

# Sustainability report 2022

CONSOLIDATED NON-FINANCIAL  
STATEMENT PURSUANT TO LEGISLATIVE  
DECREE NO. 254/2016





# Glass meets nature

<b>1.0</b>	
Letter to the Stakeholders _____	4
<b>2.0</b>	
Methodological note and reporting scope ____	6
<b>3.0</b>	
Zignago Vetro: history, mission, and business _____	10
<b>4.0</b>	
ESG Highlights _____	32
<b>5.0</b>	
The Zignago Vetro Group's ESG Strategy ____	38
<b>6.0</b>	
The environment _____	58
<b>7.0</b>	
Social topics _____	132
<b>8.0</b>	
Zignago Vetro Group governance _____	180
<b>9.0</b>	
GRI Index _____	228
<b>10.0</b>	
Notes _____	236

# 1.0 Letter to the stakeholders

The United Nations decided to dedicate the year 2022 to glass, a material with a rich history spanning thousands of years, unique properties, and a truly vast variety of applications.

Despite challenging circumstances, glass experienced a surge in demand and appreciation from users in 2022, proving itself to be a greatly sustainable commodity. Even through difficult times, it has been rewarded by consumer choices, a testament to its unique character and extraordinary qualities in terms of health, safety, and recyclability. Glass is an infinite resource with ancient roots that is becoming increasingly popular.

Against this backdrop, the Zignago Vetro Group has successfully pursued economic and sustainable growth, despite the complex general economic and geopolitical conditions. We have faced soaring production factor costs, particularly in energy, raw materials, packaging, transportation, and other areas. Additionally, we witnessed a conflict erupt in the heart of Europe.

However, this year we also left behind the pandemic and its restrictions, resuming the pleasure of social relationships and everyday life.

**We experienced a year of hard and constructive work on the sustainability front, one that saw us pursue our pre-stated objectives with both determination and perseverance, while also adding challenging new goals**

**and important milestones to the mix.**

The percentage of our production made from post-consumer recycled glass (PCR) increased yet again, surpassing our targets and reaching 53.4%. Glass is the undisputed frontrunner in terms of recyclability as it can be fully recycled indefinitely without compromising the quality of the resulting container. No other material comes close to competing with the intrinsic properties of glass. We have therefore set ourselves even more challenging recycling goals, despite the glass outlet collection and processing market being highly competitive and speculative. Julia Vitrum S.p.A., our new company and the third Group initiative in the glass recycling sector, has grown steadily and is now a point of reference in the circular economy and local reuse field in North-East Italy.

Meanwhile, Zignago Vetro has installed a new furnace at its Fossalta di Portogruaro facility, guaranteeing significantly improved sustainability and energy efficiency. This allows the Group to produce fewer emissions and make significant energy savings while producing an identical product.

The amount of energy consumed to produce a tonne of glass decreased by -2.4% compared to the previous year, and the Group intends to decrease this figure by an additional -13% by 2030. The share of electricity from renewable sources remained high at nearly 45% of the total, which is impressive considering the extremely challenging energy market context. We also made great progress in terms of water consumption in 2022: further investments and increasingly prudent industrial management allowed us to reduce our water consumption per tonne of

molten glass by more than -36%, and we have confirmed some very ambitious strategic targets. The energy market, specifically the gas market, experienced severe tensions, threatening production disruptions due to supply interruptions. Despite these challenges, Zignago Vetro responded with its characteristic flexibility, redirecting energy sources to guarantee operational continuity. However, the ongoing situation did hinder our target of reducing CO<sub>2</sub> emissions per tonne of molten glass, which nevertheless remains a crucial long-term goal for the Group.

We have undertaken several initiatives to support worthy environmental, social, and cultural causes. Some of these include contributions to reforestation initiatives, seabed clean-up activities, sustainable winemaking (Gambero Rosso award), and the provision of aid to local institutions supporting people and families in need, and to health care facilities. Finally, we supported several cultural initiatives. The Group continued its "Zignago Vetro e l'Arte" project in 2022, which supports artists and the arts, including glass art. This involved sponsoring the Mazzotti Gamberinus literary prize.

**We made a concerted effort to improve our working conditions and to provide a safe and healthy place to work for our employees. We also devoted more time and attention to employee training and the prevention of work-related injuries.**

To complement the above, we enlisted the help of external professionals to assess our progress towards the United Nations Sustainable Development Goals (SDGs). This enabled us to paint a clear picture of our progress towards these goals and the extent to which we have already accomplished them. This is an important activity that the Group wishes to continue, using the appropriate methodology to monitor its degree of consistency with the United Nations' SDGs over time.

In 2022, we successfully operated without any reports of violations in key areas such as human rights, environmental protection, finance and taxation, and the proper management of market relations.

In addition, the Board of Directors and the Company, specifically through its ESG Committee, have consistently strived to build a fully sustainable management model that promotes a respect for human rights and transparent governance. As a result, Zignago Vetro's sustainability achievements were recognised by the entities responsible for assigning sustainability ratings, as demonstrated by largely positive feedback in 2022. New ratings were awarded and existing ones upgraded, thus positioning the Group as a leader in sustainability. Furthermore, Zignago Vetro was included in the first group of sustainable companies to be listed on the Italian Stock Exchange. This achievement is a testament to the virtue of our actions and the commitment we have shown towards sustainability.

Alongside all this, we are pleased with the economic and financial

results we have achieved, in addition to the value generated by the Group for the benefit of all stakeholders, with whom we have managed to maintain a healthy relationship, despite the challenges we have faced. Moreover, we have made every possible effort to fulfil our customers' needs, despite significant market tensions and strong demand for containers.

We are very proud of the professionalism and reliability for which the Group is well known. The results and improvements we were able to achieve in 2022 are owed to our extraordinary, united, motivated, and expert team. For this, we would like to extend a big thank you to each and every one of you.

**To conclude, for all those who regard the Group as a source of value and opportunity in making use of their savings and capital, we believe we continue to represent a trusted partner.**

All of this makes us very proud and gives us a reason to believe that the Group is adequately pursuing ethical growth, capable of combining passion, care and attention to business management with the requests of its partners, in full awareness that its growth and results are based precisely on this.

Notwithstanding the progress we have made and the results we have achieved, there remains much to be done, and we are committed to persevering and making improvements every day to construct a sustainable, ever-changing future for the Zignago Vetro Group.



**Roberto Cardini**

CHIEF EXECUTIVE OFFICER

# 2.0 Methodological note and reporting scope

This document is the Group's fourth Sustainability Report (hereinafter also "Report") and is the sixth consolidated non-financial statement to be published annually.

Zignago Vetro S.p.A. is part of an industrial group, which is headed by Zignago Holding, a company in which the glass business merges with other businesses, in particular the wine business and production of electricity from renewable sources.

The scope of this Report extends to all the Group's companies that fall under the consolidated financial statements prepared in compliance with the IFRS 11.

Specifically, it includes (consolidated line-by-line):

**(A) Zignago Vetro S.p.A.**  
the parent company  
FOSSALTA DI PORTOGRUARO, ITALY  
EMPOLI, ITALY

**(B) Zignago Vetro Brosse S.A.S.**  
VIEUX ROUEN SUR BRESLE, FRANCE

**(C) Zignago Vetro Polska S.A.**  
PILAWA, POLAND

**(D) Vetro Revet S.r.l.**  
EMPOLI, ITALY

The following companies have not, however, been included, despite being consolidated on a line-by-line basis:

- Zignago Glass USA Inc., which operates in Central and North America and has been deemed irrelevant for the purposes set out in this document;
- Italian Glass Moulds, which operates in Italy and manufactures moulds for hollow glass containers. It was acquired by the Group in October 2022 and its non-financial KPIs for the subsequent portion of 2022 are not considered significant.

The companies Vetri Speciali S.p.A., Vetreco S.r.l., and Julia Vitrum S.p.A. are also consolidated at equity.

Hereinafter, the above-mentioned Group, headed by the Parent Company Zignago Vetro S.p.A. is also simply referred to as the "Group", or "Zignago Vetro".



The annual reporting period runs from January 1, 2022 to December 31, 2022.

Zignago Vetro S.p.A. prepared this Sustainability Report in accordance with the GRI Standards for the period from January 1, 2022 to December 31, 2022.

The reporting company is Zignago Vetro S.p.A., with registered office at Via Ita Marzotto 8 in Fossalta di Portogruaro (Venice). Zignago Vetro S.p.A. is a private joint-stock company listed on the Euronext STAR Milan market.

The executive responsible for drafting this report is Roberto Celot, Chief Financial Officer of the Zignago Vetro S.p.A. Group.

As recommended by GRI 1 (2021), the 2022 Sustainability Report and related KPIs present data and information from the 2020 and 2021 reports that have not been subject to restatement.

This document is subject to external assurance by KPMG S.p.A.

This Zignago Vetro Sustainability Report performs the function of a Consolidated Non-Financial Statement pursuant to Legislative Decree No. 254 of December 30, 2016. It complies with the GRI Standards – using the “In Accordance with GRI Standards” option – issued by the Global Reporting Initiative (GRI) and applicable to NFS’ published after January 1, 2023.

The GRI Standards require the Sustainability Report to contain information relating to material topics that reflect the reporting organisation’s significant economic, environmental and social impacts or those that substantively influence the assessments and decisions of stakeholders.

The process of collecting data and information for this Report has been managed in collaboration with the various company divisions with the aim of facilitating a clear and precise indication of the information considered significant for stakeholders in accordance with the GRI Standards’ reporting principles of “balance, comparability, accuracy, timeliness, clarity and reliability”. Unless otherwise indicated, the data and information in this Sustainability Report refer to the companies belonging to Zignago Vetro Group at December 31, 2022, fully consolidated within the Annual Financial Report.

Figures relating to previous years are shown purely for comparative purposes, in order to allow for an assessment of the performance of the Group’s activities over the medium term. Furthermore, any estimates used in quantitative information reported in this document have been appropriately indicated in the various sections.

The 2022 Sustainability Report is our means for communicating the annual results of the Zignago Vetro Sustainability program to its own stakeholders.

This document was prepared using the “Global Reporting Initiative Sustainability Reporting Standards” (hereinafter GRI Standards) issued by the “Global Reporting Initiative” as a technical-methodological reference. These standards are integrated with the Sustainable Development Goals, or SDGs, developed with the UN’s 2030 Agenda.

- 1979  
Portogruaro Facility:  
F&B + C&P
- 1987  
Acquisition of the Empoli  
facility: F&B
- 1994  
Acquisition of facilities for  
the production of special  
containers
- 1995  
then merged into Vetri Speciali
- 2002  
Acquisition of Zignago Vetro  
Brosse in France: luxury  
perfumery
- 2004  
Restructuring of the “specialty  
glass” sector
- 2007  
Listing on the Italian Stock  
Exchange
- 2011  
Acquisition of Zignago Vetro  
Polska in Poland: C&P + F&B
- 2013  
Vetreco: cullet recycling
- 2015  
Zignago Glass USA Inc.
- 2017  
Vetro Revet: cullet recycling
- 2019  
Julia Vitrum: cullet recycling
- 2022  
Italian Glass Moulds:  
production and regeneration  
of moulds  
for hollow glass containers

Flexibility  
and production  
efficiency

Customer  
service

Product  
and process  
innovation



# 3.0

## Zignago Vetro: history, mission, and business

### 3.1

History

### 3.2

Mission, vision and values

### 3.3

Structure and activity of the Zignago Vetro Group

### 3.4

Business units

### 3.5

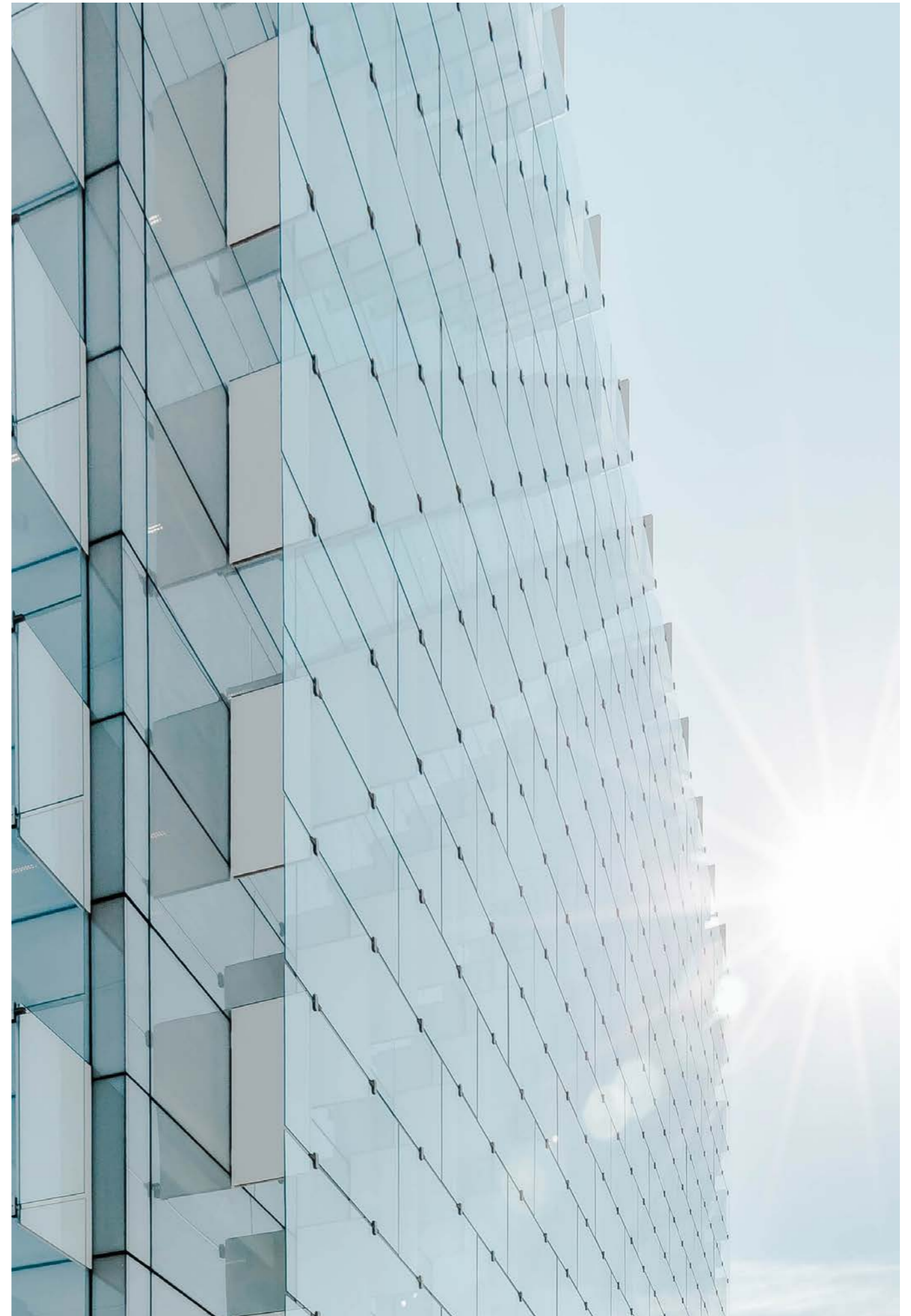
The Business Model and strategic orientation

### 3.6

Glass and its main features

### 3.7

The reduction in the consumption of virgin raw materials and increase in recycling



## 3.1 History

Zignago Vetro has its roots in the middle of the last century, when, on the initiative of Gaetano Marzotto, a vast tract of land, until then uncultivated, was converted to agro-industrial production, which later gave impetus to the first production of glass containers. This is how Zignago Vetro was born, with its first plant located in Fossalta di Portogruaro.

The founder's original objective was to radically transform the quality of agricultural labour through the mechanisation of production and professional education.

It was not only an entrepreneurial experience, but also a social one: together with the company the founder created a working structure and buildings dedicated to society (a nursery school, elementary school, theatre, etc.) and to the people (accommodation for employees), that represented a fundamental step in the birth and development of a new social-economic context that over time has evolved considerably, and even today continues to grow.

Zignago Vetro has succeeded in assimilating the essence of its founder's message, developing its businesses over the decades, thanks to the fundamental contribution of the employees, their ties to the territory, and to the strategic vision that has made it possible to seize the growth opportunities that the market offered.

The commitment of the Marzotto family to the community has remained constant, growing alongside the company, and finds its expression through an ongoing attention on the reduction of its environmental impact and important investments in infrastructures and social initiatives.

Today, the Zignago Vetro Group is one of the main producers of hollow glass containers in Italy and is one of the most important international companies in its sector.

This result is the result of steady growth, thanks both to the development of its own plants and the acquisition of

manufacturing glass companies and plants, many of which were dealing with situations of dire financial insolvency.

Zignago Vetro has been able to integrate the newly acquired businesses, restoring development and profitability, safeguarding jobs and also developing the referential socio-economic context. Since 1987, five production plants have been acquired – and a new one has been built – which today operate within the four glass companies of the Group, distributed among Italy, France, and Poland. They were carefully curated developments, following a prudent investment logic and efficient allocation of capital.

Moreover, starting from 2013, the Group has integrated its glass-related activities with those dedicated to cullet collection and recycling: this was a fundamental step for the sustainable development and for the glass production. Indeed, glass is a packaging material that is 100% recyclable an infinite number of times, without deteriorating the quality of the new container. Today, the Group has three glass recovery facilities.

**The Parent Company Zignago Vetro has been listed since 2007 on the Italian Stock Exchange, where it is present in the FTSE Italia Mid Cap and FTSE Italia STAR indexes.**

## 3.2 Mission, Vision and Values

In 2008, the Zignago Vetro Group adopted its own Code of Ethics, which defines the underlying inspirational and behavioural principles of the process for value creation (for shareholders, for employees, and for the community in general) and the development of business. These principles must be implemented in a long-term and sustainable manner through fair relationships with clients and suppliers and with respect for the dignity of all people who, through their work, contribute to the success of the company itself<sup>1</sup>.

