Vetropack brand, combined with the highest safety standards, also helps us to attract new talents who are enthusiastic about glass production. We are investing in a workplace culture where the focus is on raising awareness about work-related hazards and continuous learning. Our employees are expected to concentrate as they perform the steps of their work, and to support one another.

Our occupational safety system targets production and production-related areas, and we supplement it with measures to ensure comprehensive health protection. The scope includes ergonomics as well as the protection of our employees' mental health.

Safety rules and safety principles

We aim to establish a Group-wide understanding of an exemplary operational health and safety management system. Occupational safety management systems certified to ISO 45001 are in place at half of our plants. The other plants have equivalent systems, with the exception of Chişinău. We are aiming to achieve ISO 45001 certification for Boffalora and St-Prex in 2024. These systems help us to identify and implement improvement measures on a continuous basis.

Further guidelines to ensure occupational safety include nine Safety Rules and four additional Safety Principles which must be observed by all our employees.

I'm more important than production:

- I keep to the rules
- I protect myself
- I don't enter into any risks
- I look out for others



Rule 1: I respect procedures, signals and warnings

We communicate these Golden Rules to our employees by holding Health and Safety Days and offering regular training at all our sites.



Safety goals are relevant for Management Board's remuneration

Our key performance indicators for occupational safety are the Total Recordable Incident Rate (TRIR) and the Total Recordable Incident Severity Rate (TRISR). To highlight the strategic relevance of occupational safety, the Group has set itself a goal for the TRIR since 2023. The attainment level for this goal influences the bonus for the Management Board and senior management. The figure for 2022 was 2.4 and we set 2.2 as the target for 2023. We achieved 2.85. As well as reducing TRIR as an ambition for the Group as a whole, our plants also set their own individual occupational safety targets.

Multi-level health and safety management

We control our occupational safety policy at various levels.

- At Group level, the Group Director, Corporate Development and Integrated Management Systems (IMS) is directly responsible for quality, occupational safety, sustainability and environmental protection.
- The Group Health and Safety Manager reports to the Group Director, Corporate Development and Integrated Management Systems and collaborates with him to coordinate the activities with the safety managers at the individual plants.
- Plant managers and teams are responsible for applying and correctly implementing the defined safety standards.
- Our employees are responsible for complying with the Safety Rules.
- As an additional measure, we have set up an Occupational Safety Working Group where the Safety Officers of the plants and the Group Health and Safety Manager discuss challenges facing all our sites, exchange knowledge, develop safety concepts and plan their implementation, and conduct occupational safety inspection tours in the plants.

Health, Safety and Environmental Policy

Our Health, Safety and Environmental Policy, applicable throughout the Group, contains key principles to ensure occupational safety and health protection for our employees. Every plant must have an appropriate concept in place. The policy states that potential health and safety risks must be identified on a regular basis and safety concepts must be implemented; it also stipulates that all our employees must be provided with the appropriate protective equipment and should complete training and awareness-raising programmes.

Systematic occupational safety management

So that Vetropack can assess the effectiveness of the measures we implement and measure our progress, we conduct safety audits, record key performance indicators, and ensure that the continuous improvement process is in place. In addition to our occupational safety policy and our multi-level occupational safety management system, we provide training for our production employees. For prevention purposes, we record and evaluate near-accidents at most of our sites. Accidents are analysed so that steps can be taken to avoid them in future. The Business Unit Heads meet each month to exchange knowledge acquired about occupational safety. The Occupational Safety Working Group also conducts internal audits to evaluate compliance with the occupational safety guidelines and monitor implementation of the improvement measures.

The Safety Minutes philosophy

Experience shows that occupational safety principles – even if they are familiar – may be violated due to time pressure. Knowing this, we deliberately make provision to focus on this topic. Safety Minutes are short training sessions, usually lasting less than ten minutes, when relevant safety information is presented in a brief and concise format.

Guidelines, policies, supervisory and control instruments

- Occupational safety management system at all plants except for Chişinău; certified occupational safety systems compliant with ISO 45001 are in place at half of our plants
- Health, Safety and Environmental Policy
- The slogan: 'I'm more important than production'
- Four Safety Principles
- Nine Golden Safety Rules
- Safety Days
- The Safety Minutes philosophy
- Internal audits conducted

Progress and events in the reporting year

Training on occupational health and safety in Italy

At the end of 2022, Vetropack launched a pilot project in Italy with the focus on raising awareness about healthy lifestyles and wellbeing. Employees from various plants joined together to complete training courses on topics such as avoiding unhealthy habits, balanced diet, and the work-life balance. We are aiming to extend this project to other sites going forward.

High level of occupational safety during construction work at Boffalora

Exemplary implementation of a systematic safety concept has been an outstanding feature of the construction project for the new Boffalora plant, carried out under Vetropack's overall responsibility. This concept will serve as a model for future construction projects. It is pleasing to report that no significant occupational accidents were recorded during about 18 months of construction work with over 800 workers involved simultaneously at certain times.

Fully automated warehouse ensures safety

Boffalora is equipped with a fully automated state-of-the-art warehouse for finished products. Avoiding manual activities not only enhances quality but also prevents hazardous situations at the human-machine interfaces.

Attaching more value to lunch breaks

It is important to interrupt the working day with one fairly long break, and to take appropriate nourishment for the activities undertaken during the working day. With this in mind, we make sure that our canteens offer balanced meals in an appealing environment. This helps our employees to relax, boosts their motivation, and makes them able to perform better. To achieve these aims, we renovated our canteens at Kremsmünster and Bülach in the year under review. The new canteen in Boffalora has also been built according to the same principles.

Optimal working environment at the new facility

At our new site in Boffalora, we have devoted attention to our employees' health at all work-places – in production as well as administration. The design of the production hall allows heat to escape through openings in the roof structure, and the best possible acoustic insulation is in place for the machines. A distinctive colour concept also ensures optimal working conditions, and the new office building in Boffalora is equipped with state-of-the-art ergonomic workstations.

Raising awareness about mental health

The mental health of our employees is one of Vetropack's heartfelt concerns. Our Bülach site launched a cooperation partnership with the Wisli Foundation in 2023. This foundation has a 35-year track record of advocating social and vocational integration for people with mental impairments. In March, for example, Vetropack organised an event focusing on mental health. We collaborated with the Wisli Foundation to raise employees' awareness and provide them with information about mental hygiene, early warning signals and preventive measures. Our Bülach site will continue to support the Foundation in the future.

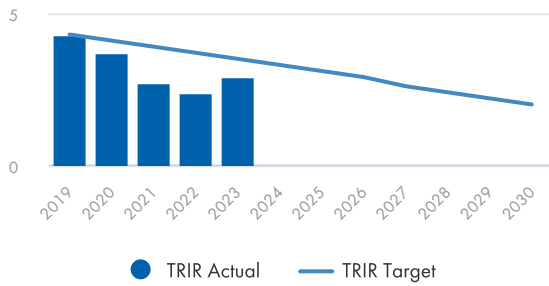
Performance indicators

Key indicators for occupational health and safety

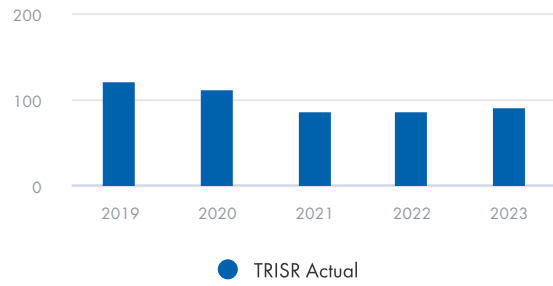
	+ / -	2023	2022
Fatalities as a result of work-related injuries		-	-
High-consequence work-related injuries (excl. fatalities)		-	-
Recordable work-related injuries	26%	93	74
Total lost work days due to accidents and occupational diseases	8%	2 908	2 681
Total Recordable Incident Rate (TRIR) ¹⁾	18%	2.85	2.41
Total Recordable Incident Severity Rate (TRISR) ¹⁾	5%	91.21	87.13
Operational facilities externally certified to ISO 45001	0%	56%	56%

¹⁾ Per 100 full time equivalents (FTE).

TRIR per 100 FTE and target



TRISR per 100 FTE



Ambitious target was not achieved

Vetropack set a standard target for the TRIR indicator at all our plants for the first time in 2023. The limit was an accident frequency rate (TRIR) of 2.2. This goal is based on the benchmark for the glass industry. We achieved a TRIR of 2.85 in 2023. The very wide spread of TRIR results among the plants can largely be attributed to country-specific conditions regarding employees' training levels and awareness of safety issues. This is why it is still very important to embed our safety culture through awareness-raising and prevention measures together with training. Our goal is to reduce the Group-wide TRIR to 2.0 by 2030.



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Thanks to our Employer of Choice strategy, Vetropack succeeds in creating a diverse and inclusive workplace environment, and in appreciating our employees' diverse experiences and perspectives.

Nuno Cunha, Chief HR Officer

Sustainability

Diversity, equity and inclusion

We uphold an inclusive corporate culture that offers equal opportunities to all our employees and actively curbs discrimination. By championing a diverse workplace environment, we can positively impact our employees' satisfaction, security and wellbeing: factors that contribute in turn to our long-term business success.

As key players in society, companies are called upon to put diversity, equity, inclusion and solidarity into practice. We view it as crucial to promote diversity, equity and inclusion at all levels of our hierarchy. Vetropack understands equity as meaning fair and just treatment for people from different socio-economic backgrounds so that every employee is entitled to the opportunity to develop. Equity also means that as a company, Vetropack responds to our employees' varying needs, addresses any inequalities, and pays fair salaries.

In these ways, we strengthen our culture and create working conditions that are free from discrimination. By doing so, we boost our employees' motivation, engagement and capacity to perform. A diverse workforce is also central to a company's ongoing success in this era of rapidly changing conditions and the challenges associated with these changes. Diversity, equity and inclusion open the way to flexibility, adaptability and the willingness to think innovatively, to learn, and to operate in a dynamic and sometimes uncertain environment. Thanks to this approach, a diverse workforce contributes to the company's long-term success in an atmosphere characterised by equity, inclusion and solidarity. Without a clear strategy to promote diversity, equity and inclusion, Vetropack would lose key talents to competitors – resulting in financial losses and a negative impact on our commitment to sustainability.

Core element of our Employer of Choice strategy

Promoting diversity, equity and inclusion is a cornerstone of Vetropack's Employer of Choice strategy. This strategy aims to ensure the wellbeing of all employees, and to enable them to develop and engage. You can find more information about Employer of Choice in the section on [Employee satisfaction](#). We collect input on the actions needed to ensure diversity, equity and inclusion in the course of our engagement surveys.

Performance Management tool promotes equity

The SAP SuccessFactors tool supports the standardisation of HR processes. Since 2023, we have been using the Performance Management module to ensure transparent handling of employee interviews and the goal-setting process. This promotes equity, because the tool ensures highly transparent HR processes and maps relevant KPIs. For example: it enables us to set standardised performance goals that are both fair and comparable. You can read more about this in the section on [Employee satisfaction](#).

Recruitment and promotion guidelines

Our recruitment and promotion guidelines encourage transparent, objective and fair processes for recruiting new employees, and they help us with the decision-making process for promotions. In particular, filling of 'critical' positions has to be based on objective and standardised criteria. The guidelines support unbiased appointments to new positions in accordance with Vetropack's values. We always advertise vacant positions internally so as to give our employees the chance to continue their development within our company. Transparent feedback on all applications is our standard practice.

Measuring diversity, equity and inclusion

To check whether our strategy to promote diversity, equity and inclusion is effective, we conduct regular employee engagement surveys and determine various key HR indicators which we track in the form of dashboards. As well as ensuring that our external communication to our stakeholders is transparent, these inputs help us to track internal trends regarding diversity, equity and inclusion. Examples of key indicators include: employee turnover by age, gender, department, hierarchical level; new appointments; promotions; salary distribution; number of different nationalities; and turnover within the first two years.

Equal pay

For Vetropack, equal pay means that individuals receive the same remuneration for identical work, regardless of their gender or nationality. Pay must not depend on attributes that are not related to performance. Equal pay is a fundamental principle when it comes to preventing discrimination at the workplace. Thanks to a transparent evaluation system, Vetropack implements a Group-wide approach to ensuring fair and equal remuneration. This system is based on accountability, independence and objective criteria. Equal pay for equal work provides the foundation for equal opportunities. The equal pay analysis undertaken by external experts proves that Vetropack complies with this principle in Switzerland. Vetropack is also aiming to obtain similar certifications for other locations going forward.

Training on diversity and inclusion

We are committed to providing systematic training for our managers and leaders on the issues of diversity, equal opportunities and inclusion. A special module has been incorporated into the Vetroademy Leadership Programme for this purpose.

Guidelines, policies, supervisory and control instruments

- Code of Conduct
- Business Ethics Policy (BEP)
- Employee surveys conducted
- Recruitment Guidelines
- Promotion Guidelines
- Pay evaluation system
- Job evaluation systems

Progress and events in the reporting year

New role for diversity, equity and inclusion

Given that diversity, equity and inclusion are such highly relevant issues, Vetropack has decided to make additional resources available for them and to entrench them even more firmly in our corporate culture. In the second half of the year, therefore, an employee who stood out in our Talent and Organisation Review programme took up this newly created position. Her responsibilities include identifying strengths and weaknesses, and supporting the company as we comprehensively implement a strategy geared to diversity, equal opportunities and inclusion. The on-site inventory in our plants – together with the analysis of results from the engagement survey conducted in 2023 – will help us to develop the vision planned for 2024 and to draft a specific and practical plan of action.

Further expansion of our transparent job evaluation system

We developed our pay evaluation system in 2022 and went on to implement it in 2023. Standardised and transparent evaluation systems that promote equity are now used Group-wide for promotions and new appointments.



Contribution to achieving the SDGs

Here at Vetropack, we pay particularly close attention to equal opportunities. By promoting diversity, equality and inclusion, we strengthen our corporate culture and – what is more – we play our part in reducing human conflicts. Vetropack ensures fair and equal pay based on the systematic pay evaluation scheme.

Performance indicators

GRI 406-1 Incidents of discrimination and corrective actions taken

There were no cases of discrimination reported in 2023.

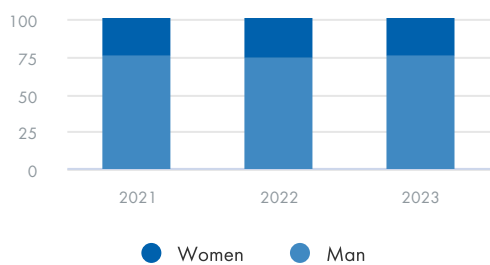
Diversity by age and position

Diversity of governance bodies and employees ¹⁾	Female	in%	Male	in%	Total	in%
Board of Directors	2	25%	6	75%	8	
under 30	-	0%	-	0%	-	0%
30-50	-	0%	-	0%	-	0%
over 50	2	100%	6	100%	8	100%
Management Board	-	0%	7	100%	7	
under 30	-	0%	-	0%	-	0%
30-50	-	0%	-	0%	-	0%
over 50	-	0%	7	100%	7	100%
Extended Management Board	2	14%	12	86%	14	
under 30	-	0%	-	0%	-	0%
30-50	1	50%	1	8%	2	14%
over 50	1	50%	11	92%	12	86%
Management	34	30%	79	70%	113	
under 30	-	0%	-	0%	-	0%
30-50	17	50%	42	53%	59	52%
over 50	17	50%	37	47%	54	48%
Non-management	869	24%	2 776	76%	3 645	
under 30	86	10%	390	14%	476	13%
30-50	424	49%	1 393	50%	1 817	50%
over 50	359	41%	993	36%	1 352	37%

¹⁾ All numbers in headcount

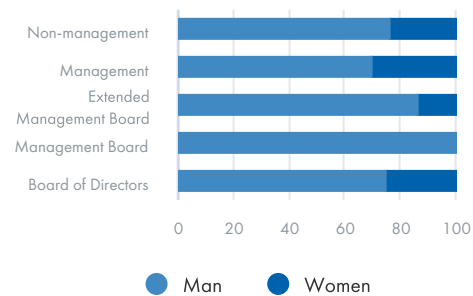
Diversity by gender

in %

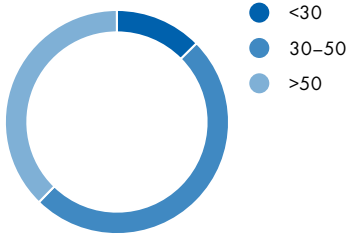


Diversity by employee category

in %



Age structure of employees





Sustainability

Governance

Transparent processes and legally compliant business practices number among our basic principles. Ethical conduct is essential to maintain the trust of our stakeholder groups, and is therefore the basis for our long-term success. We require these high standards to be met throughout our entire value chain, and we carry out systematic inspections of our suppliers.



Governance

To embed awareness of ethical and legally compliant business practices in our corporate culture, we define binding requirements and issue instructions on conduct. Our Group-wide Code of Conduct and Business Ethics Policy (BEP) provide central guidelines in this regard. We implement regular training and awareness-raising measures as appropriate to the various levels and topics.

Our most important principles are integrity, reliability and transparency. Among the aspects included are safeguarding of human rights, ensuring fair competition, and combating corruption and bribery. Through our Supplier Code of Conduct together with systematic risk analyses, we ensure that our requirements are also met in the supply chain.

In this chapter

[Compliance](#)

[Supply chain management](#)



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We operate in different legal jurisdictions. This makes it all the more important to have a clear and unmistakable stance regarding our understanding of correct business practices.

Susanne Trier, Group Director Legal & Compliance

Sustainability

Compliance

Ethical, legally compliant conduct is one of our fundamental principles. It goes without saying that we comply with all applicable laws, regulations and industrial standards, and that we react immediately in case of any deviations. Compliance with the law prohibits bribery, corruption and anti-competitive behaviour, and it ensures data privacy. Any unlawful acts or deviations from our internal policies, guidelines and instructions on conduct must be reported.

We gain the trust of our stakeholder groups and protect our reputation by complying with global and national guidelines and legal regulations. This is the basis for building our partnerships, which are central to our commercial success. We also see it as our duty to act as a role model by behaving in an ethical and legally compliant manner, thus enabling us to exert a positive influence on the industry.

Shared responsibility

At Vetropack, the General Managers of the individual sites are responsible for ensuring that negotiations are conducted in a legally compliant and responsible manner. They are assisted in this by instructions on conduct from the Legal department. It is nevertheless crucially important that all our employees are aware of their individual duty to comply with applicable laws as well as internal and external policies and guidelines, and to report any breaches. We empower them to do so by raising their awareness of fair business practices in the corporate culture through regular, level-appropriate and topic-based training and familiarisation activities.

Code of Conduct

Vetropack's corporate culture is based on the values of integrity, reliability and transparency. In addition to compliance with legal requirements and internal policies and guidelines, our Code of Conduct states the following principles:

- Safeguarding of human rights as set out in the Universal Declaration of Human Rights and the Fundamental Conventions ('core conventions') of the International Labour Organization (ILO)
- Prohibition of discrimination
- Guarantee of a safe workplace environment by adhering to relevant labour legislation
- Prevention and exclusion of child labour and forced labour
- Guarantee of freedom of association
- Ensuring fair competition and preventing bribery, corruption and fraud

Supplier Code of Conduct

We also require our suppliers to conform to our values and to behave in a legally compliant and ethical manner. Our Supplier Code of Conduct provides the basis for ensuring that legal compliance is also upheld in the supply chain. You can find additional information about this in the [Supply chain management](#) section.

Business Ethics Policy (BEP)

Instructions on legally compliant and ethical conduct are enshrined in our Business Ethics Policy. The most important principles are integrity, reliability and transparency. On this basis, the Business Ethics Policy promotes accountability and enables fair and legally compliant collaboration. The policy supports our culture with the following instructions on conduct:

- Compliance with applicable laws and regulations
- Fair competition and respect for antitrust law
- Prohibition of bribery and corruption
- Prohibition of undue advantage
- Avoidance of conflicts of interest
- Ensuring legal compliance and transparent reporting

This policy applies to all employees throughout the Group. Employees in key positions undergo specific training that focuses on combating corruption and bribery. Implementation and enforcement are verified by means of internal audits.

Provisions regarding fair competition and antitrust law

Vetropack firmly believes that the best business results are achieved on the basis of free and fair competition. Unfair competition may entail heavy financial penalties. The high degree of concentration in the European glass packaging market results in some significant challenges. In this context, Vetropack views itself as responsible for impeccable compliance with competition law.

The individual countries where Vetropack operates each have different competition and antitrust laws. The following actions, among others, are prohibited throughout the Group:

- Arrangements to influence prices or conditions
- Market/customer allocation agreements with competitors
- Arrangements with competitors regarding participation in invitations to tender
- Disclosure of sensitive information

All employees are obliged to comply with the applicable competition and antitrust laws.

Preventing and combating corruption and bribery

Corruption includes illegal practices such as bribery, fraud, organised business crime, and money laundering. In order to combat corruption, we adhere to local and international provisions based on the 1997 Convention on Combating Bribery of Foreign Public Officials in International Business Transactions and the 2021 OECD Anti-Bribery Recommendation.

Our Business Ethics Policy (BEP) and the Code of Conduct prohibit all employees from offering, soliciting or accepting facilitation payments ('kickbacks') or bribes. Both employees and suppliers are kept regularly informed about the anti-corruption policies. All employees receive additional guidelines on preventing corruption and bribery. In-depth training is provided for employees holding key positions in areas such as procurement and sales.

Our employees should take any indications of corruption seriously, and report them to their line manager or the Legal department. The situations in this list (which is not exhaustive) are indications of corruption, and they require particular caution:

- Business activities in a country that is known for its high level of corruption, e.g. according to Transparency International
- Suppliers or customers having close relationships with a government or a state-run enterprise
- Insufficiently transparent accounting
- Non-transparent decisions when accepting or placing contracts or orders
- Missing documentation or contracts

Our Internal Control System ensures that corruption and bribery are excluded. Any deviations are followed up.

Our Business Ethics Policy (BEP) also regulates the handling of gifts in order to prevent undue advantages and/or bribery. Bribery may have consequences under criminal law for individuals or for Vetropack as a company. Specific instructions on conduct are set out in the Group Policy for Gifts, Hospitality and Entertainment.

Conflicts of interest

Conflicts of interest arise when an employee's private interests clash with Vetropack's interests. In our Business Ethics Policy (BEP), we provide our employees with instructions on conduct in the event of any conflicts of interest. Employees are required to report any conflicts of interest to the HR department, the local General Manager, or the Legal department. If conflicts of interest arise, the CEO and the responsible General Manager take decisions on how they should be dealt with and what consequences are involved in such cases. If conflicts of interest arise at Board of Directors level, the member concerned must recuse himself or herself from the relevant agenda item.

Whistleblowing to report breaches

We have a whistleblowing system in place that can be used to notify suspected cases of anti-competitive behaviour or other breaches of the law. Employees and third parties can access our SpeakUp Hotline via our [website](#), and it is available in various languages. Implementation of the SpeakUp Policy also goes beyond the Hotline. On the basis of this policy, our employees undergo regular training to ensure that they are familiar with the mechanisms for whistleblowing.

The local Compliance Coordinator, the management, the Legal & Compliance department (compliance@vetropack.com) or the CEO of the Vetropack Group can also be contacted at any time in case of suspected or identified breaches or if there are any questions regarding the application of internal policies or the implementation of laws. If necessary, critical notifications are also submitted to the Board of Directors. We encourage all employees to notify suspected cases,

while bearing proportionality in mind. Notifications are treated as confidential. The number of notifications in the reporting year can be found in the 'Performance indicators' section.

Data privacy and data security

In connection with data privacy and data security, we follow the principles of the European General Data Protection Regulation (EU GDPR) and the revised Swiss Federal Act on Data Protection (Data Protection Act, FADP), and we continuously implement the required updates to the legislation. We make use of a Data Privacy Policy to ensure that our employees are familiar with the relevant provisions. To prepare ourselves to cope with the growing number of cyber attacks worldwide, we invest continuously in technical measures to increase information security. For example: we have remodelled our network architecture and established new solutions for external connections and our external security rating. As you can also read in the [Innovation](#) section, we take the Group-wide Security Guideline as our basis for ensuring that the data of our employees and our business partners is protected.

Guidelines, policies, supervisory and control instruments

- Internal Control System (ICS)
- Business Ethics Policy (BEP)
- Code of Conduct
- Antitrust Policy
- Provisions on accepting and giving gifts and invitations
- Internal training courses to prevent anti-competitive conduct
- Antitrust risk assessments are undertaken
- Regular internal inspections (e.g. in the Accounting and Purchasing areas) to reduce the risks of corruption and bribery
- SpeakUp Hotline
- SpeakUp Policy
- GDPR guideline
- Group-wide Data Privacy Policy
- Supplier Code of Conduct
- Procurement Policy
- Supply Chain Policy
- Sedex Members Ethical Trade Audit (SMETA)

Progress and events in the reporting year

Online course on compliance

All our employees with access to a PC can also access the internal learning platform, where we offered a new online course on compliance in 2023. This online course presents Vetropack's values and sets out required and prohibited conduct in various business areas, and it also shows how employees must adhere to our policies and guidelines. In this course, employees learn about the content and application of the following guidelines and policies: the Code of Conduct, Business Ethics Policy (BEP), Antitrust Policy, and the Group Policy for Gifts, Hospitality and Entertainment. Employees must read and confirm these instructions on conduct. Employees who do not have a computer workstation are provided with the relevant documents and training material in physical form, and their signatures are obtained.

Performance indicators

GRI 2-16 Communication of critical concerns

One notification was received via our whistleblowing system in the reporting year.

GRI 2-27 Compliance with laws and regulations

There were no breaches of applicable laws that led to the imposition of significant fines or non-monetary sanctions on Vetropack as a company during the reporting year.

GRI 205-1 Operations assessed for risks related to corruption

With the exception of our plant in Ukraine which (for reasons related to the war) resumed production in the year under review, all our plants were assessed for corruption risks and audits were conducted in case of a general increase in risk.

We determine the country-specific corruption risks for our plants on the basis of the Transparency International Corruption Perceptions Index (CPI). Rank 1 indicates a low risk. Rank 180 indicates a very high risk. The ranks for our plants are as follows: Switzerland (7), Austria (22), Czech Republic (41), Croatia (57), Slovakia (49), Moldova (91), Italy (41), Ukraine (116).

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

Our entire management undergoes yearly training on Vetropack's procedures for preventing and combating corruption, so they are informed about legally compliant conduct in these respects. In 2023, 100 percent of our employees (except for those on long-term sick leave) were made aware of our compliance policies (Code of Conduct, Business Ethics Policy, Anti-Trust Policy, Anti-Corruption Policies and Gift Policy) and/or took part in training activities.

GRI 205-3 Confirmed incidents of corruption and actions taken

There were no known incidents of corruption or cases of bribery during the year under review. No proceedings were initiated against Vetropack in these respects.

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

Vetropack is aware that risks of anti-competitive behaviour may arise. For this reason, all employees are required to adhere to the company's Business Ethics Policy (BEP) and the Antitrust Policy.

An investigation in connection with antitrust law was launched into various glass packaging manufacturers in Italy during the year under review, and Vetropack Italy is included in this investigation.

GRI 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data

In the year under review, no complaints were submitted to Vetropack regarding breaches of customers' data privacy or losses of customer data.



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My mission is to procure energy and raw materials so as to ensure that we can operate our melting furnaces with consistently high utilisation of capacities. For this purpose, we always work together with suppliers who act responsibly.