The Code of Ethics is subject to constant updating and revision in relations with contributions received from stakeholders, as well as with the evolution of legislative measures, international best practise and, finally, according to the know-how acquired in the application of the Code itself.



**Agenda 2030**

### Mission

The Zignago Vetro Group pursues its original mission of producing and selling hollow glass containers for various market segments, specifically food and drink, cosmetics, and perfumery.

The Zignago Vetro Group has always based its mission on core values such as a respect for work and human rights, protection of the environment, providing customers with products and services that meet the highest standards of quality and safety and, finally, supporting and promoting the local community, both in terms of supplies and charitable initiatives. Finally, in pursuing its Mission, Zignago Vetro seeks to create continuous value for its partners.

The Zignago Vetro Group's mission is also to contribute to achieving the sustainability principles and goals defined by the United Nations 2030 Agenda.

Zignago Vetro recognises the importance of the 17 Sustainable Development Goals, which cover all areas of social, economic and environmental development in an organic and comprehensive manner.

To this end, Zignago Vetro signed up to the United Nations Global Compact in 2020.

# Vision and Values

The Zignago Vetro Group’s vision is to be a manufacturer known for the superior quality of its products and services. This includes a strong emphasis on innovation, creativity, flexibility, and reliability, achieved through an all-encompassing effort that prioritises ongoing improvement.

**An integral part of this vision is Zignago Vetro Group’s commitment to placing value on the human factor, through the contribution of both individual and collective action, which it considers fundamental for the success of the business**

In this regard, the Group has an approach to human resources based on equal opportunities regardless of gender, ethnic origin, religion or political ideology.

This approach extends across the entire network of company relations, from its own employees through all commercial affairs. Equal importance is placed on the Group’s commitment to adopting specific policies for the context and market in which it operates, in compliance with applicable laws and regulations, fair competition and opposition to all forms of illegal conduct.

Another fundamental aspect of the company vision is the Group’s awareness that its pool of stakeholders goes well beyond customers, and includes their wider environmental, social and local context. From this comes the conviction that respect for the needs of all stakeholders, from environmental, social and ethical topics, in general, to human rights and workplace safety, in particular, are fundamental issues in the definition of the Group’s policies and strategy.

The founding values shared by the Group are:

**Rigour in the performance of work at all levels;**

**Transparency in internal and external relations;**

**An ethical approach to corporate conduct;**

**Passion in the implementation of the Group's mission;**

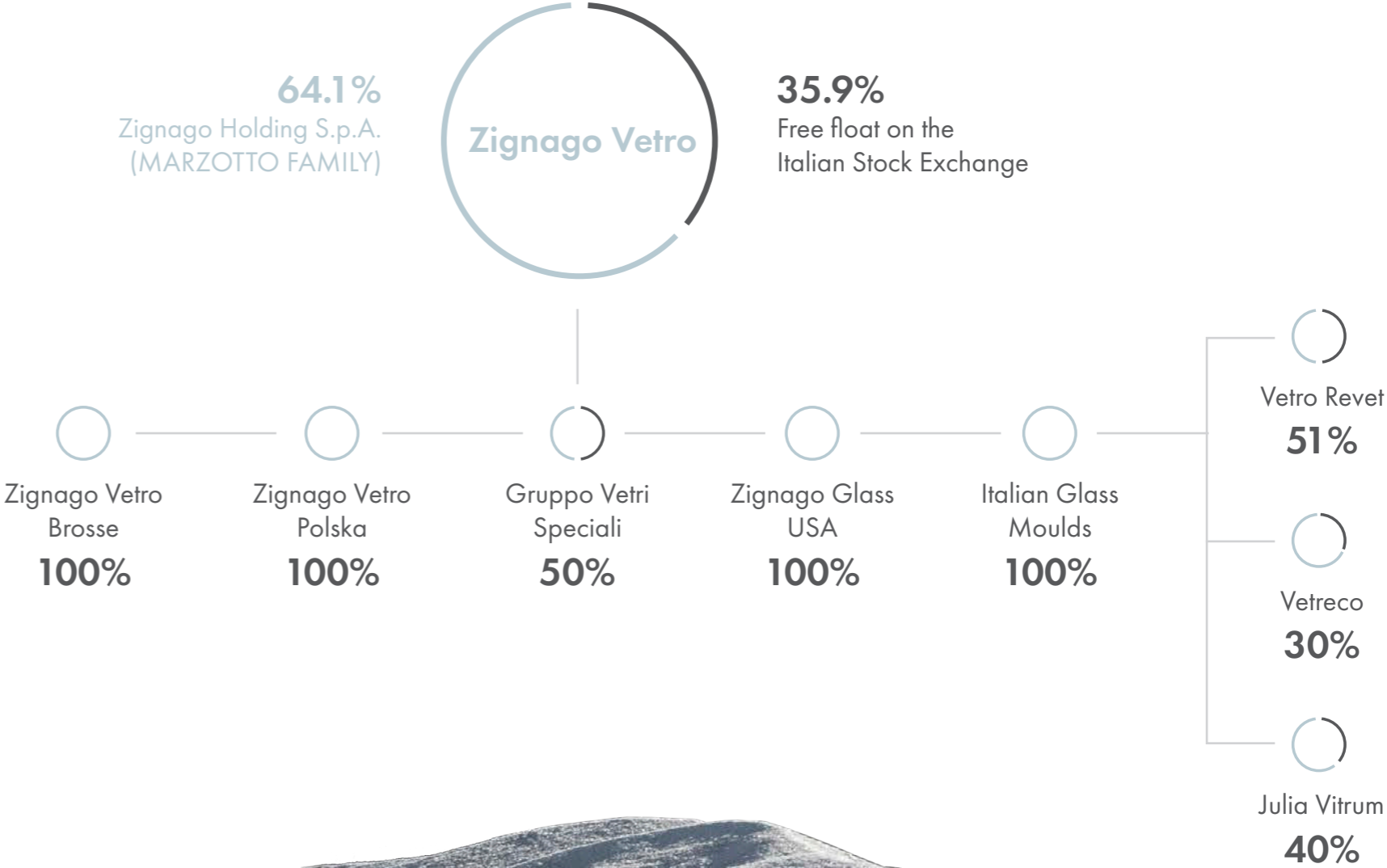
**Sustainability as an integral part of the strategy of Zignago Vetro Group.**



### 3.3

## Structure and activity of the Zignago Vetro Group

The Zignago Vetro Group is now one of the leading companies in the production and commercialisation of glass containers both in Italy and globally. The growth of the Group has featured a progressive diversification of its activities in various market sectors, ranging from beverages, food, cosmetics, perfumery, special containers and pharmaceuticals. This makes Zignago Vetro the most diversified glass group in the world. The Group's growth occurred and even today continues to be based on some strategic principles and business models that focus on flexibility and efficiency in production, on customer service, and on innovation. All these characteristics were made possible by the expertise gained over the years in all the business unit that form the Group.



3.4
Business Units



Zignago Vetro S.p.A. operates in the food & beverages, cosmetics & perfumery and pharmaceuticals markets and operates from two plants, in Fossalta di Portogruaro (VE) and Empoli (FI).



Zignago Vetro Brosse S.A.S. is a French company operating in the glass container market for haute perfumery, with a facility located in Normandy, in the centre of a district with ancient traditions in the production of elegant bottles for luxury perfumery. It also produces quality bottles to be used for luxury perfumery and spirits, created with semi-industrial production processes.



Zignago Vetro Polska S.A., with offices and a production plant in the region of Mazovia, near Warsaw, works in specific niches of the worldwide market of glass containers for cosmetics and perfumery as well as for food and beverage, offering a wide range of personalised products.



Zignago Glass USA Inc. works as a sales agency to promote the European glass productions of the Group on the American market.



Vetri Speciali S.p.A. produces and markets personalised bottles, targeting premium and high-end wines, oils, and liqueurs, created in original shapes with a wide range of colours and also in very small lots. The company operates with four plants located in north-eastern Italy.



Vetreco S.r.l., Vetro Revet S.r.l., and Julia Vitrum S.p.A are companies that operate in the areas of processing and commercialisation of glass cullet intended for reuse in glass companies. Vetreco operates in central-southern Italy, Vetro Revet operates mainly in central Italy, and Julia Vitrum S.p.A operates mainly in north-eastern Italy.



Italian Glass Moulds S.r.l. manufactures and recycles moulds for hollow glass containers, a key area of glass container production. The company boasts modern facilities, its own technologies, and an established and significant know-how.

2022	Market Segments	Products	Main features	Competitive advantages
Zignago Vetro Sales Euro 356.4m	Food & Beverage Perfumery and Cosmetics		Flexibility, efficiency and technical expertise, key to success Focus on selected segments for food & beverage, cosmetics & perfumery	Flexibility Quality
Zignago Vetro Brosse Sales Euro 57.7m	Luxury Perfumery		Extraordinary range of high quality and efficient products Focus on the luxury perfumery market	Quality Innovation
Zignago Vetro Polska Sales Euro 74.2m	Food & Beverage Perfumery and Cosmetics		Wide range of customised products for global, glass container, market niches for cosmetics, perfumery and food & beverages	Customisation Small batch production
Gruppo Vetri Speciali Sales Euro 166.1m	Special Containers		Special highly customised glass containers, produced in very small batches with a strong focus on efficiency	Customisation Small batch production
Vetreco Sales Euro 10m Vetro Revet Sales Euro 13.7m Julia Vitrum Sales Euro 9.7m	Scrap Recycling		State-of-the-art technology to process scrap to the highest standards of colour separation, to produce the highest-quality finished scrap	Located in strategic areas with strong growth potential

# 3.5 The Business Model and strategic orientation

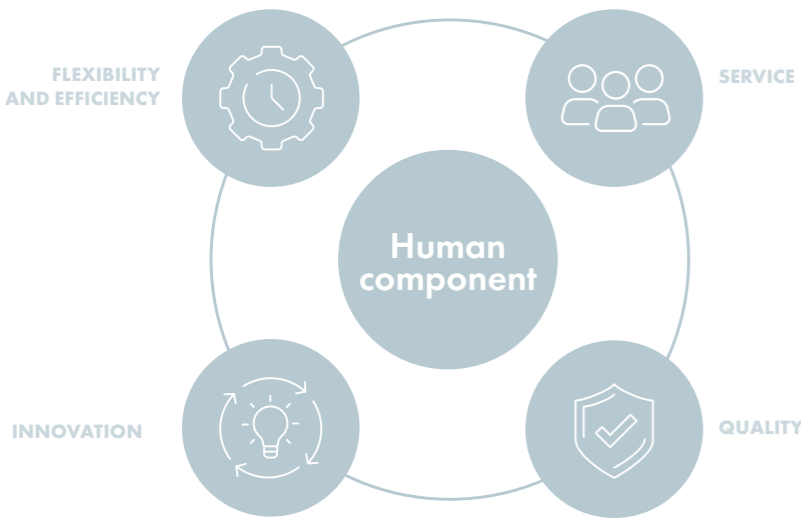
The outstanding factors that characterise the Zignago Vetro’s business model, on which the Group’s strategic orientation is founded, are the following:

- **flexibility** and production **efficiency**, an essential prerequisite that allows the Group to operate in niche yet diverse markets. Indeed, Zignago Vetro offers products that differ greatly, ranging from standard manufacturing to personalised items, to those offering very significant innovations, up to the production of special containers featuring shapes, colours, dimensions, and production lots that are extremely far from the conventional ones;
- **customer service**, intended as an added value that is expressed through flexibility in responding to changing market demands, after-sales assistance, and a transparent and collaborative approach;
- **product and process innovation**, which allows the Group to constantly pay a high attention in making products in the best possible way;
- **focus on the human component**, an essential and distinctive element for the growth and strengthening of the Group's position in the market.

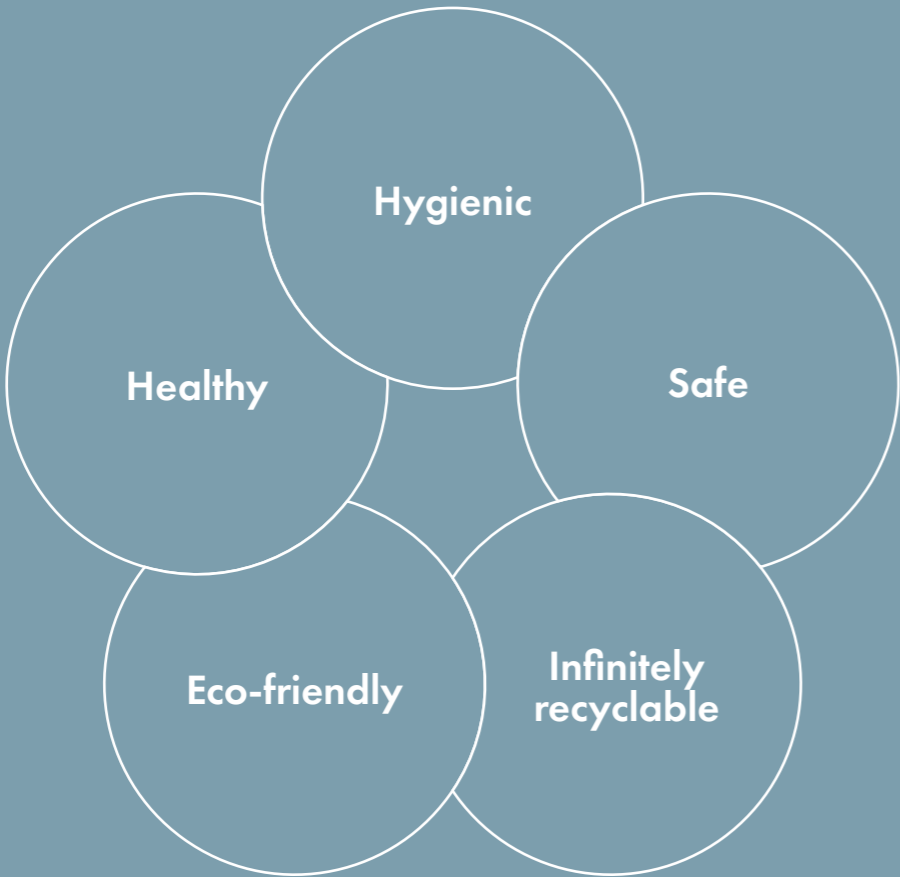
A further distinctive element of Zignago Vetro's strategy is vertical integration, which has allowed other complementary activities to develop alongside the production of glass containers, and in particular:

- decoration services - silk-screen printing and lacquering - on glass containers, produced by Zignago Vetro Polska, which over the years has created and developed a department capable of providing the market and Group companies with high quality services;
- processing and marketing of cullet originating from urban waste collection: this activity has been constantly expanding over the years and is part of the Group's growth lines for the near future.

The Group wants to **maximise the recycling of glass** because it represents a significant source of savings in terms of consumption of raw materials and energy, as well as a reduction in climate altering emissions. **Glass recycling is therefore one of the key points of the Group’s sustainability strategy.**

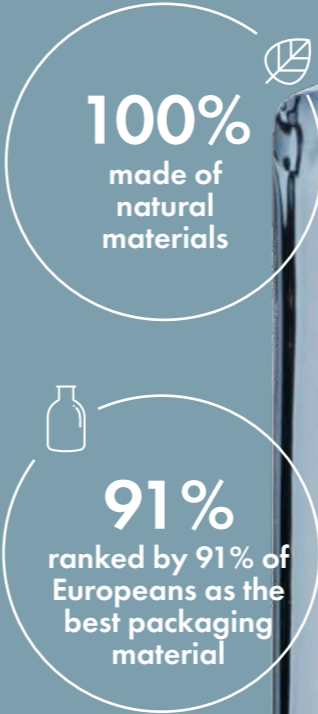


# 3.6 Glass and its main features



It is both an ancient and very current material, made of recycled glass, sand, sodium, calcium carbonates, and other elements – all 100% natural materials.

According to a FEVE study, 91% of European consumers believe glass is the best packaging material<sup>2</sup>. Glass boasts unique qualities in terms of health, taste, and sustainability.



Glass has no equal: it is hygienic, healthy, eco-friendly, infinitely recyclable, and safe.

The United Nations decided to dedicate the year 2022 to glass, celebrating the past, present, and future of this iconic material. Glass has been a part of daily human life since its origins and has long played a key role in business, culture, and science. It has accompanied humankind for millennia, from the Phoenicians to the Romans, up to the present day. Glass has countless applications and has played a star role in technological innovation. The unique blend of sand, sodium carbonate, and limestone, alongside the crucial addition of recycled glass cullet, still possesses the remarkable ability to create a magnificent substance that is adored by people around the world. It serves as a daily companion, making it an indispensable part of life.



It requires both passion and dedication to manufacture and mould glass.

The production process is by no means easy. Our ability to make technological advancements and discover new possibilities of application relies on the accumulation of centuries of experience and expertise, in addition to the ongoing pursuit of research and experimentation. It is a material that cares for people and the planet. Glass is the only form of packaging that can be infinitely reused and recycled, thus reducing waste, slashing CO<sub>2</sub> emissions, and limiting the use of raw materials. It is also the only form of food packaging that never loses its intrinsic ability to preserve flavour and quality when recycled. Glass is a key resource for modern societies that care about the ecosystem and in which circularity plays an important role in daily life. This is also why glass was recently described by the scientific journal Nature as

"the hidden gem in a carbon-neutral future".