Stephen Rayment, Chief Supply Chain Officer

Sustainability

Supply chain management

Efficient and responsible supply chain management has gained enormous importance in recent years. We have reflected this in our strategy, our organisation and in the relevant guidelines, policies and measures. Our Supplier Code of Conduct, for example, guarantees that Vetropack's values are respected in the supply chain and that suppliers operate with integrity. Our Supply Chain Policy helps to ensure compliance with relevant laws.

The aim of our supply chain management is to make the entire supply chain efficient and effective so we can deliver our glass packaging to our customers on time, in the expected quality, and at reasonable cost. Supply chain management includes planning, controlling and optimising procurement, storage and transport. In these contexts, we aim to collaborate exclusively with suppliers who operate responsibly.

Vetropack procures around 900 000 metric tons of recycling glass (cullet), 475 000 metric tons of sand and 155 000 metric tons of soda to manufacture more than 5 billion glass containers each year. We also purchase machinery, equipment, tools and transport services for the production processes. Energy procurement is a factor of growing strategic importance for our production processes.

Responsibility at Group level

Supply chain management has been located at our company's highest level since 2021, with the Chief Supply Chain Officer as a member of the Management Board. This highlights the strategic relevance of this activity for Vetropack's business success. Since the end of 2022, the team has

also included one individual with responsibility for implementing sustainability aspects in the supply chain. In collaboration with the Group Sustainability Manager, this person is responsible for multiple aspects including procurement of electricity from renewable energy sources, due diligence reviews in respect of conflict minerals and child labour, drafting contractual clauses, carrying out risk analyses, supplier assessments according to ESG criteria, and review of the Procurement Policy.

Multi-supplier strategy

One core element of supply chain management at Vetropack is what we call the multi-supplier strategy. We adopt an approach that enables us to make use of multiple suppliers for important resources. This strategy guarantees our supply of raw materials and minimises the risk of interruptions to supplies and production. This approach may be more costly at the outset but in the long term, it leads to lower costs and greater stability in the supply chain. We measure progress in this context according to key internal performance indicators such as the number of active suppliers per category and the number of long-term contracts.

Human rights in the supply chain

We are aware that our upstream value chain can have potential impacts on human rights. It is therefore all the more important that we fulfil our corporate responsibility in the supply chain as well. This is why we have set out the principles of responsible supply chain management in our Supplier Code of Conduct. Our Supplier Code of Conduct is aligned to our corporate values of integrity, reliability and transparency. We also expect our suppliers to respect these core values.

The Supplier Code of Conduct requires all suppliers to comply with the Universal Declaration of Human Rights and the Fundamental Conventions (core conventions) of the International Labour Organisation. Our suppliers are required to ensure a safe, fair and non-discriminatory working environment, to prevent any form of child or forced labour, and to act with integrity at all times. Freedom of association and the right to collective bargaining must also be guaranteed. In addition to the Supplier Code of Conduct, our Procurement Policy also states that fair working conditions must be ensured and human rights must be observed in accordance with international requirements.

The Supplier Code of Conduct is a fixed component of all forms of collaboration with suppliers. Signing the Code is a formally binding legal obligation which ensures that all employees must adhere to the agreements. This is checked by supplier audits. New suppliers must accept and sign the Code unless they can prove that they have their own code of conduct which is at least equivalent to our own Code of Conduct. Read more about this in the [Compliance](#) section.

Due diligence obligations regarding child labour and conflict minerals

Vetropack has drafted and implemented a Supply Chain Policy on Conflict Minerals and Metals and a Supply Chain Policy on Child Labour. These policies assign clear responsibilities and define processes for meeting the requirements in accordance with the Swiss Ordinance on Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labour (DDTrO). For the 2023 reporting year, it was determined that Vetropack is exempt from the reporting obligation regarding conflict minerals and child labour. Detailed information on due diligence with regard to child labour and conflict minerals can be found in the [Notes to the report](#).

Guidelines, policies, supervisory and control instruments

- Code of Conduct
- Supplier Code of Conduct
- Procurement Policy
- Supply Chain Policy on Conflict Minerals and Metals
- Supply Chain Policy on Child Labour
- Vendor Self-Assessment
- Sedex Members Ethical Trade Audit (SMETA)
- Supply chain management approach with forecasts for warehousing and distribution

Progress and events in the reporting year

Energy procurement is a constant challenge

Ensuring the supply of energy for all our production operations has the highest priority for us. In 2023, we were again confronted with high energy prices and the challenges arising from the shortage of energy. Thanks to a new energy procurement strategy, our planning processes can be optimised and we are better able to forecast our energy costs. You can read more information about our strategy for purchasing renewable energy in the [Climate protection](#) section.

Cullet sourcing strategy updated

Producing new glass from sand and soda is a costly process because of the high energy it requires. Manufacturers who can meet their demand for glass from recycling glass will gain competitive edge, because using recycling glass as a starting material reduces the energy required. This is why Vetropack is targeting a recycled content of 70 percent by 2030. In order to achieve this goal, we made a start on revising our cullet procurement strategy during the year under review. As we do so, we are taking account of factors such as regulatory changes – or to be more specific, certain trade and transportation barriers for cullet. Expanding our own capacities for processing cullet is just one example of the ways we are addressing this challenge. You can read more about this in the section on [Resources](#).

Risk analysis of 100 suppliers

Once every three years, Vetropack carries out a risk analysis of our 100 largest suppliers (according to volume purchased). We completed another risk assessment of this sort in 2023. Sustainability risks were determined according to each supplier's sector, geographical region and individual commitment to sustainability (e.g. ISO certification). On this basis, the suppliers were allocated to various risk categories. No significant risks were identified in the analysis that was undertaken, i.e. all suppliers fall within the 'low risk' category.

Efficiency analysis in global supply chain management

Since 2021, the position of Chief Supply Chain Officer has existed at Management Board level in Vetropack. 2022 saw the implementation of a new approach to supply chain management extending from demand forecasts to sales to our customers. Based on this approach, we then car-

ried out a comprehensive efficiency analysis of our supply chain management, its structure and the quality of the processes in 2023. This showed that Vetropack needs to achieve greater flexibility in its response to volatilities – which are currently present in procurement prices and demand. Development of a specific and practical action plan is scheduled for 2024.

Automated warehouse for finished goods and packaging materials

The Boffalora plant, opened in 2023, is equipped with a fully automated warehouse for finished products and packaging materials. As well as optimising logistics, this facility can process orders more efficiently than a conventional semi-automated warehouse, and it reduces work-related hazards. The new system enables full traceability of pallets and packaging materials in real time. An automated system checks whether returned pallets and liners can be re-used, so material is saved and waste is reduced in the long term. Thanks to automation, tasks can be distributed evenly and bottlenecks can be avoided.



Efficient logistics and Yard Management System

To improve logistics both internally and for our customers, we use software that allows our customers' forwarders to select time slots for collecting the ordered goods. This optimises the planning of driving routes and reduces waiting times for product collections. At Boffalora, we have also introduced a Yard Management System (YMS) for the first time. This ensures that forwarders are processed efficiently at our plants. Safety is increased because the forwarders are registered at reception when they arrive at the warehouses, and they have to complete a brief training course on how to behave on site. Thanks to the YMS, our products can be made available for collection at exactly the right time. We intend to roll out this process at other sites in the coming years.

Performance indicators

80% of our suppliers signed the Supplier Code of Conduct in 2023.

GRI 308-1 New suppliers that were screened using environmental criteria

GRI 414-1 New suppliers that were screened using social criteria

Vetropack carried out around 40 supplier audits in 2023, based on a standardised questionnaire that checks social and environmental criteria. There was a particular focus on new suppliers.

The risk assessment of our 100 most relevant suppliers showed that 37 suppliers have an environmental management system certified to ISO 14001, and 28 suppliers have an occupational safety management system certified to ISO 45001.

Corporate governance

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Corporate governance

Introduction

The following explanations contain the material information for the Vetropack Group as laid out in the Directive Corporate Governance (DCG) issued by SIX Swiss Exchange on 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

Details of the share capital are provided [here](#). For details of changes to 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 significant shareholders with holdings > 3%

	31.12.2023			31.12.2022		
	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 %
Cornaz shareholder group according to latest SIX notification	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 above, it should be noted that there is no obligation to report changes to the voting share which do not affect a threshold value. Accordingly, the number of voting shares disclosed above may differ from the notifications published on the SIX Exchange Regulation website in accordance with Arts. 120 ff, Financial Market Infrastructure Act (FinMIA). No disclosure reports as defined by Art. 120, FinMIA were submitted to the company in the reporting year. A notification was submitted to SIX on 19 September 2023 in accordance with Art. 121, FinMIA.

Detailed information on notifications in accordance with Arts. 120 ff, FinMIA can be accessed on the SIX Exchange Regulation website via the following link: <https://www.ser-ag.com/en/resources/notifications-market-participants/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 a yearly 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 ordinary AGA. The BoD appoints the Chairman of the NCC.

BoD's duties

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

In addition, the BoD Chairman has the following main duties:

- Preparing and issuing 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 responsibility of the BoD by executive decision. Any such actions are communicated in writing to the members of the BoD without delay.

Division of responsibilities between the BoD and the Management Board (MB)

Those duties which 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 is also fully responsible for the operational management of the Group.

Working methods

In 2023, the BoD exercised its duty of oversight and supervision by receiving and discussing written and oral reports from the MB at five ordinary meetings (most of which lasted an entire day), and by taking decisions on any motions put forward. Two additional BoD meetings were conducted as video conferences. The Head Auditor was invited to the March meeting to disclose the results of the external audit. A two-day strategy meeting was held in August, and the results of the 2023 internal audit were discussed during the November meeting.

To prepare for BoD meetings, the BoD Chairman, the CEO and the CFO met regularly; on these occasions, they discussed operational topics, preparations for ordinary BoD meetings, and internal audit reports. The BoD was briefed regularly on the Group's commercial situation and planning by means of written monthly, semi-annual and annual reports together with the planning dossier at both company and Group levels (three-year plan). The Nomination and Compensation Committee (NCC) is responsible for reviewing the remuneration scheme for the BoD and MB. The working methods for the NCC are set out in the [Remuneration report](#). With the exception of the NCC, the BoD does not appoint any committees.

In his role as executive chairperson, the Chairman of the BoD sits on the supervisory bodies of all the operating companies. He participates in the steering committees for 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 sixteen meetings with the CEO in 2023 to monitor the management of business operations, discuss market trends and implement BoD resolutions.



The Board of Directors as at 31 December 2023

From left: Sönke Bandixen, Pascal Cornaz, Claude R. Cornaz, Jean-Philippe Rochat, Raffaella Marzi, Richard Fritschi, Urs Kaufmann; Missing on the picture: Diane Nicklas

Members

	Position	Nationality	First elected	Elected until
Claude R. Cornaz *	Chairman, executive	CH	1998	April 2024
	Vice-Chairman, non-executive			
Richard Fritschi *		CH	2005	April 2024
Sönke Bandixen	Member, non-executive	CH	2012	April 2024
Pascal Cornaz	Member, non-executive	CH	2009	April 2024
Urs Kaufmann	Member, non-executive	CH	2017	April 2024
Raffaella Marzi *	Member, non-executive	IT	2023	April 2024
Diane Nicklas	Member, non-executive	DE	2022	April 2024
Jean-Philippe Rochat	Member, non-executive	CH	2006	April 2024

* Members of the Nomination and Compensation Committee (NCC)

Claude R. Cornaz (1961, Buchberg, Canton of Schaffhausen)

Dipl. Masch. Ing. ETH/BWI Zurich, Switzerland



- 1987–1989 Management Services Contraves AG, Zurich, Switzerland
- 1989–1993 Project Engineer, Nestec S.A. in Vevey, Switzerland and Thailand
- 1993–1999 Head of Corporate Development and Head of Technology and 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, Zurich, Switzerland/Vice-Chairman of Cornaz AG-Holding, Zug, Switzerland

Richard Fritschi (1960, Oberrieden, Canton of Zurich)

Dipl. Controller SIB Zurich, Switzerland



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

Governing mandates

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

Sönke Bandixen (1957, Stein am Rhein, Canton of Schaffhausen)

Dipl. Masch. Ing. ETH Zurich, Switzerland, PMD Harvard Business School, USA



- 1984–1993 Various functions for SIG AG; as of 1990: Member of 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, Zurich, 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 AG, Schaffhausen, Switzerland

Pascal Cornaz (1971, Les Paccots, Canton of Fribourg)

Spécialiste d'achat avec brevet fédéral, 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

Urs Kaufmann (1962, Rapperswil-Jona, Canton of St. Gallen)

Dipl. Masch.-Ing. ETH/BWI Zurich, Switzerland



- 1987–1993 Project Manager, Production Manager and Head of Sales, Zellweger Uster AG, Uster (Switzerland) 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

Member of SFS Group AG, Heerbrugg, Switzerland/ Member of Müller Martini Holding AG, Hergiswil, Switzerland/Member of Bucher Industries AG, Niederweningen, Switzerland

Raffaella Marzi (1970, Canton of Zug)

Master in Law, Università Cattolica del Sacro Cuore, Milan, Italy



- 1996–1997 Legal Consultant, Beiersdorf S.p.A, Italy
- 1997–2000 Associate, Baker & McKenzie, Italy
- 2000–2001 Secondments as In-house Legal Counsel, Recordati S.p.A.
- 2001–2009 Senior Associate, Baker & McKenzie, Italy
- 2009–2009 Secondment, Baker & McKenzie, Germany
- 2011–2013 Counsel, Baker & McKenzie, Italy
- 2013–2014 Partner, Baker & McKenzie, Italy
- 2014–2016 Group Compliance Officer and Legal Counsel, Sika Italia S.p.A.
- 2016–2019 Group Compliance Officer, Sika AG
- Since 2019 Head Human Resources & Compliance, Sika AG
- Since 2020 Member of Group Management, Sika AG
- Since 2023 Head Human Resources, Legal & Compliance, Sika AG

Diane Nicklas (1969, Germany)

Dr. Ing. Metallurgie und Werkstofftechnik



- 1994–2001 Research work for the German automotive and steel industries. Subsequently: doctorate at the Rheinisch Westfälisch Technische Hochschule (RWTH Aachen University), Germany
- 2001–2003 Executive Assistant to the CEO of Saint-Gobain SEKURIT (automotive glass), Aachen, Germany
- 2003–2007 Director of Global Development Projects, Saint-Gobain SEKURIT (automotive glass), Compiègne, France
- 2007–2013 Director of Global Sales, Saint-Gobain SOLAR (solar glass), Paris, France
- 2013–2021 Director of 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, Epalinges, Canton of Vaud)

Lic. en droit, 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 & Associates, 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 Assurances Holding SA, Lausanne, Switzerland/Member of Hochdorf Holding AG, Hochdorf, Switzerland/Member of Sgrave Holding SA, Lausanne, Switzerland

Other official positions

Honorary consul of Finland in Lausanne, Switzerland

Members of the BoD of 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, Urs Kaufmann and Jean-Philippe Rochat are also members of the BoDs of other listed companies, as set out [here](#).

Management Board (MB)

	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)

Ing. Wirtschaftsingenieurwesen und Maschinenbau, 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 Vetropack Group: General Manager, Business Division Switzerland/Austria/Member of the Management Board

Since 2018 CEO of Vetropack Holding Ltd

Supervisory board 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 (IPGR) e.V., 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, Zurich, Switzerland, and 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 and Member of the Management Board of the Vetropack Group

Supervisory board mandates

Member of the Board of Directors of Infener AG, Stansstad, Switzerland

Nuno Cunha (1970)

Licenciatura em Sociologia, 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, and Global Director for Specialty Fluids at Cabot Corporation, Switzerland
- Since 9/2018: CHRO, Member of the Management Board of the Vetropack Group

Johann Eggerth (1967)

Dipl.-Ing. Metallurgie- und Werkstofftechnik (Major 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, Member of the Management Board of the Vetropack Group

Supervisory board mandates

Member of the Supervisory Boards of Joh. Pengg AG and Pengg Austria GmbH, Thörl, Austria/Member ARA Altstoff Recycling Austria AG, Vienna, Austria/Member AGR Austria Glas Recycling GmbH, Vienna, Austria

Chairman of the Federal Association of the Austrian Glass Industry, Austrian Economic Chambers, Vienna, Austria/Vice Chairman of the Federation of Austrian Industries, Lower Austria

Stephen Rayment (1969)

HNC in Manufacturing Engineering, Solent University, United Kingdom; BSc in Environmental Science (ETC 2025), 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 the Management Board of the Vetropack Group

Guido Stebner (1966)

Dr. Ing., RWTH Aachen, Dipl. Ing. Metallurgie, 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: CTO, Member of the Management Board of the Vetropack Group

Evan Williams (1967)

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



- 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 Accounts
 - Since 6/2019: CCO, Member of the Management Board of the Vetropack Group
-

There are no management agreements between Vetropack Holding Ltd and companies or natural persons outside the Group.

Additional information

The [Remuneration](#) report and the disclosure pursuant to Art. 663c of the Swiss Code of Obligations (CO) [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. Shareholders can be represented by other persons (natural persons or legal entities) through a written Power of Attorney.

Statutory quorums: the Articles of Association of Vetropack Holding Ltd specify only the legal requirements as laid out in articles 703 and 704 of the Swiss Code of Obligations (CO).

Convocation of the AGA: the invitation is issued at least 20 days prior to the date of the assembly. The invitation informs shareholders of business items to be negotiated during the assembly, as well as motions proposed by the BoD and by shareholders who have requested that a business item be placed on the agenda. Extraordinary General Assemblies (EGAs) are convened as necessary and as defined by legal precedent. Shareholders having at least 5% of the total share capital or votes at their disposal can request convocation of an EGA at any time, provided that the motions are submitted to the BoD in writing.

Requests for inclusion on the agenda: shareholders who together have at least 0.5% of the share capital or votes at their disposal can request that a business item is placed on the agenda. Requests for inclusion on the agenda must be submitted in writing to the Chairman of the BoD at least 40 days prior to the AGA.

Transfer provisions: neither ownership nor transfer restrictions exist 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.

Offer obligation and change-of-control clauses: there is no statutory regulation on 'opting-out' or 'opting-up'. There are no clauses on changes of control in favour of members of the BoD and the MB.

Notice period: contracts of employment with a maximum notice period of one year are in place for the MB members (cf. article 22 of the Articles of Association).

Auditors

Mandate: Ernst & Young Ltd has been the statutory and Group auditor 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 the Vetropack Group CHF 0.5 million in the reporting year for auditing the individual financial statements and the consolidated financial statements, together with CHF 0.1 million for other services. For the 2023 fiscal year, 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 issues regarding the audit of the internal control system for the current year. At the ordinary March meeting, BoD members are informed of audit results both in writing (Auditor's Report, Group Auditor's Report, Explanatory Notes) and verbally (the Head Auditor attends the BoD meeting). In February, the main points and results of audits carried out at subsidiaries are also discussed with the local auditors at the ordinary meetings of the governing body of each subsidiary. The Chairman of the BoD is present at these meetings. With the help of the above-mentioned information sources, the BoD assesses both the statutory auditors' and Group auditors' performance and independence at its March meeting each year. The BoD also analyses the development of external audit costs (multiple year comparison) each year.

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.

Press releases are published in the "News" section of the website (<http://www.vetropack.com/en/vetropack/news/>). Information on key figures, financial publications, the financial agenda, newsletters, the Articles of Association of Vetropack Holding Ltd., the minutes of the last AGA and contact details is published in the Investor relations section (<http://www.vetropack.com/en/vetropack/investor-relations/vetropack-in-figures/>).

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

General blocking periods

Vetropack's internal policy defines the following general blocking periods 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 Management Board, 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

Switzerland

Remuneration

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Remuneration

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.

Remuneration report

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 19 April 2023 elected Claude R. Cornaz, Richard Fritschi and Raffaella Marzi to the NCC; the BoD designated Claude R. Cornaz 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 three times during 2023, in February, September 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 As-

sociation <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 Association).

Article 28 of the Articles of Association 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 three elements:

- an individual element, 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 non-financial group element consisting of targets relating to Group performance in the areas of sustainability, markets and people.
- a net result element, 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 remuneration as a whole, i.e. the individual element, the non-financial group element and the net result element together, should be between 25% and 50% of the basic salary.

The total variable remuneration, however, is capped at a maximum of 75% of the base salary and is paid 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 2023. 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.

2023 BoD remuneration

in CHF	BoD	Cash	Social Security Contributions	Total
		NCC		
Claude R. Cornaz, Chairman	315 800	13 333	100 295	429 428
Richard Fritschi, Vice-Chairman	90 000	10 000	7 505	107 505
Sönke Bandixen, Member	65 000	–	3 087	68 087
Pascal Cornaz, Member	65 000	–	4 878	69 878
Rudolf W. Fischer, Member	21 667	5 000	1 349	28 016
Urs Kaufmann, Member	65 000	–	4 878	69 878
Raffaella Marzi, Member	43 334	6 667	3 753	53 754
Diane Nicklas, Member	65 000	–	12 132	77 132
Jean-Philippe Rochat, Member	65 000	–	3 087	68 087
Total	795 801	35 000	140 965	971 766

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
Total	774 134	35 000	138 135	947 269

Remuneration for the Management Board (MB)

Only cash and non-cash benefits were provided to members of the MB in 2023. 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 Contribu- tions	Non-cash Benefits ¹	Total
2023 MB Remuneration					
Total MB	2 319 520	828 274	834 154	54 512	4 036 460
Highest level of remuneration ²	604 140	270 005	229 211	8 602	1 111 958
2022 MB Remuneration					
Total MB	2 331 028	925 297	825 024	56 126	4 137 476
Highest level of remuneration ²	607 250	329 152	228 344	8 602	1 173 348

¹ Company car for personal use

² Johann Reiter, CEO

Comparison of remuneration disbursed with remuneration approved

Board of Directors (BoD)

At the Annual General Assembly on 19 April 2023, 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 Association, 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 2023.

in CHF

Approved total remuneration for the BoD from 1 May 2023 until 30 April 2024	1 000 000
Remuneration disbursed to the BoD in 2023	971 766

Management Board (MB)

The maximum amount of the Management Board's total remuneration for the 2023 fiscal year (CHF 5,550,000.00) was approved at the Annual General Assembly held on 20 April 2022. The table below compares the remuneration approved and disbursed in 2023.

in CHF

	2023
Approved total remuneration for the Management Board for 2023	5 550 000
Remuneration disbursed to the Management Board in 2023	4 036 460

Participations

As of 31 December the individual members of the Board of Directors and the Management Board held the following number of registered shares A and B of Vetropack Holding AG:

	Registered shares A 2023	Registered shares B 2023	Registered shares A 2022	Registered shares B 2022
Claude R. Cornaz ¹	48 260	–	48 260	–
Richard Fritschi ¹	1 000	–	1 000	–
Sönke Bandixen ¹	2 000	–	2 000	–
Pascal Cornaz ¹	50 000	–	50 000	–
Rudolf Fischer ¹ (until 19.04.2023)	–	–	500	–
Urs Kaufmann ¹	2 450	–	2 450	–
Jean-Philippe Rochat ¹	500	–	500	–
Diane Nicklas ¹	–	–	–	–
Raffaella Marzi ¹ (since 19.04.2023)	–	–	–	–
Total	104 210	–	104 710	–
Johann Reiter ²	750	–	750	–
David Zak ²	–	–	–	–
Nuno Cunha ²	–	–	–	–
Johann Eggerth ²	–	–	–	–
Stephen Rayment ²	–	–	–	–
Guido Stebner ²	–	–	–	–
Evan Williams ²	–	–	–	–
Total	750	–	750	–

¹ BoD members; position see [here](#)

² MB members; position see [here](#)

Mandates

List of external mandates as per 31.12.2023 of the members of the Board of Directors and Management Board (CO Art. 734e).

		Listed Company	Board of Directors Chairman	Member of the Board	CEO	Management Board	
Board of Directors							
Claude R. Cornaz	Dätwyler Holding AG	x		x			
	H. Goessler AG			x			
Richard Fritschi	Cornaz AG-Holding			x			
	Reinhard Fromm Holding AG			x			
	Bibus Holding AG		x				
	Cornaz AG-Holding		x				
	Synbone AG		x				
	Schmidlin AG		x				
	Schweizerisches Institut für Betriebsökonomie			x			
	Congenius AG			x			
	SwissExtract AG		x				
Sönke Bandixen	Fritschi Management GmbH					x	
	Schweizerische Schiffahrtsgesellschaft Untersee und Rhein AG		x				
Urs Kaufmann	SFS Group AG	x		x			
	Huber+Suhner AG	x	x				
Raffaella Marzi	Müller Martini Holding AG			x			
	Bucher Industries AG	x		x			
	Sika AG	x				x	
	Hans OETIKER Holding AG			x			
	Investissements Fonciers SA	x		x			
Jean-Philippe Rochat	Vaudoise Assurances Holding SA	x		x			
	Hochdorf Holding AG	x		x			
	Sagrave Holding Gravier SA			x			
	Casino de Montreux SA			x			
	Caroz SA		x				
	Cofigo SA		x				
	Ferragamo (Suisse) SA			x			
	Miauton Holding SA			x			
	Säuberlin & Pfeiffer SA			x			
	Veillon Immobilière SA		x				
	VW Volleyball World SA			x			
	Kellerhals Carrard Genossenschaft			x			
	Management Board						

David Zak	Infener AG		x
Johann Eggerth	Joh. Pengg AG		x
	Pengg Austria GmbH		x
	AGR Austria Glas Recycling GmbH		x
	ARA Altstoff Recycling Austria AG		x

Notes to the report

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Notes to the report

Each year, Vetropack publishes an annual report which includes the financial reporting together with reporting on all relevant non-financial matters. Since 2014, this report has been compiled in accordance with the requirements stipulated by the GRI standards, among others. The present report also follows this established practice. Furthermore, the design and development of this year's report take account of the requirements of the Swiss Code of Obligations (CO), which enter into force for the first time for the 2023 fiscal year (Art. 964a – 964c, CO).

To maintain continuity, the structure of the 2023 annual report has only undergone moderate revision as compared to the prior year's report. Broadly speaking, the following sections are differentiated: the management report, basic information about the company, reporting on material topics, corporate governance, and the remuneration report. This year, for the first time, the material topics (which were updated in the preparatory stages of reporting) are structured according to Economic impact, Environmental impact, Social impact, and Governance.

As this annual report also includes reporting on non-financial matters in accordance with the Swiss Code of Obligations (CO), the report contains a [CO reference table](#) which links the relevant material topics to the non-financial matters.

If a new presentation, a new calculation method or optimised data collection has led to different results for prior years in connection with individual GRI disclosures, this is mentioned in the notes to the relevant disclosures. The non-financial information and data has not undergone an external audit.

The present report covers the period from 1 January 2023 to 31 December 2023 and was published on 19 March 2024. Questions and suggestions regarding this report can be emailed via info@vetropack.com to Corporate Communications at Vetropack Holding Ltd, CH-8180 Bülach.

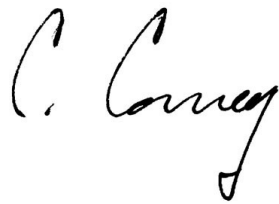
CO reference table

Non-financial matters as per Art. 964b, Swiss Code of Obligations (CO)	Material Topic Vetropack Holding Ltd
Environmental Matters	Climate protection
	Resources
	Water
Social Issues	Product quality and product safety
Employee-related Issues	Employee satisfaction
	Diversity, equity and inclusion
	Occupational health and safety
Respect for Human Rights	Compliance
	Supply chain management
Combating Corruption	Compliance

Statement by the Board of Directors

The Board of Directors of Vetropack Holding Ltd approved the non-financial report for the year of 2023 at its meeting on 13 March 2024.