Zignago Vetro has enthusiastically participated in the International Year of Glass celebrations, attending and sharing its experiences at several major events.





## Food Safety

Glass is chemically and biologically inert, with a consequential absence of reactions with the substances that it contains and without the release of hazardous chemical substances; glass can also be easily sterilised and sanitised.



## Perfect Preservation

Glass is the only material that perfectly preserves the original flavour of foods and drinks without altering the content. Thanks to its structure, it is a perfect barrier against gases from both outside-in and vice-versa.



## Transparency, Elegance, Identity

Thanks to its intrinsic qualities, glass makes it possible to easily see the colour and consistency of the contents. Moreover, glass packaging has a peerless appeal in terms of quality, sensory perception, and aesthetic design, capable of creating a unique customer experience.



## Totally and infinitely recyclable

Glass is in harmony with nature and makes it possible to protect natural resources. It does not break down into microparticles that harm the ecosystem and can be used countless times over. A glass container can always be turned into a new glass container with exactly the same characteristics and quality finish. Ad infinitum.

## Glass recycling: a key component of sustainability

The total and infinite recyclability of glass makes it an extremely sustainable material. According to what publications by Enea, Eni, Enel and IASM, with the sponsorship of the Ministry of Industry (source: Co.Re.Ve. - Glass Recovery Consortium), glass recycling in glass production, i.e. substituting the use of virgin raw materials (sand, soda, limestone, dolomite, feldspar, etc.) with cullet, provides significant environmental benefits, the most significant being:

- **Reduced consumption of natural resources** (natural raw materials), resulting in less mining.
- **Reduction of energy consumption**, achieved by replacing traditional raw materials, featuring much higher energy costs, than the cullet used in their place.
- **Reduced emissions** from glass-melting furnaces as a result of direct savings achieved through the use of cullet.

### Saving on raw materials

For every tonne of virgin raw materials, 0.8 tonnes of glass is obtained.

If cullet were not used, the average composition of the vitrifiable mixture would be approximately 62% sand, 18% soda ash, 11% marble, 5% dolomite, 2% feldspar, and 2% other materials (source: Co.Re.Ve.).

According to data collected by Co.Re.Ve, 2.8 million tonnes of glass containers were produced for consumption in 2021.

**Of these, 2.4 million tonnes were collected for recycling, or 84.8% (+0.9% on 2020). Glass that was collected and sent for recycling saved a total of 412 million cubic metres of gas, 2.4 million cubic metres of CO<sub>2</sub>, and 3.9 million raw materials. In addition, it generated revenues of about Euro 102 million for Italian municipalities, while saving around Euro 400 million in landfill disposal costs.**

The highest rates of cullet use are achieved in the production of coloured glass (green, UVAG) due to the increased availability of coloured and/or mixed glass cullet on the market. This may even exceed 90%.

Transparent glass production, on the other hand, still produces significantly lower scrap percentages, as a result of the reduced availability of good quality transparent scrap in the market. This is one of the reasons for Zignago Vetro's firm commitment to adopting the best available technologies in its plants, to continually increase the quantity of transparent scrap available. In fact, a considerable part of Zignago Vetro's production is made of transparent glass, including containers for cosmetics and perfumery.

### Energy saving

The use of cullet allows significant energy savings, which can be calculated as the sum of the amount of energy saved for the extraction of virgin raw materials (indirect savings) and the energy needed in the melting furnaces for producing the glass (direct savings).

On the basis of the data provided by Co.Re.Ve., the average direct energy saving realised by the glass industry is about 2.5% of consumption for every 10% of scrap added in the vitrifiable mixture, while the indirect saving is roughly a further 1.6%.

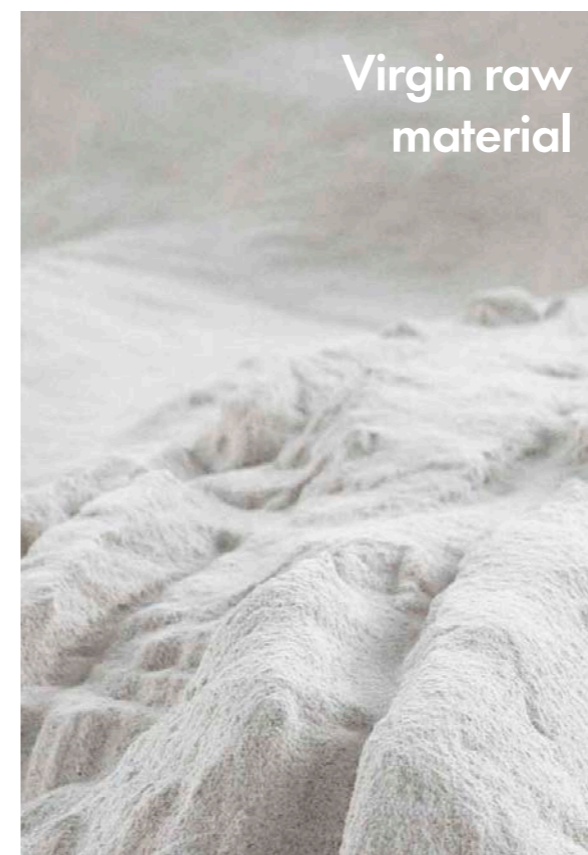
### Reduced CO<sub>2</sub> emissions

The use of cullet instead of virgin raw materials enables a reduction in the amount of carbon dioxide resulting from the decomposition of carbonates in the virgin raw material mixture.

According to the data provided by Co.Re.Ve., calculated by the Glass Experimental Station, in 2021 the reduced use of soda, marble and dolomite led to a reduction of about 2.4 million tonnes of CO<sub>2</sub> emissions.

Added to these emission savings are those resulting from the lower direct consumption of energy, quantified, according to Co.Re.Ve. data (calculated by the Experimental Glass Station) to about 374,000 less tonnes of CO<sub>2</sub> emitted.

Consequently, again according to Co.Re.Ve. data, in 2020 the use of cullet lowered direct CO<sub>2</sub> emissions by about one third.



# 3.7

## The reduction in the consumption of virgin raw materials and increase in recycling

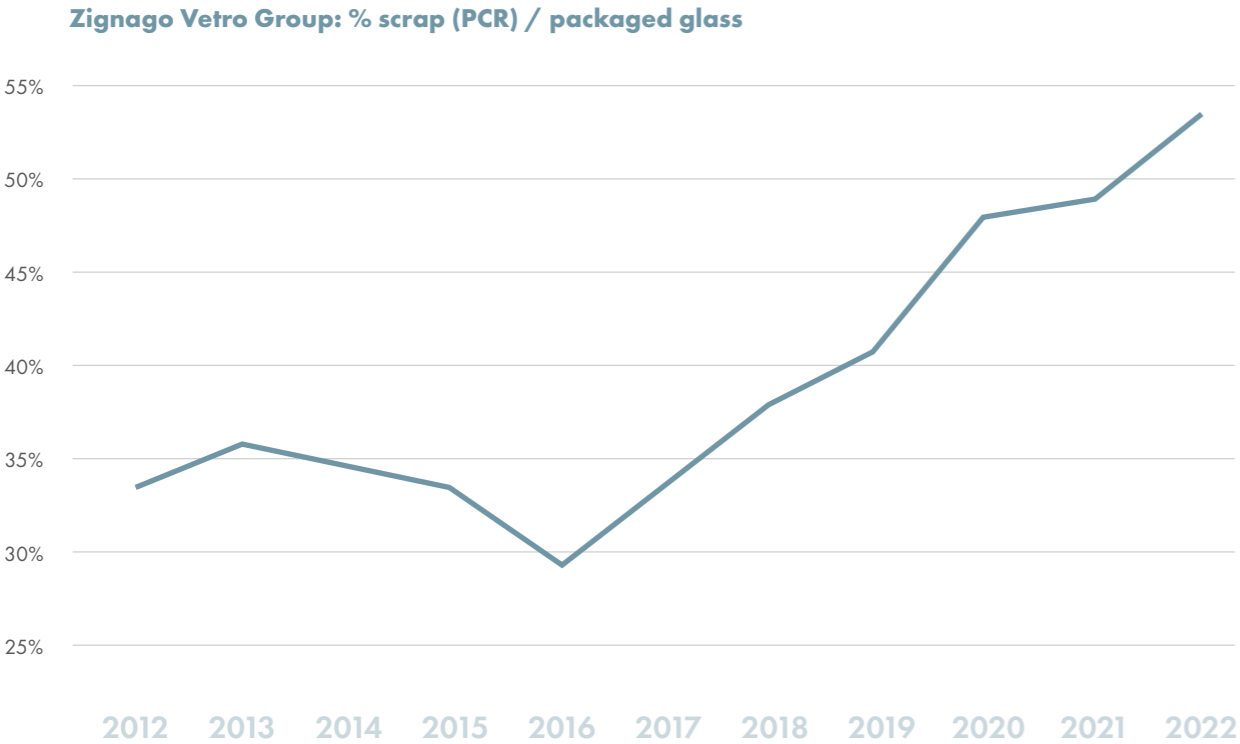
As explained in the previous paragraphs, over the past ten years Zignago Vetro has adopted a significant strategy - including from an ESG point of view - by constantly reducing its use of virgin raw materials and simultaneously continuing to increase the use of recycled glass.

As illustrated in the previous paragraphs, this strategic direction has resulted in a strong push towards the use of cullet and investment in treatment plants (Vetresco, Vetro Revet and Julia Vitrum), specialised in the recovery of cullet, enabling Zignago Vetro to become a leading operator in this sector in Italy.

Overall, in the above three companies, Zignago Vetro has invested, considering its own shareholding, over Euro 30 million.

These investments have enabled Zignago Vetro to continuously increase the percentage of recycled glass used. The chart below illustrates this trend.

more than  
**30 Mln**  
total  
investment



Zignago Vetro is also an active part of several actions whose purpose is to increase clients' and consumers' awareness of recycling: the company collaborates with glass associations on both national (Assovetro and Coreve) and European levels (FEVE) in order to promote the quality and quantity of collected glass; it also joined FEVE's "Close the Glass Loop" initiative to reach – by 2030 – a 90% average collection rate for recycled glass<sup>3</sup>.

The activities described above are all part of the pursuit of Zignago Vetro's corporate strategy, through which Zignago Vetro expects 70% of the total glass it produces to comprise external post-consumer recycled material (Post Consumer Recycling - PCR) by 2030 (+31.1% compared to 2022).

This is a particularly positive result and above expectations, considering that a significant part of the Group's container production is made of clear glass, where the possibility of reusing cullet is made more difficult due to the reduced availability of clear, properly colour-sorted, scrap.

This is one of the main factors that led Zignago Vetro to invest so significantly in glass recycling, with the goal of making transparent scrap available in ever greater quantities and with an ever higher level of quality.

The achievement of annual and long-term objectives (ESG strategy) is also constantly monitored through a system of measurement (KPIs) and control.

In 2022, the percentage of PCR scrap used for glass production increased further to 53.4% (49.6% in 2021 and 48.0% in 2020). Thanks to this further improvement, the company has surpassed its ambitious target for 2022 (of 52%). This is mainly due to its widespread presence in the region through wholly owned or joint-venture recycling companies.

The Group's target for 2023 is for 55.0% of all glass produced to originate from PCR glass cullet.

### Road to 2030

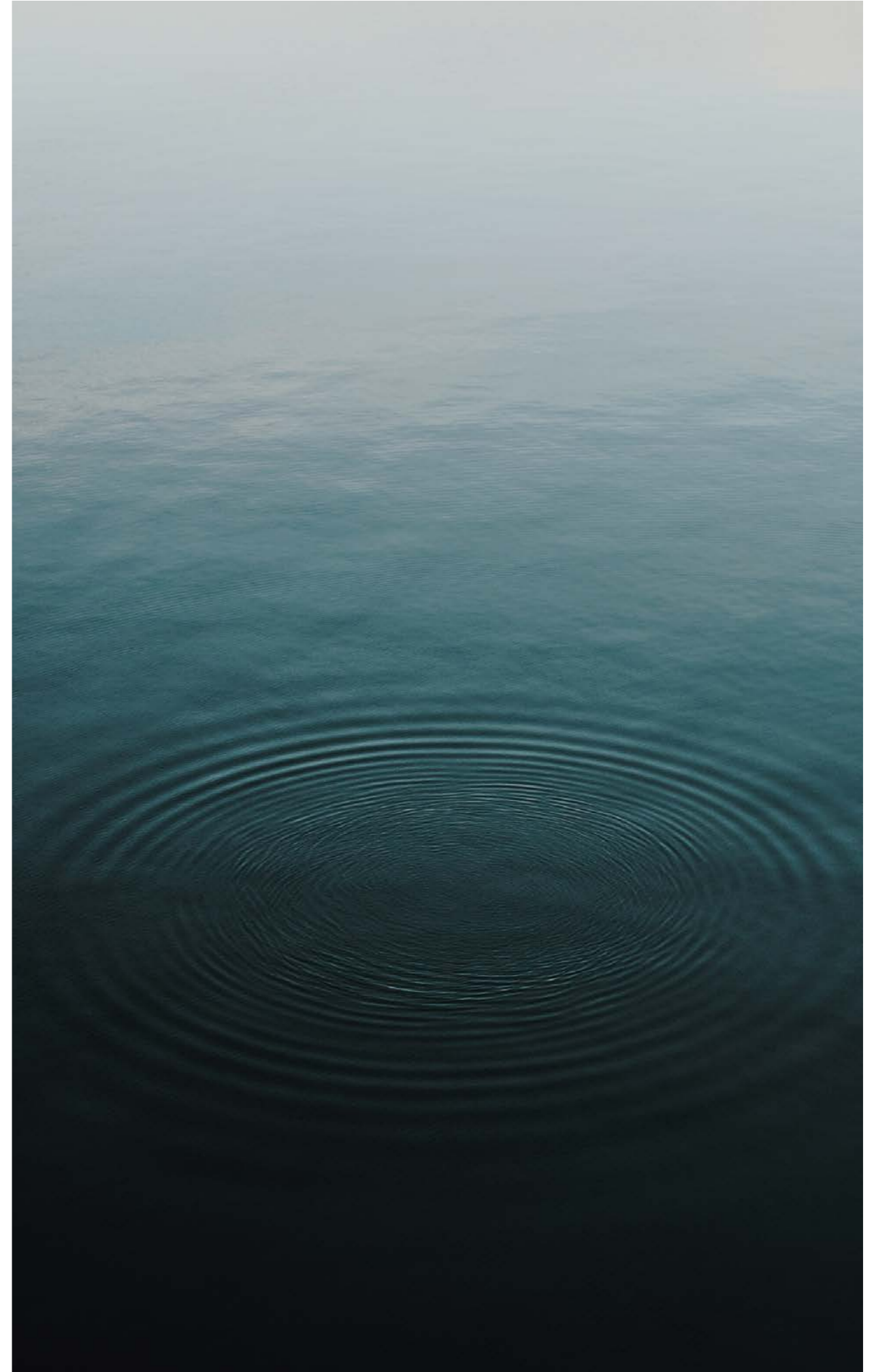
PCR used for production:

- 2022  
53,4%
- objective 2023  
55,0%
- objective 2030  
70,0%

# 4.0 ESG Highlights

4.1  
Key ESG KPIs

4.2  
KPIs with indices of coverage for  
material topics



# 4.1

## Key ESG KPIs

Below is a summary of the most significant KPIs for the Group, in terms of economic, governance, social, and environmental performance.

These indicators will be analysed in more detail in the following chapters.