Bülach, 13 March 2024



Claude R. Cornaz
Chairman of the Board of Directors



Johann Reiter
CEO

GRI content index



CONTENT INDEX ESSENTIALS SERVICE

2024

Vetropack has reported in accordance with the GRI Standards for the period of 1 January 2023 to 31 December 2023. For the Content Index – Essentials Service, GRI Services reviewed that the GRI content index has been presented in a way consistent with the requirements for reporting in accordance with the GRI Standards, and that the information in the index is clearly presented and accessible to the stakeholders. This service was provided for the German version of the report.

GRI 1 used	GRI 1: Foundation 2021	
Applicable GRI Sector Standard	none	
General Disclosures		
GRI Standard	Disclosure	Omission
		Requirements omitted (RO), Reason (R), Explanation (E)
The organization and its reporting practices		
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
Activities and workers		
GRI 2: General Disclosures 2021	2-6	Activities, value chain and other business relationships
	2-7	Employees
	2-8	Workers who are not employees
Governance		
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 of 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) Confidentiality constraints (R) Data not public for confidentiality reasons (E)
		Strategy, policies and practices	
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	
		Stakeholder engagement	
GRI 2: General Disclosures 2021	2-29	Approach to stakeholder engagement	
	2-30	Collective bargaining agreements	
Material Topics			
GRI Standard		Disclosure	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	
		Economic performance	
GRI 3: Material Topics 2021	3-3	Management of material topics	
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	
		Customer satisfaction	
GRI 3: Material Topics 2021	3-3	Management of material topics	
GRI 417: Marketing and Labeling 2016	417-1	Requirements for product and service information and labeling	
	417-2	Incidents of non-compliance concerning product and service information and labeling	
		Innovation	
GRI 3: Material Topics 2021	3-3	Management of material topics	
		Product quality and product safety	
GRI 3: Material Topics 2021	3-3	Management of material topics	
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	
		Climate protection	
GRI 3: Material Topics 2021	3-3	Management of material topics	
GRI 302: Energy 2016	302-1	Energy consumption within the organization	
	302-3	Energy intensity	
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	
	305-2	Energy indirect (Scope 2) GHG emissions	
	305-3	Other indirect (Scope 3) GHG emissions	

	305-4	GHG emissions intensity
		Resources
GRI 3: Material Topics 2021	3-3	Management of material topics
GRI 301: Materials 2016	301-1	Materials used by weight or volume
	301-2	Recycled input materials used
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts
	306-2	Management of significant waste-related impacts
	306-3	Waste generated
		Water
GRI 3: Material Topics 2021	3-3	Management of material topics
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource
	303-2	Management of water discharge-related impacts
	303-3	Water withdrawal
	303-4	Water discharge
		Employee satisfaction
GRI 3: Material Topics 2021	3-3	Management of material topics
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 parttime employee
GRI 402: Labor/Management Relations 2016	402-1	Minimum notice periods regarding operational changes
GRI 404: Training and Education 2016	404-2	Programs for upgrading employee skills and transition assistance programs
	404-3	Percentage of employees receiving regular performance and career development reviews
		Occupational health and safety
GRI 3: Material Topics 2021	3-3	Management of material topics
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
	403-8	Workers covered by an occupational health and safety management system
	403-9	Work-related injuries
	403-10	Work-related ill health
		Diversity, equity and inclusion
GRI 3: Material Topics 2021	3-3	Management of material topics
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken
		Compliance
GRI 3: Material Topics 2021	3-3	Management of material topics
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption
	205-2	Communication and training about anti-corruption policies and procedures
	205-3	Confirmed incidents of corruption and actions taken

GRI 206: Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data
Supply chain management		
GRI 3: Material Topics 2021	3-3	Management of material topics
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria

Due Diligence and Transparency

Compliance with the due diligence obligations in relation to conflict minerals

Vetropack Group has adopted and implemented a Supply Chain Policy on Conflict Minerals and Child Labour, which sets out how Vetropack Group deals with the issue of conflict minerals and how it implements the provisions of Swiss legislation (CO, DDTro and Criminal Code) and the Regulation (EU) 2017/821 on Conflict Minerals. The goal is to ensure that no minerals or metals from conflict areas are processed within the Vetropack Group.

The Vetropack Group is exempt from the annual consolidated reporting and due diligence obligations in Switzerland because, in the calendar year 2023, (i) it did not place in free circulation or process in Switzerland minerals or metals containing tantalum, tungsten or gold, and (ii) regarding tin, it did not exceed the import and processing quantities set out in the DDTro. The relevant annual checks have been conducted and documented in accordance with DDTro.

The Vetropack companies in the EU are exempt from the annual consolidated reporting and due diligence obligations according to the Regulation EU 2017/821 on Conflict Minerals because, in the calendar year 2023, (i) they did not import into the EU minerals or metals containing tantalum, tungsten or gold, and (ii) regarding tin, it did not exceed the import quantities set out in the Regulation EU 2017/821 on Conflict Minerals. The relevant annual checks have been conducted and documented.

Compliance with due diligence obligations in relation to child labour

Vetropack Group adopted and implemented a Supply Chain Policy on Conflict Minerals and Child Labour, which sets out how Vetropack Group deals with the issue of child labour and how it implements the relevant provisions of Swiss legislation (CO, DDTro and Criminal Code). The goal is to ensure that no products or services are offered that involve child labour, and that no children are employed or engaged within the Vetropack Group itself.

The Vetropack Group is exempt from the annual consolidated reporting and due diligence obligations because it did not offer any products or services in the calendar year 2023 for which there was a reasonable suspicion that they were manufactured or provided using child labour, either in its supply chain or in its own plants and operations. The relevant annual checks have been conducted and documented in accordance with DDTro.

Financial report

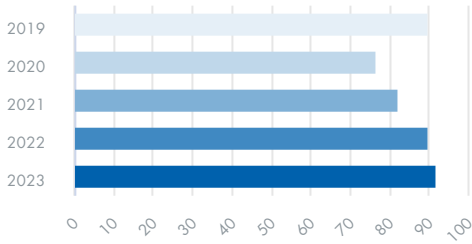
Vetropack Group

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Vetropack Group

EBIT 2019–2023

CHF millions



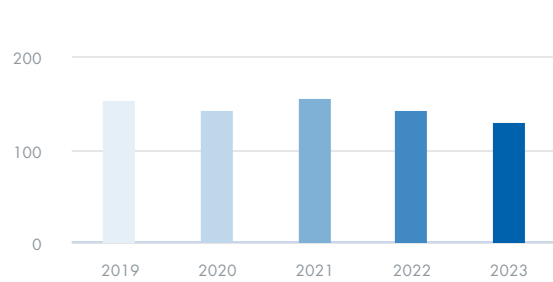
91.3

Change compared to the previous year

+2.5%

Cash flow 2019–2023

CHF millions



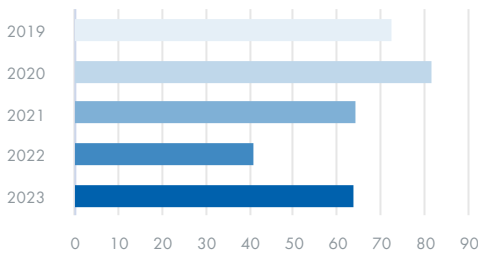
130.1

Change compared to the previous year

-8.5%

Consolidated profit 2019–2023

CHF millions



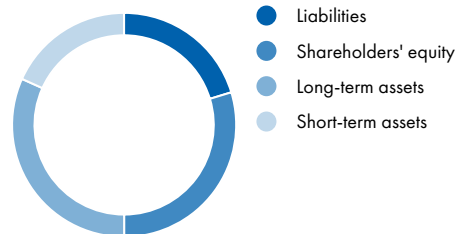
63.3

Change compared to the previous year

+55.5%

Total assets 31.12.2023

CHF millions



1 263.8

Change compared to the previous year

+2.4%

Consolidated net sales 2019–2023

CHF millions

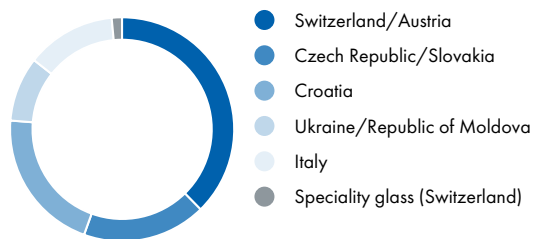
898.8

Change compared to the previous year

-0.1%

Consolidated net sales by segment 2023

CHF millions



Consolidated balance sheet

CHF millions	Note	31.12.2023	31.12.2022
ASSETS			
Short-term assets			
Liquid funds		82.2	180.3
Accounts receivable	1	141.3	179.0
Other short-term receivables	2	36.0	31.3
Inventories	3	197.9	155.5
Prepaid expenses and accrued income	4	4.1	6.2
Subtotal short-term assets		461.5	552.3
Long-term assets			
Tangible assets	5	778.0	661.6
Financial assets	6	20.3	17.3
Intangible assets	7	4.0	3.3
Subtotal long-term assets		802.3	682.2
Total assets		1 263.8	1 234.5
LIABILITIES			
Liabilities			
Short-term liabilities			
– Accounts payable		160.5	209.0
– Short-term financial debts	8	3.3	10.2
– Other short-term liabilities	9	26.9	25.9
– Accrued expenses and deferred income	10	34.1	31.8
– Short-term provisions	11	4.8	6.7
Subtotal short-term liabilities		229.6	283.6
Long-term liabilities			
– Long-term financial debts	8	252.4	168.6
– Other long-term liabilities		0.5	0.7
– Long-term provisions	11	30.6	32.3
Subtotal long-term liabilities		283.5	201.6
Total liabilities		513.1	485.2
Shareholders' equity			
Share capital	12	19.8	19.8
Capital reserves		0.3	0.3
Retained earnings		667.3	688.5
Consolidated profit		63.3	40.7
Subtotal shareholders' equity		750.7	749.3
Total liabilities		1 263.8	1 234.5

Consolidated income statement

CHF millions	Note	2023	2022
Net sales from goods and services	13	898.8	899.4
Other operating income	14	24.1	25.7
Changes in inventories		40.1	21.4
Material expenses	15	- 147.3	- 135.6
Energy expenses		- 241.7	- 252.2
Personnel expenses	16	- 190.9	- 177.6
Depreciation	5	- 72.4	- 70.4
Impairments of tangible assets	5	- 0.8	- 2.2
Amortisation	7	- 1.6	- 1.8
Other operating expenses	17	- 217.0	- 217.6
Operating result (EBIT)		91.3	89.1
Financial result	18	- 10.9	- 7.7
Ordinary result		80.4	81.4
Non-operating result ¹	19	- 0.8	0.1
Extraordinary result	20	- 0.5	- 31.4
Consolidated profit before income taxes		79.1	50.1
Income taxes	21	- 15.8	- 9.4
Consolidated profit		63.3	40.7
Earnings per share	22		
Undiluted earnings per registered share A in CHF		3.19	2.05
Undiluted earnings per registered share B in CHF		0.64	0.41
Diluted earnings per registered share A in CHF		3.19	2.05
Diluted earnings per registered share B in CHF		0.64	0.41

¹ This includes depreciation of CHF 0.9 million on non-operating real estate and buildings (2022: CHF 0.9 million).

Consolidated cash flow statement

CHF millions	Note	2023	2022
Consolidated profit		63.3	40.7
Depreciation and amortisation		74.9	73.1
Impairments		- 1.1	25.7
Change in provisions		- 6.3	3.0
Result from disposals of fixed assets		- 0.2	0.5
Other non-cash items		- 0.5	- 0.8
Operating cash flow before change of net working capital		130.1	142.2
Change in accounts receivable		32.1	- 46.4
Change in inventories		- 53.0	- 27.4
Change in other receivables, prepaid expenses and accrued income		- 4.8	- 19.8
Change in accounts payable		- 38.0	80.0
Change in other short-term liabilities, accrued expenses and deferred income		6.0	1.9
Cash flow from operating activities		72.4	130.5
Investments in tangible assets	23	- 235.6	- 194.1
Disposals of tangible assets		1.5	2.9
Investments in financial assets		- 0.1	-
Investments in intangible assets		- 2.3	- 0.5
Cash flow from investment activities		- 236.5	- 191.7
Dividend to shareholders		- 19.8	- 25.8
Change in short-term financial debts		- 4.0	- 2.7
Change in long-term financial debts		94.1	147.8
Cash Flow from financing activities		70.3	119.3
Foreign exchange differences		- 4.3	- 4.0
Change in liquid funds		- 98.1	54.1
Liquid funds as per 1.1.		180.3	126.2
Liquid funds as per 31.12.		82.2	180.3
Change in liquid funds		- 98.1	54.1
Inflow from interest		0.6	0.4
Outflow for interest		- 1.0	- 1.0
Outflow for income taxes		- 16.1	- 12.2

Changes in consolidated shareholders' equity

CHF millions

	Share capital	Capital reserves (Agio)	Retained earnings	Subtotal
Shareholders' 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
Shareholders' equity as per 31.12.2022	19.8	0.3	729.2	749.3
Consolidated profit	–	–	63.3	63.3
Foreign exchange differences	–	–	– 42.1	– 42.1
Dividends	–	–	– 19.8	– 19.8
Shareholders' equity as per 31.12.2023	19.8	0.3	730.6	750.7

The legally non-distributable reserves of Vetropack Holding Ltd amount to CHF 4.0 million (2022: CHF 4.0 million). Vetropack Holding Ltd did not hold own shares from 2021 to 2023.

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 considers the Vetropack Group as a single business entity for this purpose.

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 the Group's internal 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, the 'Full consolidation method' is applied, i.e. assets, liabilities, expenses and incomes of consolidated companies are consolidated 100%, whereby all material intra-Group transactions are eliminated (accounts receivable and payable, income and expenses, and intermediate gains).

Minority shareholders' interests are recognised separately in the balance sheet and income statement.

Holdings of between 20% and 50% are included in Group accounts 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 available [here](#).

Capital consolidation

Capital consolidation is carried out according to the 'Purchase method', whereby the acquisition cost of an acquired company is charged against its net assets revaluated according to Group principles at the time of purchase. Any goodwill paid at the time of acquisition is charged directly to the Group's retained earnings in the 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's 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 retained earnings with no effect on net income. Exchange rate differentials caused by converting transactions and balance sheet items in foreign currencies are recorded in the books of the respective Group company with effect on net income. 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	
	2023	2022	2023	2022
EUR	0.97191	1.00532	0.92600	0.98470
CZK	0.04051	0.04092	0.03745	0.04083
HRK	-	0.13341	-	0.13066
MDL	0.04958	0.05027	0.04792	0.04844
RON	0.19659	0.20326	0.18611	0.19923
UAH	0.02430	0.02902	0.02191	0.02491

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 from the balance-sheet date. Liquid assets are valued at their nominal rate.

Marketable securities

Short-term securities recognised on the balance sheet 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. Country-specific general 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. All identifiable risks of loss for goods or articles with insufficient inventory turnover are taken into account by appropriate value adjustments. Inventories from intercompany deliveries do not include intermediate profits. 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
– Moulds	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, the cash value is applied if lower. The corresponding liability toward the leasing grantor is carried as a liability from financial leasing. Costs arising 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 ('equity method') or purchase values. Loans and marketable securities are recorded at their nominal values or purchase prices respectively, less any necessary 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 accurately, 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 liabilities (also referred to as 'current liabilities') are debts that are repayable within 12 months. Long-term financial liabilities refer to financing with a term of more than one year. Liabilities (including financial debts) are recorded in the balance sheet at nominal value.

Provisions

Provisions are formed when a legal or de facto obligation has arisen from past events, the outflow of funds to meet this obligation is likely, and 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 'Accrued expenses and deferred income'. 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 for hedging purposes are disclosed in the notes and recognized at fair value through profit or loss when the underlying transaction occurs.

Notes

1. Accounts receivable

CHF millions	31.12.2023	31.12.2022
Gross receivables	145.7	184.9
Value adjustments	- 4.4	- 5.9
Net receivables	141.3	179.0

2. Other short-term receivables

CHF millions	31.12.2023	31.12.2022
VAT (value added tax) credit	25.2	20.4
Withholding tax credit	3.2	2.2
Other short-term receivables	7.6	8.7
Total	36.0	31.3

3. Inventories

CHF millions	31.12.2023	31.12.2022
Raw materials	20.0	17.1
Materials and supplies	64.3	58.9
Work-in-progress	11.9	4.9
Finished goods, merchandise	151.7	115.4
Advance payments to suppliers	1.0	0.7
Value adjustments	- 51.0	- 41.5
Total	197.9	155.5

4. Prepaid expenses and accrued income

CHF millions	31.12.2023	31.12.2022
Ongoing income tax (credit)	2.9	2.9
Other prepaid expenses and accrued income	1.2	3.3
Total	4.1	6.2

5. Tangible assets

CHF millions

	Real estate & buildings non- operating	Real estate & buildings operating	Furnaces, equipment, prod. faci- ties, moulds	Other tangible assets	Advance payments & assets under construction	Total
Acquisition value						
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 1.1.2023	52.4	304.5	899.1	39.6	261.2	1 556.8
Additions	4.9	109.8	211.0	4.2	– 94.8	235.1
Disposals	–	– 0.4	– 46.1	– 3.0	– 0.2	– 49.7
Reclassifications	–	1.8	14.7	0.7	– 17.2	–
Foreign exchange differences	– 0.3	– 20.5	– 59.5	– 1.9	– 11.3	– 93.5
As per 31.12.2023	57.0	395.2	1 019.2	39.6	137.7	1 648.7
Accumulated depreciation						
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
Reclassifications	–	–	–	–	–	–
Asset impairments ¹	–	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 1.1.2023	14.7	191.2	655.7	32.9	0.7	895.2
Ordinary depreciation	0.9	7.6	62.5	2.3	–	73.3
Disposals	–	– 0.4	– 45.1	– 3.0	–	– 48.5
Asset impairments ¹	–	–	1.5	–	–	1.5
Release asset impairments ²	–	– 0.4	– 1.6	– 0.2	– 0.3	– 2.5
Foreign exchange differences	–	– 9.2	– 37.7	– 1.4	–	– 48.3
As per 31.12.2023	15.6	188.8	635.3	30.6	0.4	870.7
Book value						
As per 1.1.2023	37.7	113.3	243.4	6.7	260.5	661.6
As per 31.12.2023	41.4³	206.4³	383.9	9.0	137.3⁴	778.0

¹ of which in 2023 CHF 0.7 million relates to the Ukrainian production plant in Gostomel, which were reported in the extraordinary result (2022: CHF 15.6 million) as well as CHF 0.8 million to the closed Italian production plant in Trezzano

² of which in 2023 CHF 2.5 million relates to the Ukrainian production plant in Gostomel, whereof CHF 0.6 million were reported in the extraordinary result

³ of which vacant real estate plots valued at CHF 3.7 million (2022: CHF 18.8 million)

⁴ of which payments on assets under construction CHF 8.9 million (2022: CHF 5.6 million)

6. Financial assets

CHF millions	Note	31.12.2023	31.12.2022
Assets from employer's contribution reserves	28	11.7	11.8
Assets from pension plans		2.0	2.1
Deferred taxes	21	6.1	2.8
Participations in associated companies		0.3	0.3
Other financial investments		0.2	0.3
Total		20.3	17.3

7. Intangible assets

CHF millions	Software	Software in development	Other intangible assets	Total
Acquisition value				
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
As per 1.1.2023	52.8	0.6	1.3	54.7
Additions	0.1	2.1	0.1	2.3
Disposals	-	-	-	-
Reclassifications	1.2	- 1.2	-	-
Foreign exchange differences	- 0.2	-	- 0.1	- 0.3
As per 31.12.2023	53.9	1.5	1.3	56.7
Accumulated amortisation				
As per 1.1.2022	50.1	-	1.1	51.2
Ordinary amortisation	1.8	-	-	1.8
Disposals	- 1.6	-	-	- 1.6
As per 1.1.2023	50.3	-	1.1	51.4
Ordinary amortisation	1.6	-	-	1.6
Disposals	-	-	-	-
Foreign exchange differences	- 0.3	-	-	- 0.3
As per 31.12.2023	51.6	-	1.1	52.7
Book value				
As per 1.1.2023	2.5	0.6	0.2	3.3
As per 31.12.2023	2.3	1.5	0.2	4.0

In 2022 and 2023 there were no licenses, patents and trademarks.

8. Financial debts

CHF millions	31.12.2023	31.12.2022
Residual period		
– < 1 year ¹	3.3	10.2
– 1 to 2 years ²	2.9	2.9
– 3 to 5 years ³	207.1	69.9
– > 5 years ⁴	42.4	95.8
Total	255.7	178.8

¹ in CHF; interest rate between 1.00% and 14.00% (2022: 0.70% to 7.20%)

² in CHF; interest rate between 2.17% and 2.17% (2022: 7.18% to 7.20%)

³ in CHF; interest rate between 1.00% and 4.97% (2022: 1.00% to 3.58%)

⁴ in CHF; interest rate between 0.77% and 5.07% (2022: 0.77% to 3.78%)

9. Other short-term liabilities

CHF millions	31.12.2023	31.12.2022
Prepaid recycling fee	4.5	5.3
Advance payments from customers	1.4	2.6
Liabilities to employees	7.2	6.8
Other short-term liabilities	13.8	11.2
Total	26.9	25.9

10. Accrued expenses and deferred income

CHF millions	31.12.2023	31.12.2022
Ongoing income taxes liabilities	7.7	5.6
Accruals for personnel	12.9	13.2
Other accrued expenses and deferred income	13.5	13.0
Total	34.1	31.8

11. Provisions

CHF millions

	Service an- niversaries	Pension li- ability	Deferred tax liabilities	Other	Total
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
As per 1.1.2023	5.3	12.3	15.3	6.1	39.0
Reclassifications	–	–	–	–	–
Additions	0.7	1.7	0.4	4.9	7.7
Releases	– 0.1	– 0.8	0.3	– 0.7	– 1.3
Utilisations	– 0.1	– 1.8	–	– 6.1	– 8.0
Foreign exchange differences	– 0.3	– 0.7	– 0.8	– 0.2	– 2.0
As per 31.12.2023	5.5	10.7	15.2	4.0	35.4
Of which short-term	0.8	–	–	4.0	4.8
Of which long-term	4.7	10.7	15.2	–	30.6

Deferred tax liabilities: details see [here](#).

Service anniversaries: provisions are formed in respect of remuneration for long service to the company as defined in the Employment Regulations. These provisions, which takes account of country-specific corrective factors for the staff turnover, were discounted at rates from 1% to 19% (2022: 0% to 13%) as per the balance sheet date.

12. Share capital

The share capital is structured as follows:

CHF millions	31.12.2023	31.12.2022
13 774 000 registered shares A (2022: 13 774 000) nominal value CHF 1.00 (2022: CHF 1.00) (issued and paid in full)	13.8	13.8
30 250 000 registered shares B (2022: 30 250 000) nominal value CHF 0.20 (2022: CHF 0.20) (issued and paid in full)	6.0	6.0
Total	19.8	19.8

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 39.10 (2022: CHF 36.10) total capitalisation is CHF 775.1 million (2022: CHF 715.6 million). Each registered share has one voting right.

Major shareholders with > 3% of voting rights

	31.12.2023	31.12.2022
Cornaz shareholder group according to latest SIX notification	71.6%	71.6%

One shareholders' agreement exists between the shareholders of Cornaz AG-Holding, and 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 "Speciality glass" segment only comprises trade revenue in Switzerland (Müller + Krempel Ltd). Until the end of 2022, the net sales was shown broken down by country. The change in the presentation of segment reporting for 2023 was made to correspond to the segments reporting at corporate management level.

Net sales by supplying country

CHF millions

	Change	2023	2022
Glass packaging			
– Switzerland, Austria	1.5%	338.5	333.5
– Czech Republic, Slovakia	– 3.5%	160.5	166.3
– Croatia	11.4%	186.4	167.3
– Ukraine, Republic of Moldova	– 6.2%	84.0	89.6
– Italy	– 9.6%	116.1	128.5
Speciality glass (Switzerland)	– 6.3%	13.3	14.2
Total	– 0.1%	898.8	899.4

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

14. Other operating income

CHF millions

	2023	2022
Material and energy sales	4.7	5.8
Ancillary services	0.7	1.5
Real estate management income	0.6	0.6
Internally produced additions to plant and equipment	3.3	1.8
Supplier commissions	0.5	0.5
Allocations of disposal fees	1.8	2.2
Income from subsidies	6.2	9.4
Other income	6.3	3.9
Total	24.1	25.7

15. Material expenses

CHF millions

	2023	2022
Raw materials	134.7	121.0
Merchandise	12.6	14.6
Total	147.3	135.6

16. Personnel expenses

CHF millions	2023	2022
Wages and salaries	144.6	133.4
Social benefits	39.0	38.1
Other personnel expenses	7.3	6.1
Total	190.9	177.6

17. Other operating expenses

CHF millions	2023	2022
Maintenance, repairs and mould costs	49.5	42.9
Packaging and transport costs	80.6	95.1
Other administrative and operating expenses	86.9	79.6
Total	217.0	217.6

18. Financial result

CHF millions	2023	2022
Interest income	1.0	0.5
Interest expenses	- 8.9	- 4.4
Currency exchange gains	13.9	23.9
Currency exchange losses	- 17.0	- 27.7
Other financial income	0.1	-
Total	- 10.9	- 7.7

19. Non-operating result

CHF millions	2023	2022
Non-operating real estate income	2.6	2.8
Non-operating real estate expenses	- 1.2	- 1.1
Non-operating real estate depreciation/impairments	- 0.9	- 0.9
Other non-operating result	- 1.3	- 0.7
Total	- 0.8	0.1

20. Extraordinary result

For 2023, costs of CHF 1.5 million for clean-up and repair work at the Gostomel glass factory and impairments of fixed assets of the glass factory in Ukraine of CHF 0.1 million are included. In addition, value adjustments on receivables of CHF 0.7 million were released. Additionally income of CHF 0.4 million in connection with flat-rate tax credits is included (2022: CHF 0.0 million).

In 2022 this position included 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 repair work at the Gostomel glass factory were included.

21. Income taxes

CHF millions	2023	2022
Ongoing income taxes	18.5	9.9
Deferred income taxes	- 2.7	- 0.5
Total	15.8	9.4

Loss carryforwards amounted to CHF 57.7 million (2022: CHF 8.0 million) in total at the end of the reporting year. No loss carryforwards were included in the calculation of the deferred income tax assets (2022: CHF 0.0 million). The impact of unrecognised loss carryforwards on the tax on earnings was CHF 11.6 million in the reporting year (2022: CHF 3.9 million). No unrecognised loss carryforwards were utilised in the reporting period (2022: CHF 2.8 million). There was no impact in the reporting year on income taxes due to the use of unrecognised losses carried forward (2022: CHF -0.7 million). In the reporting year, as in the previous year, there was no impact due to the utilisation or expiry of loss carryforwards.

The country-specific tax rates that apply to the calculation of the deferred taxes on earnings range from 11.6% to 24.0% (2022: 11.6% to 25.0%). The weighted average tax rate to be applied based on the ordinary result is 16.5% (2022: 17.5%).

In December 2021, the OECD published the Pillar Two model rules to introduce a global minimum tax of 15% for multinational companies with consolidated revenues of more than EUR 750 million. Meanwhile, relevant elements of Pillar Two legislation have been substantively enacted in many jurisdictions in which Vetropack operates including Switzerland. Such legislation will be effective for Vetropack's financial year beginning on 1 January 2024. Due to uncertainties in the adjustment and implementation of local tax laws in the countries concerned, it is not yet possible to quantify the effects. Vetropack is monitoring the development of the Pillar Two rules and continually assesses the impact.