KPIs	2020	2021	2022	CHANGE 2022/2021	Goal 2022	Goal 2023	Goal 2030
ENVIRONMENTAL KPIs							
CO <sub>2</sub> emissions (scope 1+2 MB*)/molten glass (tonne CO <sub>2</sub> /tonne)	0.514	0.502	0.533	+6.2%	0.497	0.529	0.351
CO <sub>2</sub> emissions (scope 1)/molten glass (tonne CO <sub>2</sub> /tonne)	0.431	0.397	0.425	+7.1%	-	-	-
CO <sub>2</sub> emissions (scope 2 MB*)/molten glass (tonne CO <sub>2</sub> /tonne)	0.101	0.105	0.108	+2.9%	-	-	-
Indirect CO <sub>2</sub> emissions (scope 3)/molten glass (tonne CO <sub>2</sub> /tonne)	0.274	0.278	0.336	+20.9%	-	-	Engagement with parties responsible for at least 80% of scope 3 emissions
Number of times the legal limit for atmospheric emissions was exceeded (NOx, SOx and dust)	0	0	0	0%	0	0	0
Total energy consumed (MWh equivalents)	1,125,078	1,172,401	1,179,001	+0.6%	-	-	-
Total energy/molten glass (kWh eq/kg)	1.995	1.936	1.889	-2.4%	1.897	1.870	1.646
% Renewable electricity out of total	44.3%	44.6%	44.6%	0%	46%	46%	100%
Water withdrawals/molten glass (m3/tonne molten glass)	2.87	1.93	1.23	-36.3%	1.79	1.10	0.8
Water discharges (m3/tonne molten glass)	2.86	1.94	1.26	-35.1%	-	-	-
Number of times the legal limit for process water discharges was exceeded (pollutants such as suspended solids, DOC, heavy metals, hydrocarbons, etc.)	0	0	0	0%	0	0	0
% of PCR cullet on glass produced	48.0%	49.6%	53.4%	+7.7%	52.0%	55.0%	70.0%
% reused packaging - Interlayer pads	79.6%	78.9%	66.7%	-15.5%	-	-	-
% reused packaging - Pallets	66.2%	70.3%	60.0%	-14.7%	-	-	-
% of recycled material in packaging used - Heat-shrinkable material	26.1%	31.9%	37.7%	+18.2%	-	-	-
% of recycled material in packaging used - Paper and Cardboard	72.8%	73.5%	68.5%	-6.8%	-	-	-
Total waste,/Molten glass(kg/tonne)	10.27	9.79	7.83	-20.0%	-	7.77	5.50
% Total waste directed to landfill	27.6%	30.7%	29.6%	-3.6%	0%	28.0%	20.0%
% Total waste sent for recycling, reuse or recovery (including energy recovery)	72.4%	69.3%	70.4%	+1.6%	100%	72.0%	80.0%
Environmental incidents at production sites	0	0	0	0%	0	0	0

KPIs	2020	2021	2022	CHANGE 2022/2021	Goal 2022	Goal 2023	Goal 2030
SOCIAL KPIs							
Group employees at December 31	1,686	1,766	1,813	+2.7%	-	-	-
Employees, Italy	727	725	779	+7.4%	-	-	-
Employees, other countries	959	1,041	1,034	-0.7%	-	-	-
Employees by gender							
- Male	1,168	1,196	1,280	+7.0%	-	-	-
- Female	518	570	533	-6.5%	-	-	-
Employees by contract type:							
- Fixed-term	241	330	299	-9.4%	-	-	-
- Permanent	1,445	1,436	1,514	+5.4%	-	-	-
Employees by job role:							
- Executives	23	22	25	+13.6%	-	-	-
- White-collar	332	337	337	0%	-	-	-
- Blue-collar	1,331	1,407	1,451	+3.1%	-	-	-
Training hours	18,884	23,999	27,549.7	+14.8%	-	-	-
Mortality rate	0	0	0	0%	0	0	0
Employee work-related injuries	45	54	54	0%	0	0	0
Frequency index (No. inj./hrs worked* 10^6)	17.2	19.7	19.6	-0.5%	0	0	0
Severity index (dlost/hrs worked* 10^3)	0.626	0.759	0.889	+17.1%	0	0	0
External worker injuries	N/D	3	5	+66.7%	0	0	0
External worker injury frequency index (no.)	N/D	9.33	4.05	-56.6%	0	0	0
External worker injury severity index (no.)	N/D	0.17	0.28	+64.7%	0	0	0
Trade union meetings	49	55	76	+38.2%	-	-	-
Final judgements against ZVG in cases of violation of workers' rights (no.)	0	0	0	0%	0	0	0
Final judgements against ZVG regarding violations of workers' freedom of association (no.)	0	0	0	0%	0	0	0
% workforce covered by regular, formal collective bargaining agreements regarding working conditions	100%	100%	100%	0%	100%	100%	100%

KPIs	2020	2021	2022	CHANGE 2022/2021	Goal 2022	Goal 2023	Goal 2030
Ethical Group KPIs							
% of suppliers using 3TG minerals for which a CMRT (or other certificate of provenance) is available	100%	100%	100%	0%	100%	100%	100%
% of active suppliers subject to the Supplier Code of Conduct	100%	100%	100%	0%	100%	100%	100%
% of the Group's expenditure covered by relevant suppliers assessed through ESG questionnaire	N/D	64.7%	75.9%	+17.3%	>75%	>75%	>75%
% response rate from suppliers assessed through ESG questionnaire	N/D	61.0%	80.4%	+31.8%	100%	100%	100%
% of suppliers suspended for non-compliance with ESG principles	N/D	0%	0%	0%	0%	0%	0%
% buyers trained on ESG topics in the last two years	100%	100%	100%	0%	100%	100%	100%
% of operating sites subject to audit by the Supervisory Board	100%	100%	100%	0%	100%	100%	100%
Whistleblowing reports	0	0	0	0%	0	0	0

KPIs	2020	2021	2022	CHANGE 2022/ 2021	Goal 2022	Goal 2023	Goal 2030
Economic-Financial Indicators							
REVENUE*:	406.6	493.0	640.8	+30.0%	-	-	-
EBITDA*	106.6	130.3	162.1	+24.5%	-	-	-
EBIT*	53.8	75.8	99.2	+30.9%	-	-	-
Capital expenditure (Euro millions)	42.7	83.8	81.6	-2.6%	-	-	-
Group ROI*	12.84%	15.17%	17.8%	+17.3%	-	-	-

\*Figure shown based on the “Management View”, as defined and reported in the Directors' Report to the 2022 Consolidated Financial Statements, which also includes Vetri Speciali, Vetreco, and Julia Vitrum.

Key IFRS data, with Vetri Speciali, Vetreco and Julia Vitrum consolidated at equity: Turnover Euro 468.9 million; EBITDA Euro 135.8 million, EBIT Euro 86.3 million and Technical investments Euro 69.2 million.

For the definition of the Management View and the reconciliation with the financial statements drawn up in accordance with IFRS, reference should be made to the Directors’ Report at December 31, 2022

## 4.2 KPIs with indices of coverage for material topics

The following table sets out the coverage indicators for the ESG initiatives undertaken by Zignago Vetro over the last two years:

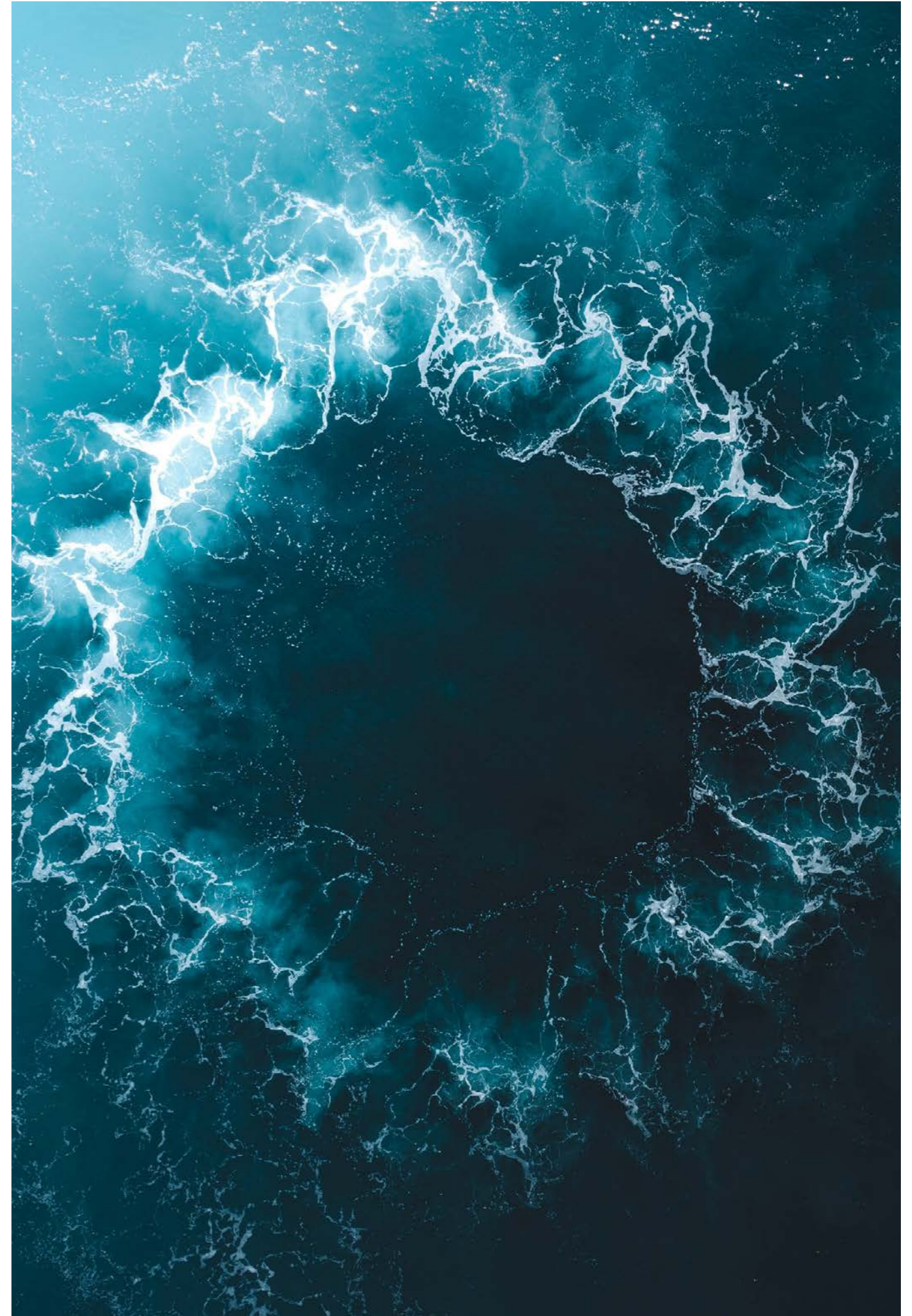
COVERAGE INDICATOR	2022				Objective 2023	Objective 2030
	ITALY	POLAND	FRANCE	GROUP		
THE ENVIRONMENT						
% operating sites with an environmental risk assessment in place	100%	100%	0%	80%	100%	100%
% ISO 14001 certified operating sites	100%	100%	0%	80%	80%	100%
SAFETY AT WORK						
% of operating sites with an occupational safety risk assessment in place	100%	100%	100%	100%	100%	100%
% ISO 45001 or OHSAS 18001 certified operating sites	0%	0%	0%	0%	-	100%
% workforce represented by a joint management-worker health and safety committee	100%	100%	100%	100%	100%	100%
WORKING CONDITIONS						
% workforce covered by regular, formal collective bargaining agreements regarding working conditions	100%	100%	100%	100%	100%	100%
% workforce covered by formally elected representatives (Union Representative/Workers' Representative Body, etc.)	100%	100%	100%	100%	100%	100%
HUMAN RIGHTS						
% of operating sites subject to SB human rights audits and verifications	100%	100%	100%	100%	100%	100%
CORPORATE ETHICS						
% of operating sites subject to SB audits and verifications on ethics	100%	100%	100%	100%	100%	100%
CAREER MANAGEMENT						
% of workforce subject to individual or group assessment on performance and professional development	100%	100%	100%	100%	-	-
% workforce with a professional development plan (workers included in training, wanting to change career, or considered for promotions or pay band upgrades)	100%	100%	100%	100%	100%	100%
PERFORMANCE-RELATED PAY						
% of Executives with bonuses linked to the achievement of ESG objectives	100%	100%	100%	100%	100%	100%
TRAINING						
% workforce in receipt of professional and/or personal development training in 2022 (participation in at least one course) (*)	100%	100%	89.2%	98.3%	-	-
% workforce trained on environmental topics in 2022 (*)	14.9%	56.2%	0%	32.6%	-	-
% workforce trained on worker safety in 2022(*)	68.9%	100%	70.4%	81.4%	-	-
% workforce trained on business ethics in 2022 (*)	10.9%	0%	4.2%	5.6%	-	-
% workforce trained to prevent discrimination and human rights violations in 2022(*)	10.9%	0%	4.2%	5.6%	-	-
SUPPLY CHAIN MANAGEMENT						
% contracts/purchase orders with ESG clauses	100%	100%	100%	100%	100%	100%
% buyers trained on ESG topics in the last 2 years	100%	100%	100%	100%	100%	100%
Response rate among suppliers assessed with ESG questionnaire	74.1%	96.7%	74.1%	79%	100%	100%

(\*) the average number of employees was used to calculate the indices. If the number of trained employees exceeds the average number, 100% is used as the percentage of trained employees

# 5.0

## The Zignago Vetro Group's ESG strategy

- 5.1 Zignago Vetro's commitment and the SDGs
- 5.2 Global Compact membership and commitments
- 5.3 Analysis of materiality, relevant topics, and their impacts
- 5.4 ISOs and certifications
- 5.5 ESG ratings and acknowledgements



# 5.1

## Zignago Vetro's commitment and the SDGs

In September 2015, more than 150 international leaders defined, at the United Nations, the 2030 Agenda for Sustainable Development, with the objective of contributing to global development, promoting the well-being of humans, and protecting the environment. The Agenda is based on 17 goals (SDGs, Sustainable Development Goals) to be achieved by 2030.

Fully aware of its own role for sustainable development, Zignago Vetro has linked its own activities to the UN Agenda in order to make its own contribution to the achievement of the SDGs. Given the type of business and the operational characteristics of the Group, Zignago Vetro focuses mainly on the following goals.



The analysis and definition of the SDGs is a complex activity that requires appropriate methodologies.

There is in fact a considerable risk of falling into "Greenwashing", in the absence of a method capable of correctly summarising the extent to which a company complies with the 2030 Agenda for Sustainable Development.

In order to identify the Goals that are best suited to the type of business, history, management style and nature of the relationships that it has always historically had with its stakeholders, Zignago Vetro, beginning with the Sustainability Report 2021, uses a dual methodology, consisting of one approach at the "macro" level and one at the "micro" level.

In applying the "macro" approach, Zignago Vetro availed itself of the support of an external consulting company that based its methodology on the transposition of the 169 targets and 247 indicators into a questionnaire "adjusted" for the laws, customs and behaviours of the geographical areas in which the Group directly and indirectly operates. The aim is to identify those SDGs found to be inconsistent following an in-depth analysis of their industry, customers, suppliers, and their own Social Responsibility activities. In fact, the methodology is based on a scoring system that seeks to establish the highest percentage accessions.

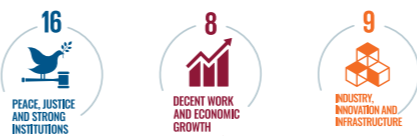
### Environment



### Social



### Governance



Below are the individual SDGs to which Zignago Vetro adhered the most in percentage terms, with the main strengths found in the targets and indicators:

- Production of goods or services whose intrinsic nature and production methods exclude substances harmful to humans and the environment
- Periodic analysis to minimise emissions and waste produced in the production process
- Use of recycled or reclaimed inputs within the industrial process
- Procedures for properly disposing of substances considered hazardous
- Reuse in the production process of part of the inputs or waste produced, within a circular economy perspective
- Life Cycle Assessment (LCA) on individual products
- Formalisation of a Green Procurement Policy
- Training activities on principles and actions related to sustainability
- Directly or indirectly using energy produced from renewable sources



- Direct or indirect contribution to improving the quality of life of low-income social groups (health, education, etc.) within local communities
- Formalisation of a Diversity Supplier Policy
- Collaboration with non-profit and other charitable organisations in order to support economically disadvantaged individuals and families
- Analysis of gender identity, race/ethnicity, disability, and other demographic factors in order to track the diversity of its workforce
- Drafting a Code of Ethics and other policies that provide for the explicit recognition, protection, and inclusion among its employees, regardless of age, gender, disability, race, ethnicity, origin, religion, and economic status
- Establishment of an ESG Committee
- Training for all workers on issues related to diversity, equity and inclusion
- Quarterly production of ratios and KPIs to monitor the Group's social, economic and financial performance





- Defining programmes that promote access to higher education nationally or internationally
- Promoting access to preschool
- Promotion of access to universities or advanced professional specialisation courses
- Apprenticeship and internship opportunities
- Specific measures to support access to, and attainment of, higher education for its employees
- Option to develop skills, career and mobility within roles, with the goal of eliminating gender disparities, including for employees with disabilities
- Promotion of forms of digital communication targeted at creating a specific literacy
- Respect for Human Rights and full integration of the principles in the Code of Ethics and other policies



- Allocation of financial resources for technological innovation
- Specific training and/or professional development opportunities for workers in roles at risk of being replaced by transformative technologies
- Fixed-term contracts less than 20%
- Hiring programme for young workers
- Offer internships and/or apprenticeship contracts to young people
- Integration of the Human Rights promulgated by the United Nations into the Code of Ethics
- Improvement with regard to the rate and severity of work-related injury



- Direct or indirect actions aimed at infrastructure development
- Direct or indirect actions aimed at improving the national, physical or technological infrastructure
- Offering financial incentives or financing options to SMEs, especially at the local level
- Quarterly monitoring of specific KPIs to improve environmental impact, with systematic activities to improve them
- **More than 50%** of the Company's sales are produced using recycled raw material



- Initiatives and programmes to increase the percentage of renewable energy used/ consumed in their operations
- Products and services that are self-powered or at least partially powered by renewable energy
- Minimise GHG emissions, through products, more efficiently than market alternatives
- Targets and programmes aimed at improving energy intensity understood as energy consumed per tonne of molten glass








The second methodology, referred to as "micro" above, aims to tie the specific goals of Zignago Vetro's ESG 2030 Agenda to a specific SDG.

Consequently, the process of selecting the most significant goals for Zignago Vetro followed a punctual analysis of the 2030 targets established to complement each goal, and the verification of their application within the Zignago Vetro system: the targets that are most coherent with the corporate improvement objectives in the short (2023) and medium-long term (2030) were selected.






The ESG Committee has also formalised the coherence of the goals selected in this way with the mid- to long-term corporate strategy.

Following is a summary of the significant goals for the activity of the Group, for materiality issues, for the risks and opportunities connected to them, for the activity that Zignago Vetro has already undertaken, for their measurement, where possible, and for the pre-fixed short-term and mid- to long-term objectives (strategic guidelines):

PILLAR	SDGs	MATERIAL TOPIC	RISKS/ OPPORTUNITIES	ACTIVITIES COMPLETED/ OBJECTIVES REACHED	KPI	OBJECTIVES 2022-2023	OBJECTIVES 2030
ENVIRONMENT		The importance of cullet glass and the circular economy	Consumption of resources Consumption of energy	Invest in glass recycling technologies. Increase percentages of recycled glass.	See Paragraph 6.3	See Paragraph 6.3	See Paragraph 6.3 and 6.1
		LCA and Eco Conceptions	Pollutant emissions	Investments in the development of products made entirely from recycled glass.	See Paragraph 6.4	See Paragraph 6.4	See Paragraph 6.4 and 6.1
		Electricity	Process energy consumption	Invest in innovative melting furnaces. Revamp plants Self-produce electricity from	See Paragraph 6.5	See Paragraph 6.5	See Paragraph 6.5 and 6.1
		Air emissions management	Pollutant emissions	Technological investments to streamline processes and reduce greenhouse gas emissions. Increase percentages of recycled glass.	See Paragraph 6.6	See Paragraph 6.6	See Paragraph 6.6 and 6.1
		Raw material and finished product transport and logistics efficiency	Pollutant emissions Packaging circularity	Optimise transport Use rail transport Reduce plastic packaging	See Paragraph 6.7	See Paragraph 6.7	See Paragraph 6.7 and 6.1
		Water	Process water consumption Compliance Regulations on discharges	Technological investments in process water recirculation systems Adopt environmental matrix monitoring systems (ISO 14001)	See Paragraph 6.8	See Paragraph 6.8	See Paragraph 6.8 and 6.1
		Noise and Traffic	Initiatives to mitigate noise and vehicular traffic impacts	Technical solutions to reduce noise emissions Systems and adequate internal infrastructure and traffic rules within the facilities	See Paragraph 6.9	See Paragraph 6.9	See Paragraph 6.9 and 6.1

PILLAR	SDGs	MATERIAL TOPIC	RISKS/ OPPORTUNITIES	ACTIVITIES COMPLETED/ OBJECTIVES REACHED	KPI	OBJECTIVES 2022-2023	OBJECTIVES 2030
ENVIRONMENT		Waste management and “end-of-life programme”	Pollution linked to inappropriate waste management.	Adopt specific waste management procedures (ISO 14001) Increase the quantity of waste sent to be recycled instead of to landfill Invest in glass recycling technologies	See Paragraph 6.10	See Paragraph 6.10	See Paragraph 6.10 and 6.1
		Management of packaging and its recycling	Consumption of resources	Increase use of recycled packaging or packaging containing recycled materials	See Paragraph 6.11	See Paragraph 6.11	See Paragraph 6.11 and 6.1
		Biodiversity and pollution prevention	Pollutant emissions	Prevent environmental incidents and emergencies	See Paragraph 6.12	See Paragraph 6.12	See Paragraph 6.12 and 6.1
			Impact on ecosystem				
							
		Environmental initiatives	Group involvement in the ecosystem	Various initiatives in the environmental field	See Paragraph 6.13	See Paragraph 6.13	See Paragraph 6.13 e 6.1

PILLAR	SDGs	MATERIAL TOPIC	RISKS/ OPPORTUNITIES	ACTIVITIES COMPLETED/ OBJECTIVES REACHED	KPI	OBJECTIVES 2022-2023	OBJECTIVES 2030
SOCIAL		Personnel training and development	Alignment of skills and business needs Improvement of business performance Company culture	Specific employee training Zignago Vetro Academy Managerial training Training pursuant to Legislative Decree No. 231/01 Sustainability awareness trainings	See Paragraph 7.3	See Paragraph 7.3	See Paragraph 7.3 and 7.1
		Diversity, equal opportunities, and non-discrimination	Diversity of treatment	Adopt a Code of Ethics for both Zignago Vetro personnel and suppliers	See Paragraph 7.4	See Paragraph 7.4	n/a
		Reduce inequalities	Contribute directly/ indirectly to eliminating the inability of some societal sectors to participate in social, cultural, political, and economic life and make a useful contribution	Progressively achieve and sustain the income growth of the population's lowest social strata Strengthen and promote the social, economic, and political inclusion of all Provide equal opportunities	See Paragraph 7.5	See Paragraph 7.5	See Paragraph 7.5 and 7.1
		Respect for human rights	Discrimination Corporate image	Code of Ethics Legislative Decree No. 231 system Supplier code of conduct and questionnaire	See Paragraph 7.6	n/a	n/a
		Human resource management	Safeguarding and creating jobs	Hiring policies Labour management initiatives Corporate welfare programme Work/life balance	See Paragraph 7.7	See Paragraph 7.7	See Paragraph 7.7 and 7.1
		Suppliers	Creation of a positive social fabric	Local supplier selection policies	See Paragraph 7.8	See Paragraph 7.8	See Paragraph 7.8 and 7.1
		Workplace health and safety	Worker safety	Increase safety monitoring Technological investments Employee information campaigns	See Paragraph 7.9	See Paragraph 7.9	See Paragraph 7.9 and 7.1
		Customer health and safety	Safeguarding consumers from risks linked to product use	Certifications: UNI EN 15593	See Paragraph 7.10	See Paragraph 7.10	See Paragraph 7.10 and 7.1
		Communication with social partners and community initiatives	Group involvement in local communities	Invest in the well-being of the local community Various initiatives to support local communities	See Paragraph 7.11	See Paragraph 7.11	n/a

PILLAR	SDGs	MATERIAL TOPIC	RISKS/ OPPORTUNITIES	ACTIVITIES COMPLETED/OBJECTIVES REACHED
GOVERNANCE	 	Governance structure	Structure and functional features that guarantee top-tier management levels	Achieved/compliant
		Remuneration system	Adequate remuneration to incentivise results	Achieved/compliant
		Internal Control and Risk Management System and compliance	Ensure stakeholders have as much control over risks as possible	Achieved/compliance
		Tax transparency and anti-corruption stance	Respect for laws Avoid penalties	Achieved/compliant
			Corruption Damage to corporate image	Introduction of Italian Legislative Decree No. 231 organisational system
		Security and Privacy	Prevention of risks and cyber attacks Protection of personal and sensitive data	Implementation and continuous monitoring and updating of protection systems Regulatory compliance regarding data processing
	 	Policies	Organise procedures to safeguard corporate behaviour in all areas	Implement and update procedures to strengthen and adapt to changes in the Legislative Decree No. 231 organisational system
		Creation and distribution of economic value	Inappropriate allocation of resources Creation of shared value	Increase company profitability and dividends Increase resources allocated to employment Increase tax contributions



# 5.2 Global Compact membership and commitments

During a meeting on March 12, 2021, the Board of Directors of Zignago Vetro S.p.A. resolved to join the United Nations Global Compact, which became effective on April 30, 2021, and was renewed in April 2022. The Board has made a specific commitment to the protection of Human Rights and diversity, as evidenced by its support for the Global Compact and other related initiatives.



The Global Compact is promoted by the United Nations and represents a further step in the direction taken by Zignago Vetro S.p.A. to pursue long-term sustainable growth.

Our main sources of inspiration are the Universal Declaration of Human Rights (1948) and the United Nations International Covenant on Civil and Political Rights (1966). With regard to labour issues specifically, our primary point of reference – aside from national laws – is the ILO Declaration on Fundamental Principles and Rights at Work (established in 1998 and revised in 2022), in addition to the eight ILO conventions and their corresponding recommendations.

With this decision, Zignago Vetro agrees to respect the following key principles:

**Support and respect internationally proclaimed human rights within the company's respective spheres of influence;**

**Ensure that they are not complicit in human rights abuses, even indirectly;**

**Commit to eliminating all forms of discrimination within its reach, including its stakeholders;**

**Adopt diversity initiatives and programmes;**

**Support workers' freedom of association and recognise the right to collective bargaining;**

**Work toward eliminating all forms of forced and compulsory labour;**

**Work toward the effective elimination of child labour;**

**Work toward eliminating discrimination in respect of employment and occupation;**

**Formally commit to defining a maximum number of daily and weekly working hours;**

**Support a precautionary approach to environmental challenges;**

**Undertake initiatives to promote greater environmental responsibility;**

**Encourage the development and diffusion of environmentally friendly technologies;**

**Commit to working against corruption in all its forms, including extortion and bribery.**

Zignago Vetro therefore strengthens its commitment to sustainability, which started with its achievement and ongoing pursuit of the United Nations' 2030 Agenda for Sustainable Development Goals (SDGs).

By joining and signing up to the principles and initiatives of the UN Global Compact, Zignago Vetro S.p.A. strengthens its commitment to sustainability; for this reason it refers to and has adopted the Sustainable Development Goals (SDGs) under the United Nations 2030 Agenda, which focus on creating a culture of sustainability, promoting a responsible supply chain, the fight against corruption, involving employees, the continuous improvement of workplace health and safety, support for technological innovation, customer satisfaction and trust, ongoing dialogue with local communities and reducing environmental impacts and thus contributing substantially in the fight against climate change.

Zignago Vetro's circular economy objectives have resulted in - and shall increasingly deliver in the future - a reduced use of production factors and significantly lower energy consumption and emissions for a similar quantity produced.

In compliance with the main contents in the Sustainable Development Goals of the United Nations for 2030 (SDGs), Zignago Vetro is committed to:

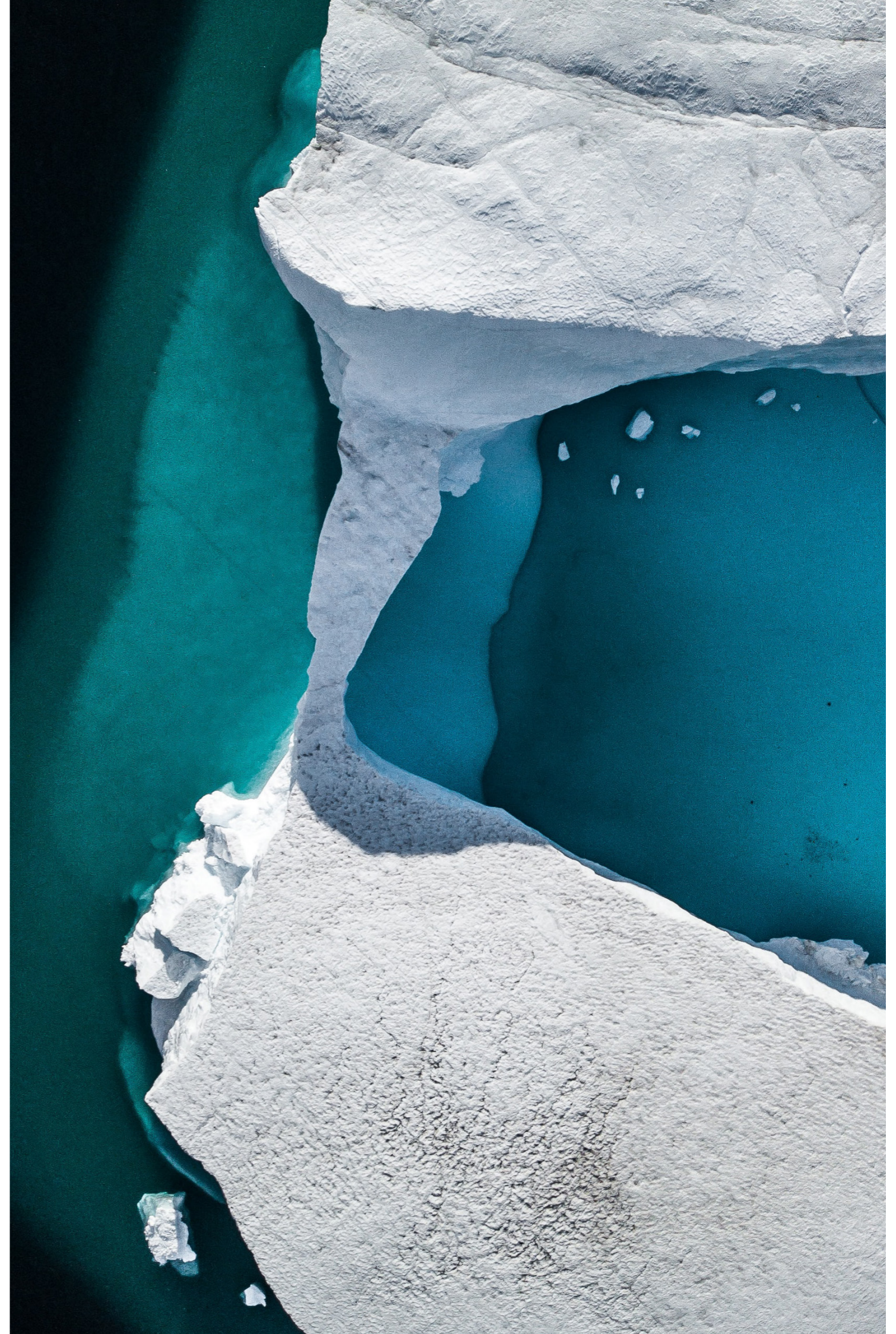
- incorporating ESG issues in all corporate functions;
- integrating ESG issues in the business model and in the industrial and economic management;
- request adequate information from its principal suppliers regarding their compliance with and adherence to the Supplier Code of Conduct as regards ESG issues;
- promoting the acceptance and actuation of the principles among company personnel, in the community, and in social projects that the Group promotes;
- collaborating to improve the efficiency in the implementation of the principles. In particular, Zignago Vetro is committed to promoting awareness among its stakeholders of the sustainability of its products and their development over time;
- regularly consulting with stakeholders on the main issues;
- communicating out of the company and to all stakeholders the activities carried out and the progress made in the realisation of the principles.

Zignago Vetro has progressively integrated ESG topics and SDG principles into its business model.

The reason is linked to the full awareness that "sustainability" - a series of intangible elements that go hand in hand with the assets and the tangible elements of business - is the only guarantee to be able to hypothesise a long-term leading position of the Group within its industrial category.

Furthermore, sustainability is a characteristic that Zignago Vetro believes can be traced directly to the circularity of production factors typical of this sector.

In recent years, Zignago Vetro also asked an external company to audit its approach to the SDGs.



# 5.3

## Analysis of materiality, relevant topics, and their impacts

The organisation must identify its material topics per the GRI Standard 3 - Material Topics (2021), which came into effect on January 1, 2023 and was issued by the Global Sustainability Standards Board (GSSB).

Zignago Vetro adhered to the required standards, following an analytical process while identifying its material topics. The process sought to:

- understand the organisational context;
- identify potential and current impacts;
- assess the importance of impacts;
- prioritise the most significant impacts to be reported.

When determining material topics, Zignago Vetro defined its reference context and addressed its stakeholders. These stakeholders were initially identified and subsequently involved in the stakeholder engagement process in 2021. After careful analysis, the process was also deemed valid for the 2022 NFS.

This process allowed the Group to garner useful information and identify current and potential impacts.

The analysis then focused on evaluating impacts according to their importance and magnitude.

A current negative impact was evaluated based on its severity; a potential negative impact, on the other hand, was evaluated based on its probability of occurrence and severity.

A positive impact was deemed actual based on the actual contribution made; a potential positive impact was deemed significant based on its scale and scope, in addition to its probability of occurrence.

The Group subsequently prioritised impacts to identify those most worthy of reporting.

The Group's current process of identifying the impacts and material topics for reporting purposes will continue, with plans to re-engage stakeholders in 2023 to obtain further valuable feedback. This feedback may result in the identification and reporting of material topics that were not previously identified.

The results of the analysis are provided below.

THE ENVIRONMENT	Priority Topics	Main Impact Generated	Impact Type (Negative/Positive - Potential/Actual)	Impact Materiality Level (Severity/ Magnitude)
	Water consumption and discharge	Process water consumption that contributes to the depletion of natural resources.	Actual negative	Medium
		Release of process pollutants into water, outside the permitted limits.	Potential negative	Low
		Monitoring of pollutants released through water purification processes.	Actual positive	High
		Plans to make investments to reduce water consumption in the production cycle.	Actual positive	Medium
	Energy efficiency	Use of non-renewable energy sources that could contribute to the depletion of natural resources.	Actual negative	High
		Energy efficient processes and reduced use of fossil fuels, including through specific investments	Actual positive	High
		Increased space dedicated to renewable energy production and continued focus on pursuing renewable energy procurement policies.	Actual positive	Medium
	Waste management	Violation of waste management regulations, resulting in environmental damage	Potential negative	Low
		Disposal of waste in landfill	Actual negative	Medium
		Waste recycling and materials recovery	Actual positive	Medium
		Adequate disclosure of waste disposal processes, including special waste.	Actual positive	Medium
	Atmospheric emissions, including greenhouse gases	Emissions of carbon dioxide into the atmosphere, contributing to climate change.	Actual negative	High
		Release of process pollutants into the atmosphere, outside the permitted limits.	Potential negative	Low
		Monitoring of pollutants released through flue gas cleaning processes.	Actual positive	High
		Research and development of new glass melting processes to reduce the generation of carbon dioxide and other climate altering gases.	Potential positive	High
		Reduction of emissions through energy efficiency initiatives and the use of renewable energy.	Actual positive	High
	Raw materials and sustainable supplier management	Use of raw materials that could contribute to the depletion of natural resources.	Actual negative	Medium
		Partnerships with suppliers whose conduct violates ethical, environmental, and social sustainability principles.	Potential negative	Low
		Monitoring and selecting suppliers who apply appropriate sustainability standards in their production processes.	Actual positive	Medium
		Feeding of secondary raw materials from recycling processes into the production cycle.	Actual positive	High
		Development of supplier partnerships to foster engagement and training and thus create a responsible and sustainable supply chain.	Actual positive	Medium