22. 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.

	2023	2022
Consolidated profit allocated to the shareholders of the Vetropack Group in CHF millions	63.3	40.7
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	3.19	2.05
Undiluted result per registered share B in CHF	0.64	0.41

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.

23. Investments in tangible assets

Investments by asset class

CHF millions	2023	2022
Real estate & buildings non-operating	4.9	0.1
Real estate & buildings operating	109.8	0.2
Furnaces, equipment, prod. facilities, moulds	211.0	8.5
Other tangible assets	4.2	1.5
Advance payments & assets under construction	- 94.8	183.8
Total	235.1	194.1

24. Off-balance-sheet transactions

CHF millions	31.12.2023	31.12.2022
Guarantees ¹	276.7	294.2
Off-balance-sheet leasing liabilities	5.8	2.0
Total	282.5	296.2

¹ of which CHF 37.0 million (2022: CHF 137.9 million) had not been used as a loan by the guarantee holder as of 31 December 2023

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	31.12.2023	31.12.2022
Maturity		
- 1 to 2 years	3.5	0.8
- 3 to 5 years	2.3	1.2
- > 5 years	-	-
Total	5.8	2.0

25. Pledged assets

Assets are used as collateral to secure bank credits and mortgages at the following book values:

CHF millions	31.12.2023	31.12.2022
Accounts receivable	12.6	27.1
Inventories	-	6.9
Real estate	16.5	56.1
Total	29.1	90.1

26. Derivative financial instruments

As at 31 December 2023, Vetropack Holding Ltd has currency swaps in the amount of EUR 61.1 million (CHF 56.6 million) (2022: EUR 64.0 million, CHF 63.0 million) with a negative market value of CHF 1.1 million (2022: CHF 0.1 million).

27. Transactions with related parties

CHF millions	31.12.2023	31.12.2022
Pension funds		
Accounts receivable	-	-
Accounts payable	-	0.1
Interest expenses	-	-
Associated companies		
Accounts receivable	-	-
Accounts payable	0.7	0.9
Capitalised services	-	-
Service income	-	-
Equity valuation income	-	-
Glass cullet purchasing expenses	- 4.2	- 4.4
Maintenance and repair expenses	-	-
Other service expenses	-	-
Equity valuation expenses	-	-
Other closely associated persons		
Accounts receivable	-	-
Accounts payable	-	-
Investments in tangible assets	-	-
Distribution income	-	-
Service income	-	-
Packaging material expenses	-	-
Distribution expenses	-	-
Service expenses	-	- 0.1
Interest expenses	-	-
Proceeds from 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.

28. Employee pension provision

Various employee pension schemes based on the statutory regulations of their respective countries, are in place within the Group. In Switzerland, these are defined contribution plans 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 institutions

CHF millions	2023	2022
Nominal value 31.12.	12.4	12.4
Utilisation waiver 31.12.	–	–
Other value adjustments 31.12.	–	–
Discounting effects 31.12.	– 0.7	– 0.5
Book value 31.12.	11.7	11.8

Assets and liabilities from pension institutions

CHF millions	Patronage pension institutions	Pension institutions without surplus / deficit	Pension institutions with surplus	Pension institutions without own assets	Total
Surplus / deficit cover 31.12.2023	10.8	–	39.6	–	50.4
Economic share of the entity 31.12.2022	–	–	–	– 9.7	– 9.7
Economic share of the entity 31.12.2023	–	–	–	– 8.2	– 8.2
Change 2023	–	–	–	– 1.5	– 1.5
Contributions concerning the current period ¹	0.2	–	2.6	1.3	4.1
Pension benefit expenses 2022	0.6	–	2.6	2.0	5.2
Pension benefit expenses 2023	0.2	–	2.6	– 0.2	2.6

¹ including changes from employer's contribution reserves

The values for pension funds of Swiss companies are based on the relevant 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	2023	2022
Key influential factors		
– Change in employer's contribution reserves	0.1	0.7
– Change in economic share of the entity	– 1.5	– 0.6
– Contributions concerning the current period	4.0	5.1
Total pension fund expenses	2.6	5.2

29. Goodwill

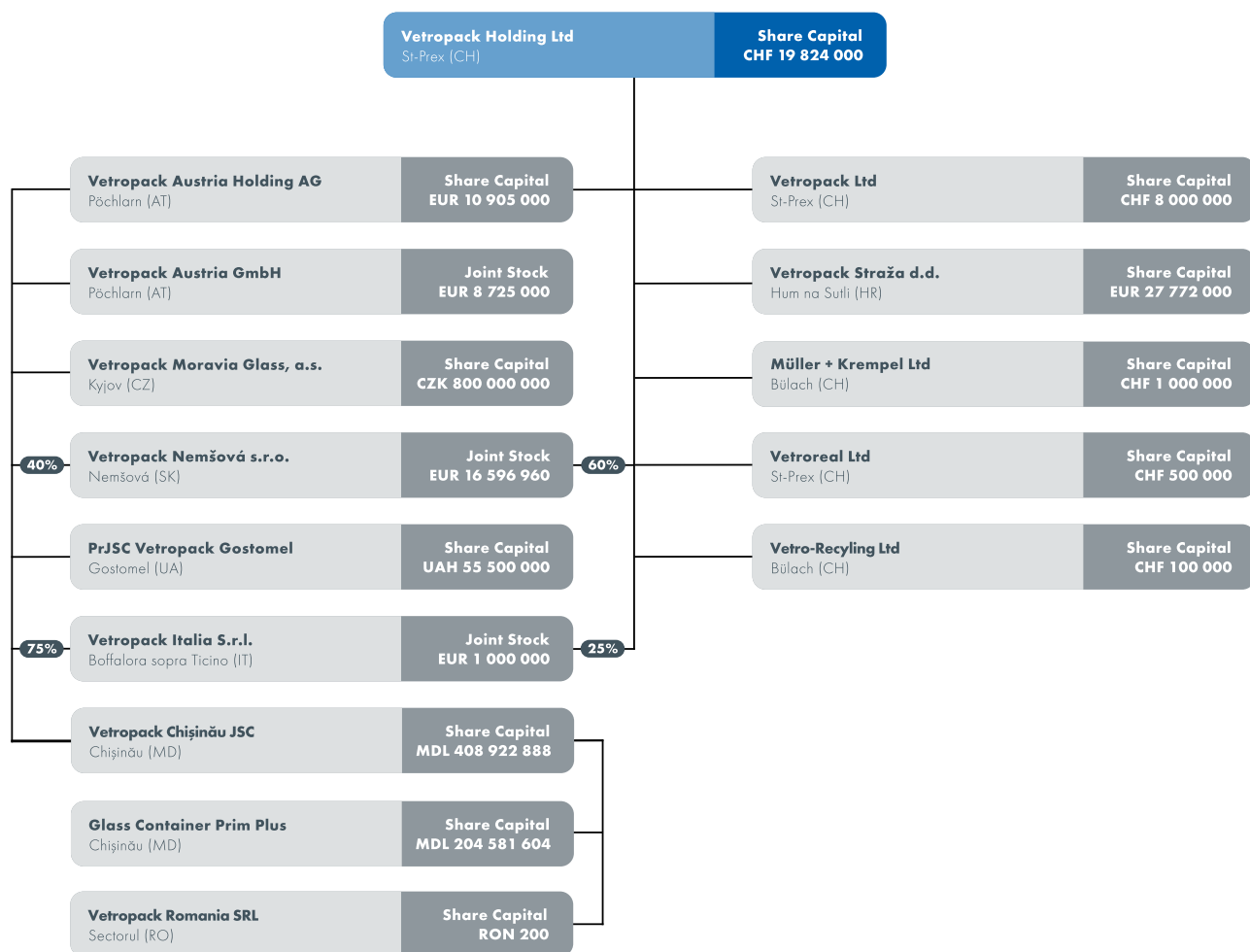
The goodwill of a purchased consolidated company is offset with equity at the date of acquisition. The theoretical amortisation of the goodwill is determined with a useful life of five years. A theoretical capitalisation of the goodwill would have the following impact on the consolidated financial statements:

CHF millions	2023	2022
Theoretical goodwill		
Gross book value as at 1.1.	44.8	44.8
Addition from acquisition	–	–
Gross book value as at 31.12.	44.8	44.8
Accumulated amortisation as at 1.1.	– 28.5	– 22.9
Amortisation	– 5.6	– 5.6
Accumulated amortisation as at 31.12.	– 34.1	– 28.5
Net book value as at 1.1.	16.3	21.9
Net book value as at 31.12.	10.7	16.3
Effect on balance sheet		
Shareholders' equity according to balance sheet	750.7	749.3
Theoretical capitalisation of net book value of goodwill	10.7	16.3
Theoretical shareholders' equity incl. net book value of goodwill	761.4	765.6
Effect on income statement		
Consolidated profit	63.3	40.7
Amortisation of goodwill	– 5.6	– 5.6
Theoretical consolidated profit incl. amortization of goodwill	57.7	35.1

30. Events after the balance sheet date

On 7 March 2024 Vetropack Group has announced that it will start a consultation process on the future of its production site in St-Prex. The consultation process has not been completed when the consolidated annual report was approved by the Board of Directors. Further information can be found in the corresponding [ad hoc announcement](#).

Ownership structure



Company participations

Company	Domicile	Currency	Share capital	Share ¹	Consolidation	Owner
Switzerland						
Vetropack Holding Ltd (VPH)	St-Prex	CHF	19 824 000		full	The public
Vetropack Ltd	St-Prex	CHF	8 000 000	100%	full	VPH
Vetro-Recycling Ltd	Bülach	CHF	100 000	100%	full	VPH
Müller + Krempel Ltd	Bülach	CHF	1 000 000	100%	full	VPH
Vetroreal Ltd	St-Prex	CHF	500 000	100%	full	VPH
Austria						
Vetropack Austria Holding AG (VAH)	Pöchlarn	EUR	10 905 000	100%	full	VPH
Vetropack Austria GmbH (VPA)	Pöchlarn	EUR	8 725 000	100%	full	VAH
Austria Glas Recycling GmbH	Wien	EUR	50 000	24.5%	equity	VPA
PTP Pro Glas GmbH	Wien	EUR	35 000	50%	equity	VPA
Czech Republic						
Vetropack Moravia Glass, a.s.	Kyjov	CZK	800 000 000	100%	full	VAH
Croatia						
Vetropack Straža d.d.	Hum na Sutli	EUR ²	27 772 000	100%	full	VPH
Slovakia						
Vetropack Nemšová s.r.o.	Nemšová	EUR	16 596 960	60%/40% ¹	full	VPH/VAH
Ukraine						
PrJSC Vetropack Gostomel	Gostomel	UAH	55 500 000	100%	full	VAH
Italy						
Vetropack Italia S.r.l.	Boffalora sopra Ticino	EUR	1 000 000	25%/75% ¹	full	VPH/VAH
Republic of Moldova						
Vetropack Chişinău JSC (VPC)	Chişinău	MDL	408 922 888	100%	full	VAH
Glass Container Prim Plus	Chişinău	MDL	204 581 604	100%	full	VPC
Romania						
Vetropack Romania SRL	Bucuresti	RON	200	100%	full	VPC

¹ capital shares and voting rights are identical; held indirectly via Vetropack Austria Holding AG

² In Croatia the local currency was changed from HRK to EUR. The share capital was adjusted from HRK 208 290 000 to EUR 27 772 000.

There were no other changes in company participations compared with 31 December 2022.