SOCIAL	Priority Topics	Main Impact Generated	Impact Type (Negative/Positive - Potential/Actual)	Impact Materiality Level (Severity/ Magnitude)
	Personnel training and development	Upgrading and development of employee training programmes and continuous skills and career development incentives.	Actual positive	Medium
	Human resource management	Identification and assignment of roles appropriate to people's skills; opportunities for professional and career development.	Actual positive	Medium
		Development of welfare plans, promotion of work-life-balance initiatives and dedication of attention to individual and collective employee wellbeing.	Actual positive	High
	Respect for human rights, protection of diversity, and equal opportunities	Dedication of attention to the social inclusion of minority groups and equal opportunities, including through the use of tools to report wrongdoing and whistleblowing tools, which guarantee confidentiality and anonymity	Actual positive	Medium
		Monitoring of potential occurrences of discrimination concerning the protection of diversity.	Potential negative	Low
	Relations with communities and local bodies	Continued collaboration and support for cultural and social initiatives that address topics considered significant by local communities	Actual positive	Medium
		Promotion of public events to raise awareness of glass recycling and environmentally sustainable products	Potential positive	Medium
	Occupational health and safety	Increased incident frequency and severity index.	Actual negative	Medium
		Development of an employee incentive plan to raise awareness of occupational health and safety.	Potential positive	Medium
		Provision of individual safety devices and the monitoring of their correct use.	Actual positive	Medium
		Development and routine updating of workplace safety training programmes to reduce the incident severity and frequency index.	Actual positive	High
	Customer health and safety	Implementation of procedures to comply with food safety plans in the container manufacturing process.	Actual positive	High
		Guarantee the traceability of finished products to protect end consumers and ensure high standards of quality, safety, and hygiene.	Actual positive	High
	COVID-19 emergency response	Promotion of a culture of health and safety through the provision of personal protective equipment and appropriate information on COVID-19 related risks.	Actual positive	Low

GOVERNANCE	Creation of economic value	Ensure longterm business continuity, create economic value to be distributed to stakeholders and used in business growth projects	Actual positive	High
	Sustainable governance	Increase performancerelated remuneration for top managers linked to the achievement of ESG objectives	Actual positive	Medium
	Compliance and risk management	Constantly update company policies to cover significant risks and comply with industry regulations.	Actual positive	Medium
		Potential loss or disclosure of sensitive data due to inadequate information technology safeguards and unstructured information management.	Potential negative	Medium
	Combatting corruption	Training programmes aimed at raising the awareness of top management, and at applying procedures and rules to combat corruption.	Actual positive	Low

## Application of the reporting principles

The Zignago Vetro S.p.A. Sustainability Report has been drawn up

- with **accuracy**, reporting qualitative and quantitative information, based on available evidence, with negligible margins of error, and continuity with previous reporting, using the same calculation methods;
- reporting information fairly and objectively, maintaining **balance** and transparency regarding both positive and negative impacts, and neutrality regarding information obtained from stakeholders;
- working with constant commitment, seeking the **clarity** and simplicity of information, to give stakeholders ease of use of and access to relevant data;
- compiling and reporting information in a uniform and comparable way, in order to facilitate analyses of changes in impacts and operations over time. **Comparability** is ensured with at least two previous periods and with future short and medium/long-term targets, with the use of recognised units of measurement and indices that are standard and as well-known as possible, with consistent calculation methods and continuity of the information methodologies, with the use of absolute values in addition to percentages and normalised values, with explanations attached to the numerical values, and with a restatement of historical data whenever necessary;
- allowing an assessment of impacts during the reporting period through quantitatively and qualitatively congruous information. **Completeness** has been achieved by reporting without any omissions of key information;
- reporting information on impacts in a broader **sector context**, transparently describing commitments to sustainable development;
- reporting and making the same information available on a regular basis. **Timeliness** is essential to allow stakeholders to integrate information and make objective decisions. Zignago Vetro is committed at all levels to the timeliness, quality, completeness and consistency of the data disclosed;
- guaranteeing the quality of information. The criterion of **verifiability** is upheld by internal checks on information to verify its truthfulness and applicability, by the documentation of decision-making processes on the reporting carried out, by the verification of the sources of data, and by an analysis of assumptions and calculation methodologies.

# 5.4 ISOs and certifications

- Management systems are in place for each facility:
- compliant with the ISO 9001:2015 for quality at all Group plants and at Vetro Revet;
  - compliant with ISO 14001:2015 for environmental management systems in the plants of Fossalta di Portogruaro, Empoli, Vetro Revet and Poland;
  - compliant with ISO 50001:2018 for energy management at Zignago Vetro Polska's Polish production site. This management system will soon also be adopted in the Italian plants.

Even if excluded from this document, it is hereby declared that even Vetri Speciali has adopted an Environmental Management System based on ISO 14001:2015 model, which takes into account the "AIA" (Autorizzazione Integrata Ambientale/Integrated Environmental Authorisation) prescriptions of the individual regions and Vetri Speciali sites. This system falls under the category of "Special Part E - Prevention of Environmental Offences" of the Organisation, Management and Control Model, as per Legislative Decree No. 231/2001.

In addition, a programme has been launched to gradually introduce a comprehensive certification system. The details of the programme for glass manufacturing facilities are shown in the table below:

CERTIFICATIONS	ZV Fossalta	ZV Empoli	ZV Polska	ZV Brosse	VETRO REVET
ISO 9001	v	v	v	v	v
ISO 14001	v	v	v	2025	v
ISO 50001	2023	2023	v	-	Not significant
ISO 45001	2024	2024	2025	2026	2024
FSSC 22000	v	v	2023	-	Not applicable
UNI EN 15593	Substituted by FSSC 22000	Substituted by FSSC 22000	v	-	Not applicable

Occupational health and safety has always been a priority for the Zignago Vetro Group. To make sure these aspects are always managed in compliance with applicable legislation, and to guarantee constant improvement, the target was set to obtain ISO 45001 certification for all of the Group's facilities. The plan envisages the certification of the Italian sites (Fossalta, Empoli and Vetro Revet) by the end of 2024, and then the foreign facilities of Zignago Vetro Polska by 2025 and Zignago Vetro Brosse by 2026.



## FOSSALTA PLANT

# 5.5 ESG ratings and acknowledgements

The Group has committed to "EcoVadis"<sup>4</sup>, a sustainability performance monitoring platform, and to "CDP"<sup>5</sup>, an international non-governmental organisation dedicated to the development of the green economy and, in particular, to mitigating climate change ("CDP Climate Change" report) and preserving water ("CDP Water Security" report).

Following the actions in the ESG area adopted by Zignago Vetro until now, below is a report on the evaluations formally received by the above-mentioned rating company:



	Ecovadis	CDP Climate Change	CDP Water Security	Sustainalytics (since 2021)	Morningstar (since 2021)	Gaia (since 2020)	Moody's (since 2019)	MSCI (since 2020)
2022	85/100 Platinum	B	A-	12.2	**	64/100	50/100	BB
2021	83/100 Platinum	B*	B*	11.9	Regional Top Rated Badge	61/100	42/100	BB
2020	62/100 Silver	B*	B	-	-	53/100	38/100	BB
2019	59/100 Silver	B*	B-*	-	-	-	28/100	-
2018	55/100 Silver	B*	B-	-	-	-	-	-
2017	50/100 Silver	B*	-	-	-	-	-	-

\* Increasing score within the same range    \*\* Value not yet available

During the year 2022, Zignago Vetro was one of the 20 companies included in Borsa Italiana's first ESG Panel.

Additionally, we note that Zignago Vetro is also a member of the SEDEX platform, a sustainable supply chain reporting tool.

In addition, the Group is periodically audited on ESG issues by its clients or by third party auditing firms. These audits and their outcomes are tracked in the company's management systems and considered important tools for sharing with customers, as well as sources of stimulus for continuous improvement.



Standard Ethics  
Italian Index

SDGs	MATERIAL TOPIC
	The importance of cullet glass and the circular economy LCA and Eco Conceptions
	Electricity
	Air emissions management Raw material and finished product transport and logistics efficiency
	Water
	Noise and Traffic
	Waste management and "end-of-life programme"
	Management of packaging and its recycling
	Biodiversity and pollution prevention
	
	
	Environmental initiatives

# 6.0 Environment

## 6.1 Objectives

## 6.2 The Board’s commitment to climate change

## 6.3 The importance of glass cullet and the circular economy for the Zignago Vetro Group

## 6.4 LCAs & eco-conceptions

- 6.4.1 LCAs
- 6.4.2 Eco Conceptions

## 6.5 Energy efficiency

## 6.6 Atmospheric emissions management

- 6.6.1 Scope 1 and 2 GHG emissions
- 6.6.2 Scope 3 GHG emissions
- 6.6.3 Other pollutant emissions

## 6.7 Raw material and finished product transport and logistics efficiency

## 6.8 Water

- 6.8.1 Zignago Vetro and water
- 6.8.2 Water withdrawal and discharge management

## 6.9 Noise and traffic

- 6.9.1 Noise emission management
- 6.9.2 Management of impacts on vehicle traffic

## 6.10 Waste management and end-of-life programme

- 6.10.1 Waste management
- 6.10.2 Material end-of-life waste management

## 6.11 Management of packaging and its recycling

## 6.12 Biodiversity and the prevention of local pollution

- 6.12.1 Proximity of production sites to protected natural areas
- 6.12.2 Actions to safeguard biodiversity

## 6.13 Environmental initiatives



# 6.1 Objectives

Zignago Vetro Group’s ESG commitment has evolved over time, gradually assuming a more precise and strategic orientation.

The strategic framework guides the definition of a system of annual targets, which is discussed at length in this report, with the medium-term horizon of 2030.

Highlighted below are the main strategic guidelines defined by the ESG Committee and Control, Risks and Sustainability Committee on the Environment and approved by Zignago Vetro’s Board of Directors.

The main horizon 2030 issues and targets on which the Group acts annually are as follows:

- Continuous increase in the use of recycled glass in production;
- Continuous reduction in specific energy consumptions;
- Continuous increase in the use of electricity from renewable sources;
- Continuous reduction in specific water consumptions;
- Continuous reduction in specific direct and indirect emissions of greenhouse gases (GHGs);
- Continuous efficiency improvements in transport and logistics;
- Adoption of certified environmental management systems for all group facilities;
- Constant and significant allocations of financial resources to support projects for the protection and remediation of the environment.

**Increases in the percentage of recycled glass** used in the production process, defined as the ratio of the weight of reused PCR glass cullet in processes to that of the glass produced.

The target value in 2030 is 70%, representing an improvement of +31.1% on 2022.

This strategic objective is achievable, above all, through the strengthening of the supply system to ensure availability of greater quantities, better quality and colour separation (e.g. transparent, aquamarine and green). In this regard, as already discussed in the previous paragraphs, the Group is investing heavily in cutting-edge technology to improve cullet recycling capacity.

**Reductions in specific energy consumption**, defined as the ratio of overall energy used (expressed in equivalent kWh) to the weight of molten glass (expressed in kg).

The target value in 2030 is 1.646 kWh/kg, a reduction of -12.9% on 2022.

- This strategy is mainly pursued through:
- Maximising cullet reuse;
  - Reuse or better exploitation of thermal waste;
  - Plant efficiency improvements and renewals;
  - Cost-cutting interventions on heating, air conditioning and lighting systems;
  - Constant monitoring of consumption and improving the efficiency in the running of existing plants.

**Increases in the percentage of electricity from renewable sources**, defined as the ratio of renewable electricity consumed to the total electricity consumed.

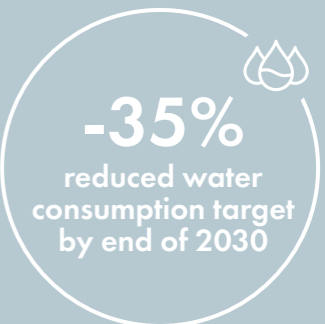
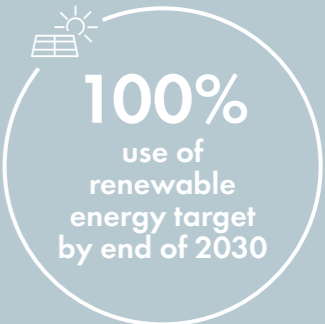
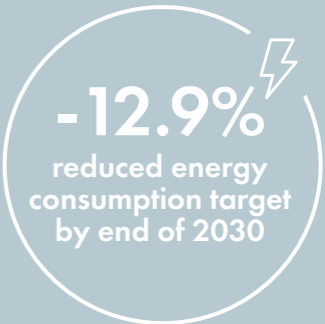
The target value in 2030 is 100%, an improvement of +124.2% on 2022.

- This strategic target is achieved through:
- Greater procurement of electricity supplies from suppliers guaranteeing renewable sources;
  - Greater self-production (photovoltaic panels).

**Reduction in specific water consumption**, defined as the ratio of water used (in cubic metres) to the weight of molten glass (expressed in tonnes).

The target value in 2030 is 0.8 m3/tonne, a -35.0% reduction on 2022.

- This target is achieved through:
- The completion of the closed circuit systems in all plants;
  - The installation of more efficient systems;
  - Selective improvements in existing plants.



**Reduction of specific emissions of greenhouse gases (GHGs)**, defined as the ratio of the mass of GHG emissions (in equivalent tonnes of CO<sub>2</sub>) over the mass of molten glass (in tonnes). This indicator includes both direct (Scope 1) emissions and indirect (Scope 2) emissions generated to produce electricity used in various processes.

The target value that Zignago Vetro Group has set itself by 2030 is 0.351 tonnes of CO<sub>2</sub>/tonne, a -34.1% reduction on 2022.

This target is achieved above all through:

- Lower consumption of virgin materials;
- Greater use of cullet;
- Greater use of a mix of energy sources with lower environmental impact;
- Plant efficiency and innovation, particularly of melting furnaces;
- A programme of reforestation or sustainable forest management.

**Reduction of the specific production of waste**, defined as the ratio of the mass of waste produced (in kilograms) over the mass of molten glass (in tonnes), as well as **maximisation of the percentage of waste sent for recycling, recovery and reuse**.

The specific production of waste target value in 2030 is 5.50 kg/tonne, a reduction of -29.8% compared to 2022, while the target for the percentage of recycling, recovery and reuse of produced waste is 80%, an increase of +13.6% compared to 2022.

These targets can be achieved through:

- the optimisation of processes and waste reduction;
- continuous improvements in separate waste collection;
- analysis of opportunities for recycling, recovery and reuse of waste currently sent to landfill.

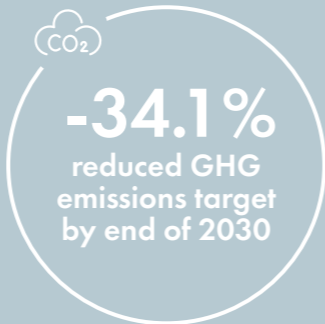
**Transport and logistics efficiency**, according to the following guidelines:

- Reduction of road transport in favour of rail, where possible;
- Optimisation of transport;
- Reductions in the use of plastic packaging.

**Achievement of ISO 14001 Environmental Certification for all Group plants** (currently achieved in 4 out of 5 plants).

**Zignago Vetro also allocates funding to support various environmental protection projects.**

As stated above, the Board of Directors has adopted, from 2021, a policy of allocating 0.25% of consolidated net profit to fund initiatives to support social development, care for individuals and environmental protection.



# The H2Glass project and the search for new energy sources

For some years now, Zignago Vetro has been engaged in the research and development of and search for new technological solutions and energy sources, in order to both minimise energy needs and replace energy from fossil sources with other renewable sources capable of eliminating or greatly reducing emissions.

In this regard, we note that in 2022, Zignago Vetro, together with other leading operators and research institutes, launched a special project called H2Glass. This represents one of the most important projects at the European level aimed at the decarbonisation of the glass industry, and is part of the broader Horizon Europe programme.

H2Glass aspires to develop technological solutions to achieve combustion from 100% green hydrogen, and to guarantee the necessary quality requirements and safety conditions in the management of industrial sites. The project therefore aims to replace natural gas and other fossil fuel sources with green hydrogen, to be used in an oxy-fuel type combustion process that eliminates undesirable emissions.

H2Glass was launched in January 2023 with an initial budget of Euro 33 million, and received the full support of the European Commission with funding worth Euro 24 million, credited over the course of 2022.

It is estimated that the associated innovation has the potential to create 10,000 new jobs and increase revenues in the glass manufacturing technology sector by around Euro 1.5 billion. Furthermore, the project is expected to involve investments of approximately Euro 17 billion, the creation of 200,000 new green hydrogen sector jobs, and a reduction in emissions of as much as 80%.

Together with Zignago Vetro, 22 other leading operators have also joined the project, including several manufacturers of hollow and flat glass at the European level, in addition to leading research institutes and universities, and other important industrial groups at the cutting-edge of technological innovation.

Furthermore, the project has received the support of major associations such as **Glass Alliance Europe, the European Container Glass Federation (FEVE), and Glass for Europe.**



10.000 + 200.000  
new jobs

## 6.2

# The Board's commitment to climate change

Well aware of the risks associated with climate change and its importance for society in general, the Board of Directors of Zignago Vetro Group has undertaken to launch a project to mitigate the main risks of climate change. In particular, the Chief Executive Officer is responsible for all issues relating to climate change, in addition to initiatives to reduce emissions and increase energy efficiency. Once the strategic framework relating to "Climate Risks Management" has been implemented, reporting to the Board on these issues will take place on a regular ongoing basis.

Zignago Vetro's ESG Committee has been instructed to introduce a Climate Risks Management Framework, to identify the main climate risks, map them, and formalise prevention and mitigation actions to be undertaken to limit their impacts.

For each mapped risk, the ESG Committee will arrange for a disaster recovery procedure to be implemented in case of any related adverse event.

Zignago Vetro's ESG Committee has set out certain Group managerial responsibilities for the identification of physical and transition risks. For example, targets have already been set to mitigate the CO<sub>2</sub> emissions risk over the coming years, through systematic and increasing application of the principle of circularity and the use of recycled glass, of various energy efficiency processes and of alternative energies from renewable sources.

Physical risks, for example, i.e. the financial and economic impacts of extreme catastrophic events in the strategic framework that Zignago Vetro Group has adopted, are managed through a mapping of specific risks and the conditions that define them. This mapping also makes it possible to identify and measure specific costs for assets, plant and related production activities in the event of an adverse event.

The climate and transition risk management framework, integrated into the Group's GHG Risk Management, consists of a series of multi-year activities that define the different types of risks and assess their potential impacts on the business. In particular, the different phases of the framework are:

- Identification of the main physical risks that could impact Zignago Vetro Group's business and activities;
- Identification of the main transition risks;
- Identification by the ESG Committee of technical figures for the introduction of mitigation measures in the various facilities;
- Drafting of specific procedures to mitigate each specific physical risk identified;
- Drafting of specific procedures to be carried out in the event of an adverse event.

The assessments conducted to measure both physical and transition climate risks have highlighted the potential financial costs associated with the various risks.

For example, in the case of catastrophic atmospheric events (e.g. flooding), the cost of lost production and the recovery of operations has been estimated for each production site. Similarly, in the event of excessive drought, the costs related to the possible interruption of the water supply for the cooling circuits of furnaces have been estimated.

The description and results of the above processes are presented annually in a CDP – Climate Change Report, together with specific sub-scores. In 2022, Zignago Vetro Group received an overall score of B, but a risk management processes sub-score of A. This highlights the Group's commitment to reducing GHG emissions and properly managing the main physical and transition risks. There is nonetheless always room for improvement, such as the definition of more specific targets for the coming years, in order to make its actions and governance even more effective.

Among the main transition risks that Zignago Vetro Group has identified in its assessments are:

- Risks associated with current regulations;
- Risks associated with future regulations;
- Risks associated with technological developments;
- Legal risks (products, supply chain, etc.);
- Market risks;
- Reputational risks;
- The possibility that one or more physical risks become chronic.

Physical risks include:

- Flood risks (e.g. rainstorms, overflowing rivers);
- Water shortage risks;
- Risks of using more polluting energy production factors, and of not being able to source raw materials and energy factors;
- Meteorological risks.



# 6.3

## The importance of glass cullet and the circular economy for Zignago Vetro Group

The main raw materials used in the production of glass are silica sand, fluxes like soda, stabilisers like calcium and magnesium carbonates and other colouring agents or fining agents.

The most important raw material used in producing new glass is, however, recycled cullet.

Using recycled glass in the composition has a triple benefit:

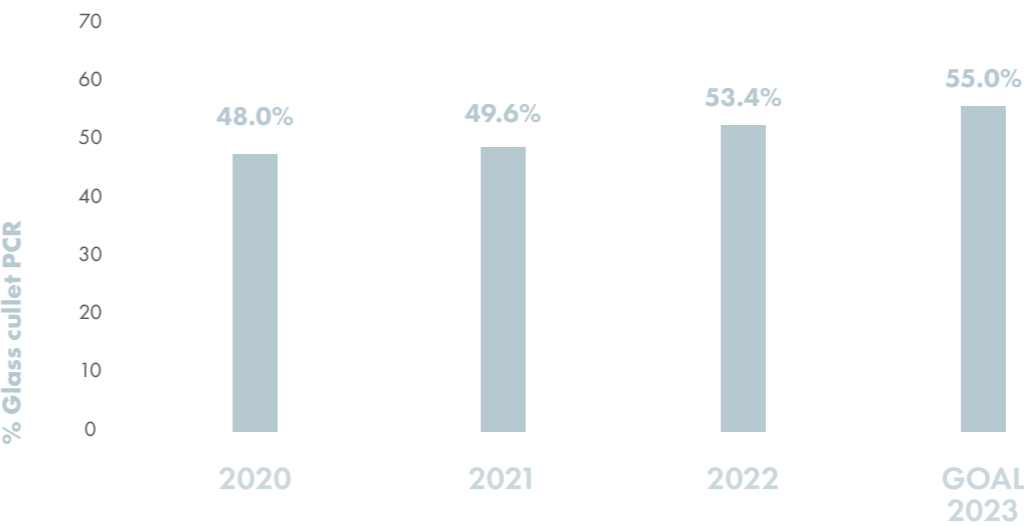
- Savings on resources: containing the consumption of virgin raw materials and stimulus to develop the circular economy.
- Energy savings: a composition with a high percentage of cullet makes it possible to lower the fusion temperature of the glass and save energy (up to -3% of energy consumption for every +10% of cullet).
- Lower CO<sub>2</sub> emissions: in addition to a lower fuel consumption for fusion, the use of cullet enables the use of lesser quantities of other raw materials (carbonates) that release CO<sub>2</sub> during the fusion process.

Over the years, the Group has established a number of standing objectives, given the necessary conditions, to increase the quantity of cullet used in glass container production and to increase the range of containers that can be made with recycled glass.

The cullet used in glassworks mainly consists of Post Consumer Recycling (PCR) materials, and a small portion of production waste. As such, an important indicator of the level of glassware circularity is the ratio of PCR cullet to glass produced. **In 2022, 53.4% of the glassware produced by the Zignago Vetro Group consisted of PCR material, with usage up +7.7% on 2021.** This increase has made it possible to reach and exceed the target set for 2022. In particular, a substantial contribution to this result came from Zignago Vetro Brosse, which, despite having to produce extremely high quality containers for high-end cosmetics and perfumery sectors, managed to increase the use of cullet in its processes, without compromising on the aesthetic demands of such products.

Glass recycling KPIs	2020	2021	2022	Δ% 22/21	Goal 2022	Goal 2023	Strategic Goal 2030
% of PCR cullet on glass produced	48.0%	49.6%	53.4%	+7.7%	52.0%	55.0%	70.0%

PCR glass cullet as % of glass produced



# Glass: the true champion of the circular economy

100% recyclable an infinite number of times without sacrificing quality, glass stands out from all other materials thanks to its unparalleled characteristics and qualities.



Sustainable by nature

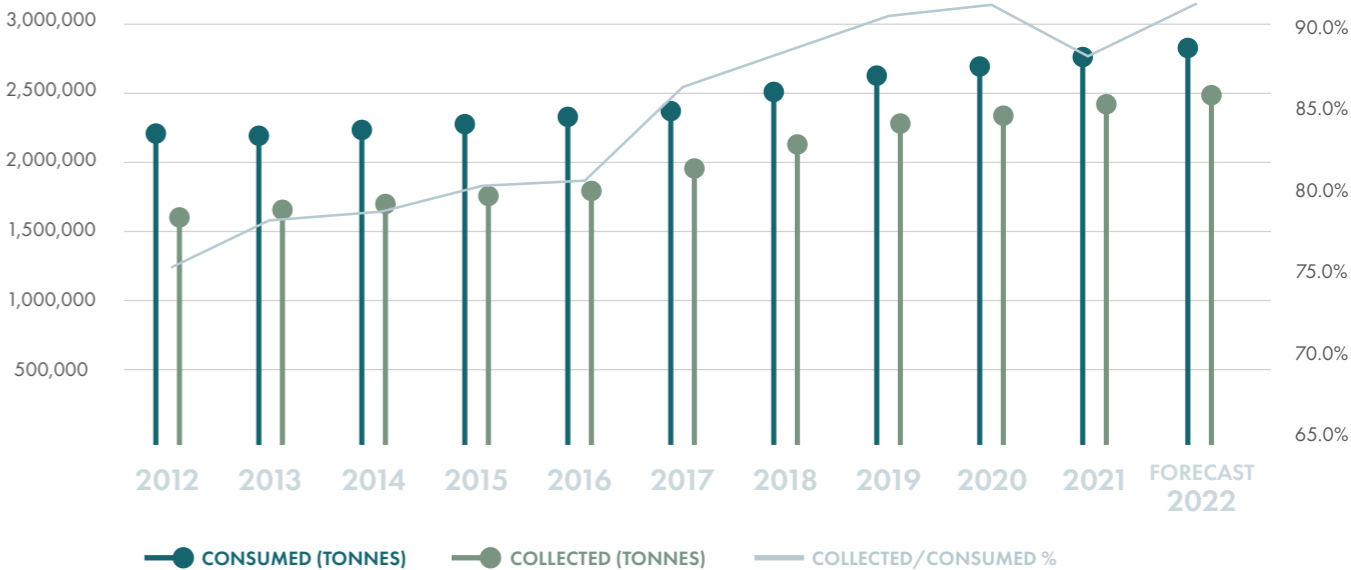
Infinitely Recyclable

The fact it can be completely recycled means that all you need to make glass, is glass! There are several significant advantages: less reliance on virgin raw materials, lower energy consumption, fewer atmospheric emissions.

The recovery and reuse of glass by the glass container manufacturing industry has been remarkable in Italy over the last few years.

The following graph illustrates glass packaging consumption rates in Italy over the last 10 years and the percentage of said glass collected for treatment and recycling at glassworks:

Glass consumption and collection in Italy

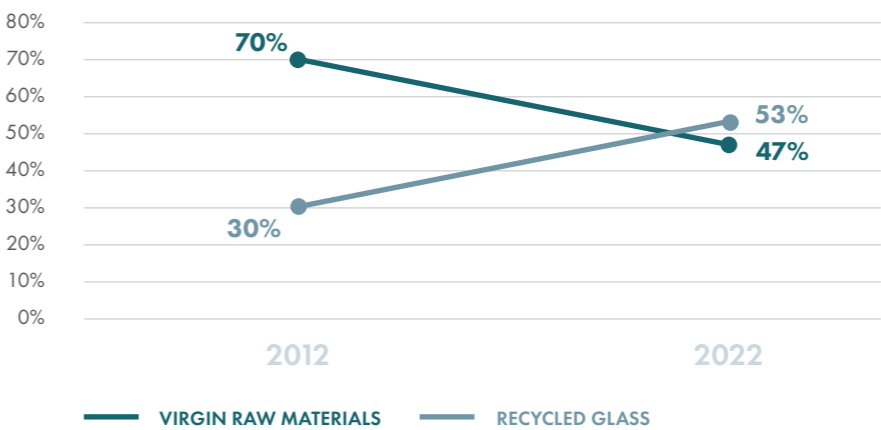


The above data show that while the consumption of glass packaging has steadily increased in Italy in the last ten years – and particularly in the last five years – the collection rate (and subsequent recycling rate) has accelerated.

In 2021, the percentage of recycled **glass packaging** over products sold for consumption reached 77%, attaining the target set for 2030 (the EU27 average in 2020, the last year available, was 76%) (data source: Co.Re.Ve.).

Zignago Vetro has been a real trailblazer in this regard. In fact, during the period under review, the Company significantly increased the reuse of cullet in its production processes. The following graph shows the Zignago Vetro Group’s use of cullet as a primary material to make glass containers from 2012 to 2022:

Composition of raw material use - Zignago Vetro Group



This significant increase was made possible thanks primarily to the clear strategy devised by Zignago Vetro to use more cullet to produce its containers.

In line with the above strategy, the Group has invested heavily in creating and developing special plants (and consequently companies) for processing cullet to prepare it for reuse at glassworks. Thanks to these activities, Zignago Vetro now operates three plants that process cullet. Below is a brief summary:

**Vetreco:**

a company (held 30%) established in 2012 as a joint venture with two other leading glass groups. Vetreco is based in Supino (FR) and is the main hub for processing cullet in central and southern Italy;

**Vetro Revet:**

company acquired in 2017. Zignago Vetro holds 51%, while the remaining share is held by Revet, an Alia Group company, the main public utility company in Tuscany. Vetro Revet is based in Empoli, near one of Zignago Vetro's glassworks;

**Julia Vitrum:**

a company (held 40%) established in 2019 as a joint venture with another leading glass group. 20% of the capital is held by Friulia, which finances the development of the Friuli-Venezia Giulia Region. The company is based in San Vito al Tagliamento (PN) and started operating in September 2021. It is the largest and most modern plant in north-east Italy.

Altogether, the above three companies have a treatment capacity of about 800,000 tonnes of raw glass per year, equal to about one third of the total raw glass collected in Italy annually. This makes Zignago Vetro a leading player in Italy's cullet reuse sector.



**Glass Recycling Companies**



In 2022 these companies processed about 700,000 tonnes of glass waste, representing, overall, one of the largest enterprises in this sector in Italy.

The following process data relates to Vetro Revet only (and therefore does not include the companies Vetreco and Julia Vitrum):

		2020	2021	2022	Δ% 22/21
Raw glass waste from urban collection processed in the plant	tonne	114,000	121,205	135,547	+11.8%
Furnace-ready cullet produced with the “end of waste” designation for reuse in glass manufacture	tonne	90,240	98,702	113,390	+14.9%
Energy consumption/mass of furnace-ready cullet produced	kWh/tonne	67.78	62.36	51.36	-17.6%
Water intakes/mass of furnace-ready cullet produced	m3/tonne	0.023	0.023	0.021	-8.7%
Scope 1 and 2 emissions/mass of furnace-ready cullet produced	tonneCO <sub>2</sub> eq/tonne	0.022	0.020	0.017	-15.0%
Scope 3 emissions/mass of furnace-ready cullet produced	tonneCO <sub>2</sub> eq/tonne	0.107	0.099	0.083	-16.2%

From 2020 to 2022 the percentage of glass recovered from treated cullet increased noticeably, reaching about 84%.

The remaining part is represented by other materials recovered (aluminium and iron) as well as waste sent to landfill.

From 2019 to 2020 the Company produced a development plan for the plant with the revamping of separation technologies installed, making it possible to increase both its raw glass cullet treatment capacity and the fraction recovered and therefore reducing the quantity of waste sent to landfill.

In 2021 and 2022, plant refurbishments and improved cullet separation yields brought significant improvements in specific environmental indices, reducing energy consumption and air and water impacts.



# Glass born of glass: a circular path

The glass recovery and reuse process is described below. For the sake of simplicity, reference is made to the flow in Italy, as this is the main market in which the Group operates. The main steps involved in glass recycling are outlined below:



**Consumer:**

buys and uses products contained in glass. Glass is a healthy, elegant, protective material that is increasingly finding favour with consumers. Once the product has been consumed, the container is handed over to the collection system, normally managed by public bodies.



**Collection of used glass:**

this phase is normally carried out by utilities/municipal/public companies. It is increasingly carried out in the form of single-material collection (glass only) to allow greater efficiency in the recycling chain. In addition to differentiated urban collection, other minor sources of scrap include glass from non-packaging uses (e.g., flat glass).



**Co.Re.Ve. System:**

Co.Re.Ve. is a national body that has the task of managing the recovery of glass for its subsequent sale to recyclers. In 2022, about 89.2% of the cullet collected on Italian territory was managed by the "Co.Re.Ve. system". Co.Re.Ve. sells cullet to recyclers via two possible types of contracts: a system of online auctions, which represents the vast majority of the volumes managed; or a system of direct agreements between public bodies and private recyclers.



**Treatment centres:**

once the cullet is acquired, it is taken to the treatment centres (in the case of the Zignago Vetro Group, these are the plants managed through Vetreco, Vetro Revet and Julia Vitrum).



**Sending the "furnace-ready" cullet to the glassworks:**

the cullet, cleaned and divided by colour, is sent to the glassworks where it is reintroduced into the melting process, at the end of which what had initially been a container, used, collected, treated and prepared to be used as a raw material, once again becomes a new container, functional, beautiful, perfectly equal to what it had once been.





At the treatment centres, the cullet is fed into a continuous-flow, almost entirely automated process that consists of the following steps:



**Pre-sorting:**

phase in which the main impurities are removed, including metal objects, ceramics, plastics, fabrics and other foreign non-glass materials. This phase is carried out both by using automatic equipment (e.g. electromagnets, screens, suction systems, etc.) and by the direct intervention of the operators.



**Cleaning:**

at the end of the pre-sorting phase, the material passes through a subsequent cleaning and drying system (if the material has moisture), which also provides for the controlled crushing of the larger parts of glass to allow the next Sorting phase.



**Selection:**

once the cleaning phase has been completed, the cullet, now stripped of most of its impurities, is fed into a highly automated and extremely sophisticated flow of machines equipped with optical readers and pneumatic mechanisms, whose function is to analyse every single object that passes through the machine and to eliminate the components that are not suitable to be reused as glass. A number of the aforementioned machines distributed along the material stream automatically separate the glass by colour: this is a very important activity as it allows the generation of separate cullet streams, separated by colour, which will enable more effective recycling in the glassworks, thus maximising the consequent possibility of recycling the cullet.

Zignago Vetro has made significant investments in recent years to equip its treatment and recovery plants with the best technologies available, in order to obtain a high-quality glass cullet that enables the broadest recycling options.



**Reclamation of other materials:**

some of the material eliminated during the stream described above are those that can still be reclaimed; in particular magnetic metals (e.g. iron) and non-magnetic metals (e.g. aluminium) that are sent to the respective reclamation chains, thus minimising the quantities that must be disposed of in landfills.



## 6.4 LCA & Eco-conceptions

### 6.4.1 Product Stewardship Management System and Life Cycle Assessment (LCA)

In the last three years, Zignago Vetro has strengthened the Life Cycle Assessment (LCA) activities on its products and on those under design, using specific procedures and a more systematic process.