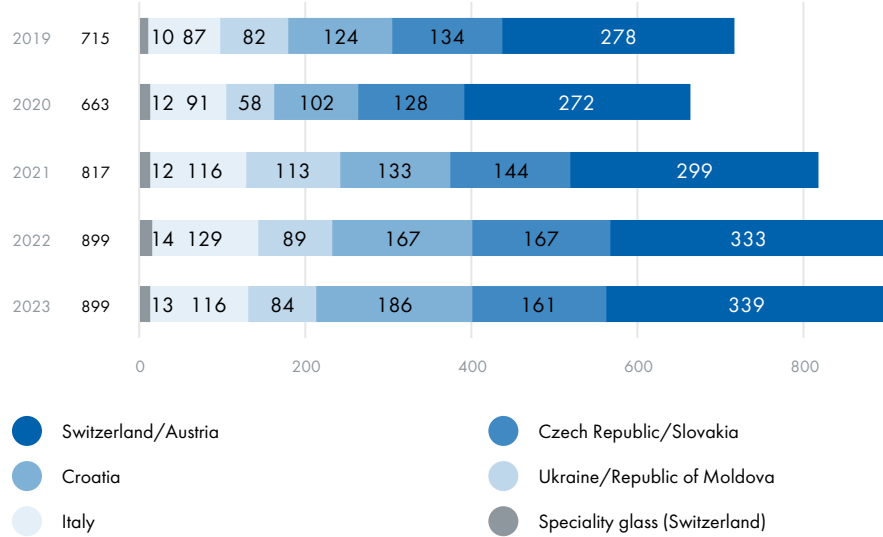
As per 31 Dezember 2023

Five-year overview

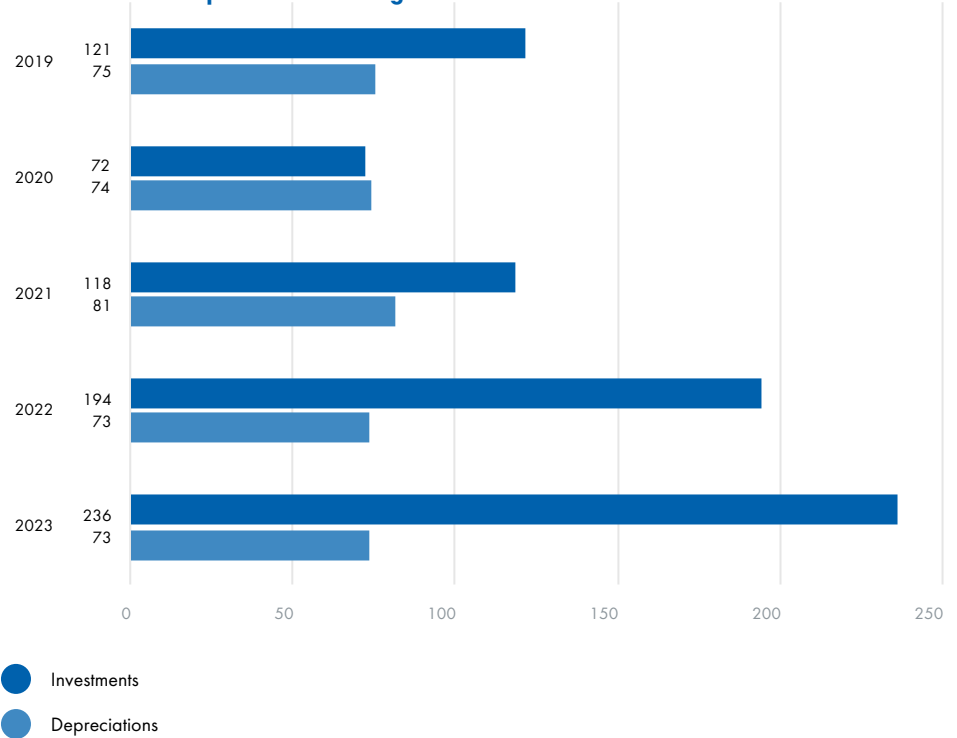
		2023	2022	2021	2020	2019
Consolidated income statement						
Net sales from goods and services	CHF millions	898.8	899.4	816.5	662.6	714.9
Change net sales from previous year	%	- 0.1	10.2	23.2	- 7.3	3.5
Operating cash flow before change of net working capital	CHF millions	130.1	142.2	154.1	141.2	153.3
Cash flow as % of net sales	%	14.5	15.8	18.9	21.3	21.4
Depreciation/Impairments on tangible assets ¹	CHF millions	74.1	73.5	82.2	74.3	75.7
Income taxes	CHF millions	15.8	9.4	12.1	8.5	14.2
Consolidated profit	CHF millions	63.3	40.7	63.8	81.2	72.4
Consolidated balance sheet as per 31.12.						
Investments in tangible assets	CHF millions	235.6	194.1	118.2	71.6	121.1
Total assets	CHF millions	1 263.8	1 234.5	1 047.8	991.5	949.2
Short-term assets	CHF millions	461.5	552.3	432.3	395.3	365.0
Long-term assets	CHF millions	802.3	682.2	615.5	596.2	584.2
Liabilities	CHF millions	513.1	485.2	273.3	227.9	200.8
Shareholders' equity	CHF millions	750.7	749.3	774.5	763.6	748.4
Equity ratio	%	59.4	60.7	73.9	77.0	78.7

¹ including depreciation on non-operating buildings

Consolidated net sales 2019 – 2023 in CHF millions



Investments and depreciations of tangible assets 2019 – 2023 in CHF millions



Financial report

Vetropack

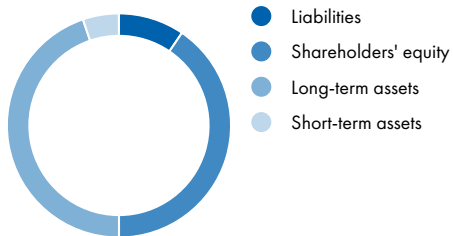
Holding Ltd

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Vetropack Holding Ltd

Total assets 31.12.2023

CHF millions



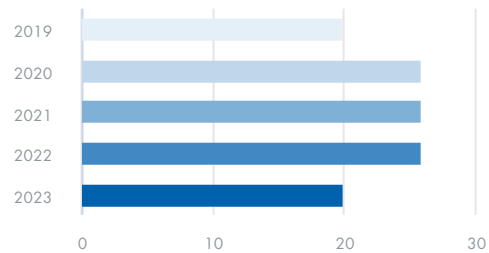
601.3

Change compared to the previous year

+11.1%

Dividend 2019-2023

CHF millions



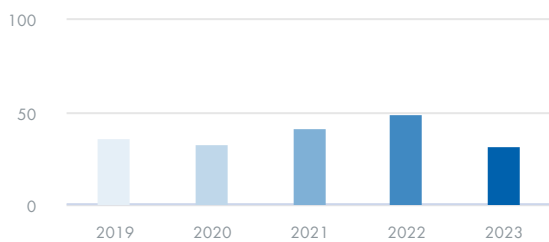
19.8

Change compared to the previous year

-23.3%

Distribution ratio 2019 - 2023

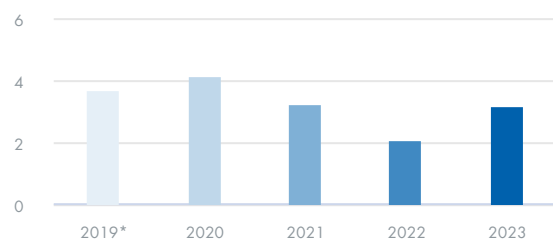
in %



31.3

Earnings per share

in CHF



*) nach Aktiensplit 1:50

3.19

Change compared to the previous year

+55.4%

Balance sheet

CHF millions	Note	31.12.2023	31.12.2022
ASSETS			
Short-term assets			
Liquid funds		27.3	101.2
Accounts receivable from third parties		0.3	0.2
Accounts receivable from group companies		14.3	11.0
Other short-term receivables from third parties		0.3	0.3
Other short-term receivables from group companies		17.3	2.7
Prepaid expenses and accrued income		3.2	2.1
Subtotal short-term assets		62.7	117.5
Long-term assets			
Loans to group companies ¹		366.7	300.2
Participations	3	169.2	120.2
Tangible assets		0.5	0.6
Intangible assets		2.2	2.7
Subtotal long-term assets		538.6	423.7
Total assets		601.3	541.2
LIABILITIES			
Liabilities			
– Accounts payable to third		2.4	2.0
– Accounts payable to group companies		3.0	2.5
Accounts payable		5.4	4.5
Short-term interest-bearing financial debts		101.9	68.1
Other short-term liabilities	4	–	0.1
Accrued expenses, deferred income and short-term provisions		3.4	3.0
Subtotal short-term liabilities		110.7	75.7
– Long-term financial debts to group companies		3.0	3.0
– Long-term provisions		0.7	0.7
Subtotal long-term liabilities		3.7	3.7
Total liabilities		114.4	79.4
Shareholders' equity			
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		374.4	364.4
– Retained earnings brought forward from previous year		18.9	17.2
– Annual profit		44.9	31.5
Accumulated profits		63.8	48.7
Subtotal shareholders' equity		486.9	461.8
Total liabilities		601.3	541.2

¹ of which CHF 30.0 million are subordinated (2022: CHF 30.0 million)

[Financial report Vetropack Holding Ltd](#)

Income statement

CHF millions	Note	2023	2022
Dividend income		39.4	31.0
Income generated from licenses		13.9	12.8
Management fees		14.4	12.1
Other income		23.1	18.7
Total income		90.8	74.6
Personnel expenses		- 16.4	- 16.4
– Administrative expenses		- 22.2	- 17.3
– Promotional expenses		- 1.9	- 1.2
– various operating expenses		- 2.8	- 2.6
Other operating expenses		- 26.9	- 21.1
Depreciation		- 0.1	- 0.1
Amortisation		- 1.4	- 1.7
Operating result (EBIT)		46.0	35.3
Interest expenses		- 0.1	-
Currency exchange losses		- 10.6	- 15.4
Total financial expenses		- 10.7	- 15.4
Interest income		6.0	1.8
Currency exchange gains		4.1	10.3
Total financial income		10.1	12.1
Ordinary result		45.4	32.0
Extraordinary result	6	-	- 0.3
Earnings relating to other periods	7	0.4	-
Annual profit before taxes		45.8	31.7
Income taxes		- 0.9	- 0.2
Annual profit		44.9	31.5

Notes

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. In 2023, contributions were made to the reserves at Vetropack Austria Holding AG in the amount of EUR 37.5 million (CHF 36.8 million) and at Vetropack Italia S.r.l. in the amount of EUR 12.5 million (CHF 12.2 million). Value adjustments to participations were neither formed nor released in the reporting year (2022: CHF 0.0 million).

4. Other short-term liabilities

Liabilities to pension funds amounted to CHF 0.0 million on the reporting date (2022: CHF 0.1 million).

5. Share capital

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

6. Extraordinary result

In the previous year, the extraordinary costs were related to the events in Ukraine.

7. Earnings relating to other periods

This item contains income of CHF 0.4 million in connection with flat-rate tax credits (2022: CHF 0.0 million).

8. Derivative financial instruments

As at 31 December 2023, Vetropack Holding Ltd has open currency swaps in the amount of EUR 61.1 million (CHF 56.6 million) (2022: EUR 64.0 million, CHF 63.0 million) with a negative market value of CHF 1.1 million (2022: CHF 0.1 million).

9. Total amount of securities provided for third-party liabilities

There are guarantees in favor of Vetropack AG, St-Prex, of CHF 2.7 million (2022: CHF 2.7 million), in favor of Vetropack Italia S.r.l., Trezzano, of EUR 5.7 million (CHF 5.3 million) (EUR 5.7 million, CHF 5.6 million) and Vetropack Austria Holding AG, Pöchlarn, for EUR 290.0 million (CHF 268.5 million) (2022: EUR 290.0 million, CHF 285.6 million), of which as of 31 December 2023 EUR 40.0 million (CHF 37.0 million) (31 December 2022: EUR 140.0 million, CHF 137.9 million) was not claimed as a loan by Vetropack Austria Holding AG.

10. 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.

11. 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.

12. Off balance sheet transactions

As of 31 December 2023 there were unrecognized leasing obligations in the amount of CHF 0.3 million (2022: CHF 0.3 million). CHF 0.2 million (2022: CHF 0.2 million) are due within 1 to 2 years and CHF 0.1 million (2022: CHF 0.1 million) are due within 3 to 5 years.

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	2023	2022
At disposal of the AGA		
Retained earnings brought forward from previous year	18.9	17.2
Annual profit	44.9	31.5
Accumulated profits	63.8	48.7
Total at the disposal of the AGA	63.8	48.7
Board of directors' proposal		
Accumulated profits	63.8	48.7
Allocation to the voluntary reserve	- 20.0	- 10.0
Dividend payment	- 19.8	- 19.8
Retained earnings brought forward	24.0	18.9

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

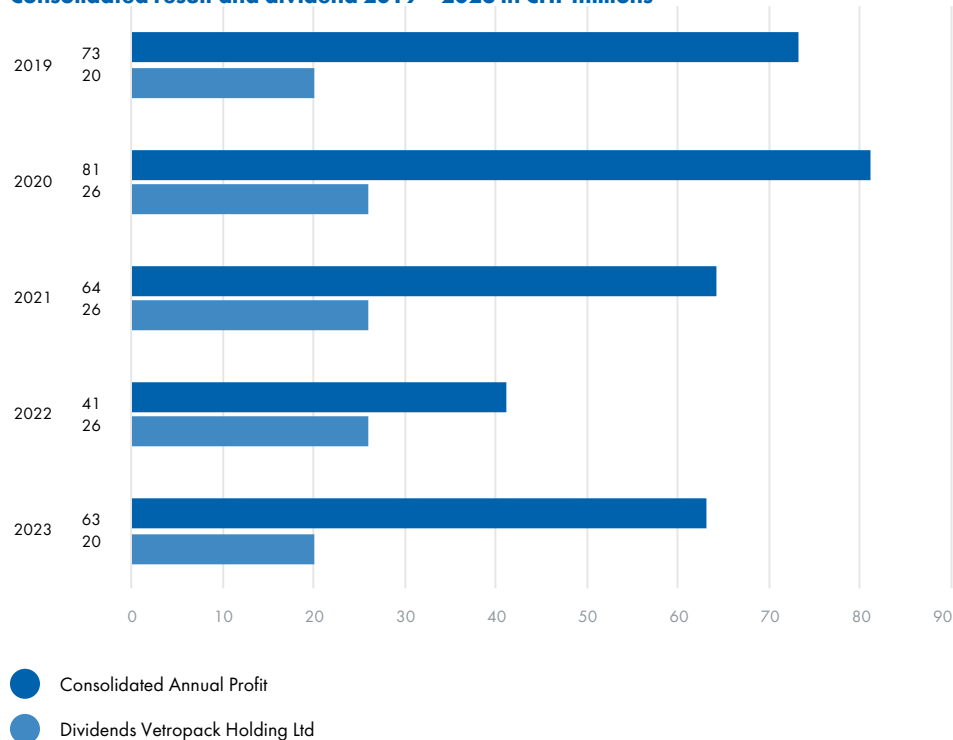
The dividend payment to the shareholders will be made on 2 May 2024 to the paying agent known to us.

Five-year overview

	2023	2022	2021	2020	2019
Income statement and balance sheet (CHF millions)					
Total income	90.8	74.6	84.1	77.5	61.8
Annual profit	44.9	31.5	35.0	44.4	33.4
Total assets	601.3	541.2	508.5	484.1	457.6
Participations	169.2	120.2	120.2	120.2	116.5
Share capital	19.8	19.8	19.8	19.8	19.8
Shareholders' equity	486.9	461.8	456.1	446.9	428.1
Share details (CHF)					
Share prices					
– Registered share A high	48.00	58.90	64.90	65.10	62.40
– Registered share A low	35.10	27.90	53.00	39.60	38.00
Earnings per share					
	3.19	2.05	3.22	4.10	182.61
Dividends					
– Registered share A	¹ 1.00	1.00	1.30	1.30	65.00
– Registered share B	¹ 0.20	0.20	0.26	0.26	13.00
Distribution ratio in %					
	31.3	48.6	40.4	31.8	35.3

¹ motion for the AGA on 25 April 2024

Consolidated result and dividend 2019 – 2023 in CHF millions



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