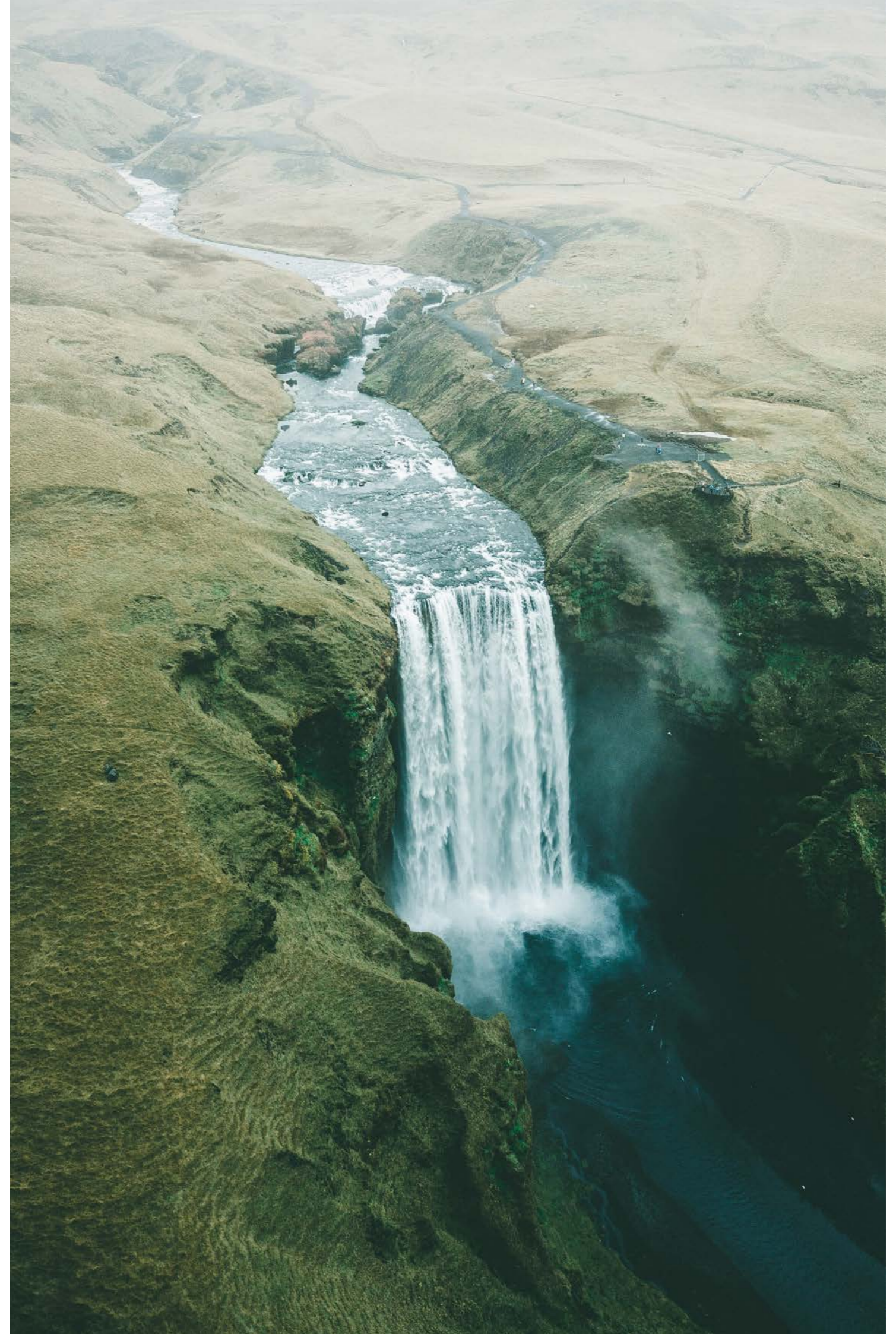
The formalisation of this process by Zignago Vetro meets two specific objectives. The first is embedded within the customer-engagement process, some of whom feel it necessary to know the overall environmental impacts attributable to the products they purchase. Several customers of Zignago Vetro are, in fact, listed companies that have made similar sustainability commitments to their stakeholders. Consequently, it is essential for them that a product, in addition to meeting their needs for design and functionality, also has a limited impact on various environmental matrices.

The second goal is a continuous mapping of the impact parameters associated with each phase of the product life-cycle, which enables greater efficiencies to be generated early in the design and engineering process.

In determining the LCA, Zignago Vetro uses software developed by FEVE (European Hollow Glass Federation) in collaboration with the developer, RDC Environment

This application is equipped with a database using data collected from all the European glassworks that have joined the project (energetic consumption and mix, quantity of virgin raw materials and scrap used, means of transport and distance covered by both raw materials and the finished product for delivery to subsequent plants in the supply chain, etc.).

All these input parameters, combined with the item-specific data and that of the specific production campaign, are processed according to the main standards considered as best practice (PEF, ISO 14067...), so that the main environmental impact (CO<sub>2</sub> emissions, atmospheric ozone effect, toxicity for humans, contribution to acidification or eutrophication, etc.) indicators for each product can be determined, related to its life cycle.



6.4.2  
Eco Conceptions

Deep green collection,  
for sustainable cosmetics

Zignago Vetro's commitment to the environment also extends to the range of products manufactured and marketed. Indeed, in 2017 **Zignago Vetro was the first company to introduce**, with the Deep Green Collection, **containers for cosmetics produced in green glass**.

This type of glass, other than providing increased natural UV protection to the content (up to 99%), is produced with percentages of recycled glass reaching up to 90%, enabling up to a -36% reduction in CO<sub>2</sub> process emissions compared to the same article in white glass.



Lightweight products

As part of its ongoing product research, between 2010 and 2022 Zignago Vetro continued to develop a series of lightweight products that possess all of the same original characteristics. Nearly 40% of containers were reduced in weight in the period. In 2022 alone, lighter items resulted in a reduced use of glass equal to over 2,800 tonnes and **a saving of almost 1300 tonnes of CO<sub>2</sub>**.

Specifically in 2022, the study focused on improving eco-design features on new and existing containers for the F&B and C&P segments.

# Thinking behind sustainable bottles and the "sustainable agriculture" label

To make sustainability visible, Zignago Vetro sought to give it form. A symbolic form, but one that we believe has a powerful meaning: it is the bottle to be awarded as a prize each year to the producer that has done the most for sustainable agriculture. We called it the "Sustainable Bottle".

The design of the Sustainable Bottle sees Zignago Vetro's logo is next to some leaves, symbolising the concept of agriculture. Glass is sustainable by nature and invites its guest, i.e. the contents, to be equally sustainable. The leaves, in turn, wrap around the bottle and remind us that the lesson of glass has been heeded: the producer to whom the bottle is awarded is the most sustainable producer in Italy.

The Sustainable Bottle and the Sustainable Agriculture mark seek to represent the entire Italian agribusiness sector. For that reason, in the field of wine the Sustainable Bottle sought to award the winery that has done most for sustainable viticulture, as part of the recognition awarded by Gambero Rosso. Gambero Rosso and Zignago Vetro share the values of sustainability and innovation in the wine industry. That is why since 2021 they have had a strong partnership, believing that together progress may be made quickly towards a better world. The Sustainable Bottle, awarded in the Prize for Sustainable Winemaking, was thus presented at the Tre Bicchieri di Gambero Rosso event.



Sustainability exists but cannot be seen. It goes under the radar, unnoticed by us. Sustainable actions are the most valuable difference we can make in the current era, yet no one notices them. If only they were visible, they could educate people by reminding us of how much more needs to be done to safeguard the planet.



# New interchangeable bottle necks meeting CETIE standards

CETIE's guidelines take the demands of manufacturers and users of packaging designed to be filled with beverages, cosmetics, perfumes and pharmaceuticals and place them in new shared technical standards. In cosmetics and perfumery, CETIE recently introduced new bottle necks, focusing on interchangeability between the FEA and VITE bottle neck.

To meet the sustainability needs of consumers, perfume manufacturers are increasingly moving toward screw neck bottles, instead of the traditional crimped or FEA bottle necks, so they can offer consumers bottles that are reusable or at least easy to recycle (and thus composed of separable parts). At the same time, in order to fit within existing bottle codes, customers need the lowest possible profile screw neck that allows them to use the same pump covers as their crimped counterparts, providing optimum unscrewing and screwing comfort for the consumer.

That is why the new SNI screw neck bottle has been introduced, which is interchangeable with its crimped counterpart, the CNI (corresponding to a low-profile FEA bottle neck), where market requirements do not allow screw neck bottles.

This gives customers the option of producing both formats (screw neck or crimped) for a particular bottle model, while maintaining the same aesthetic appeal. This of course also translates into an advantage for the glassworks because a single mould can be used to apply different collars and obtain two containers with two different tops.



RECYCLABLE  
AND REUSABLE



HIGH QUALITY  
ACCESSORIES



INTERCHANGEABLE  
BOTTLE NECK

## Lama bottle

Adopting this approach, in 2022 Zignago Vetro introduced to the market a new product line in its already extensive perfumery range: the 100 ml LAMA bottle with SNI screw neck, and crimped CNI, in line with the CETIE standard.

The Lama bottle has the following features:

- it meets the needs of an increasingly sustainability-conscious demand: the accessories can be separated from the bottle with a simple movement, making the bottle easy to reuse (refill option) and to recycle;
- its range is optimised and flexible: the dual neck is a device that enhances the appeal of the product and does not impact its shape, and it may be enhanced with high-quality accessories already on the market requested by the customer;
- the shape of the bottle is reminiscent of classic design; however, the treatment of the walls gives it a sleek appearance, blending classic and modern lines perfectly to make it a timeless product;
- the glass weight was designed to optimise sustainability without sacrificing the aesthetic appeal that only a glass container can give a perfume.

Having been extremely successful with the Lama bottle, Zignago Vetro is expanding the range of containers in its catalogue with these features.



# Thinking behind the H<sub>2</sub>O bottle

In 2022 Zignago Vetro included a special bottle in its F&B commercial range, inspired by the need to communicate the sustainability features of glass containers not only to its customers but also to consumers. The bottle's shape is inspired by the classic form of old milk containers, in a deliberately vintage design to symbolise an old-fashioned usage that is perfectly in tune with the times. The workmanship on the body of the bottle, made with a succession of half-cylinders to create a three-dimensional wave effect, gives it a modern appearance and makes the container ergonomic and practical to use. Similarly, the bottle's wide neck and simplified closure mean it can be easily refilled, washed and reused. These features make it an ideal container for a variety of uses, from food and beverage storage to various DIY uses. Finally, as the ultimate expression of the circular economy in glass containers, the bottle contains more than 80% recycled glass from municipal waste. The goal of the H<sub>2</sub>O bottle is to raise awareness of the use of glass, a material that guarantees hygiene and is infinitely recyclable.

## Case study: CoReVe project

In 2022, the H<sub>2</sub>O Bottle was chosen and customised by CoReVe for an awareness-raising project entitled "Rome's water... drink it in glass!" This publicity campaign includes a set of initiatives for distributing the bottles to households in Rome throughout 2023 to encourage and promote the use of public water, starting with tap water, thus reducing waste. The

bottle also symbolises how proper waste sorting, starting with glass, makes it possible to recover and recycle it, limiting the consumption of raw materials and energy and reducing CO<sub>2</sub> emissions. Since glass can be endlessly recycled, the campaign's goal is to support the achievement of a perfect circular economy model.



CONSORZIO RECUPERO VETRO

# 6.5 Energy Efficiency

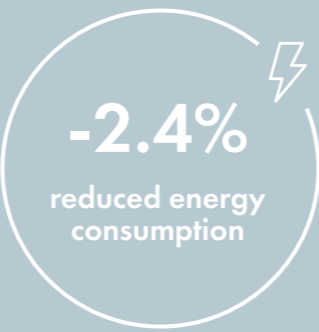
Energy consumption represents a significant component of production activities in the glass sector; the energy is mainly used in glass fusion.

Over the years, all Group plants have made significant efforts to introduce more technologically advanced industrial equipment to optimise and improve the management of existing facilities and consequently reduce energy consumption. Energy efficiency policy, over the years, has resulted in numerous initiatives, such as:

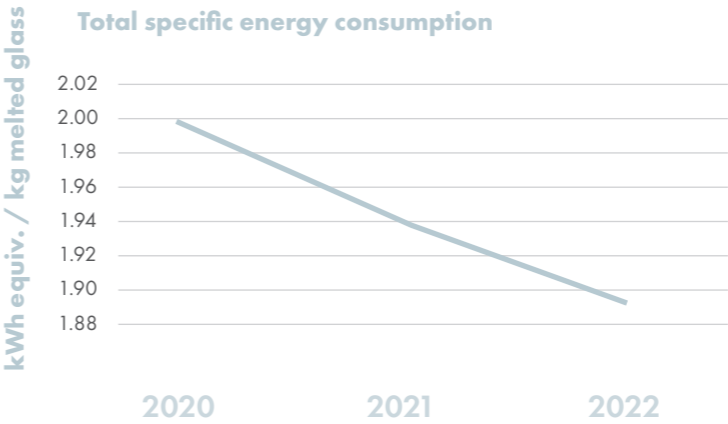
- investment in innovative technologies and materials for the engineering and construction of more energy efficient melting furnaces;
- ongoing revamping of auxiliary plants with increasingly efficient and sustainable solutions;
- installation of heat recovery turbine and photovoltaic panels for the self-production of electricity from thermal waste and renewable sources;
- increase in the use of glass cullet to reduce the energy demands for the fusion process;
- extension of the use of LED light bulbs for indoor lighting;
- training of employees in technical departments on energy saving.

Again in 2022, these efficiency measures further reduced energy consumption (-2.4%) in relation to molten glass, through the replacement of the old Furnace 11 at the Fossalta plant with the new, more efficient Furnace 14, through the optimisation of the consumption related to processes in other furnaces of the Group, and through the continuous increase in the use of glass cullet. In this regard, the Group has always implemented maintenance plans to keep its plants running efficiently.

Zignago Vetro’s goal for 2023 is to reduce consumption by a further -1.0%, through the activities planned and defined using the energy audits conducted and the energy management systems in development at the Group’s plants, such as the replacement of some compressors and the optimisation of some combustion processes in furnaces and forehearts.

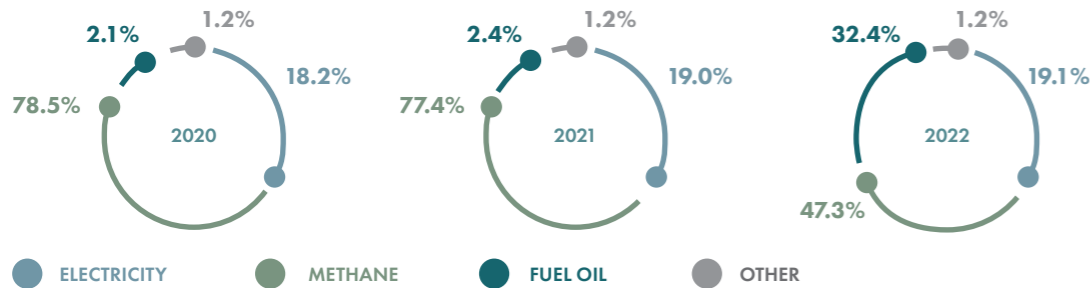


ENERGY KPIs		2020	2021	2022	Δ% 22/21	Goal 2022	Goal 2023	Strategic Goal 2030
Total energy consumed	MWh equivalents	1,125,078	1,172,401	1,179,001	+0.6%	-	-	-
Total energy / Molten glass	kWh equiv./kg of molten glass	1.995	1.936	1.889	-2.4%	1.897	1.870	1.646



PRODUCTION SITE	ZV Fossalta	ZV Empoli	ZV Polska	ZV Brosse
Energy efficiency actions in 2022	<ul style="list-style-type: none"> <li>Commissioning of the new Furnace 14, to replace the less efficient Furnace 11.</li> <li>% increase in PCR cullet used (+3.5%) <ul style="list-style-type: none"> <li>LED lighting</li> </ul> </li> <li>Development of an ISO 50001 certifiable energy management system <ul style="list-style-type: none"> <li>% increase in the procurement of renewable electricity from Zignago Power (+1.4%).</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Auxiliary technology efficiency, particularly in compressed air management</li> <li>Optimisation of melting processes</li> <li>% increase in PCR cullet used (+11.8%) <ul style="list-style-type: none"> <li>LED lighting</li> </ul> </li> <li>Potential extension of the photovoltaic system</li> </ul>	<ul style="list-style-type: none"> <li>Improvement actions identified by the ISO 50001 certified energy management system</li> <li>Improving efficiency of auxiliary technologies</li> <li>Increase in % PCR cullet used (+5.9%)</li> </ul>	<ul style="list-style-type: none"> <li>Optimisation of melting processes</li> <li>Significant increase in % PCR cullet used (+66.1%)</li> </ul>

The energy consumed by the Group derives from the following main sources: electricity, methane gas, fuel oil.



During the period between 2020 and 2022 the Group, given the expansion of its production capacity with the installation of new furnaces in the Fossalta plant and increased production at other sites, increased its energy consumption in absolute terms while reducing specific consumption in relation to the quantity of molten glass.

In light of macro-economic and geopolitical changes at the beginning of 2022, energy prices have shot up and the availability of natural gas, the main fuel used in the processing plants, has been severely limited by the energy crisis. In response to this situation, and in line with the indications of European and national authorities designed to limit the consumption of methane, the company has been forced to vary the production mix by replacing, where possible, natural gas with low-sulphur fuel oil.

## Increased use of energy from renewable sources

In this scenario the pursuit of the objective of a balanced mix of energy sources is also important, as we seek to maximise the use of renewable and self-produced sources.

Over the years, the Group has consistently increased the percentage of electricity it uses from renewable sources. It has done so by installing photovoltaic and heat recovery systems and progressively increasing the amount of electricity produced from renewable sources, which it purchases from Zignago Power, a company belonging to the Zignago Group.

Between February and October 2022, Zignago Vetro installed and commissioned two new photovoltaic systems, with a total potential output of 1,150 kW, at the warehouses serving its Fossalta di Portogruaro plant. Furthermore, the construction of a new 999 kW photovoltaic system began on the roof of one of the finished product warehouses for the Empoli site, which is expected to be commissioned in 2023.

Further research projects are underway to find technological solutions to progressively reduce the use of electricity produced using fossil fuels. As a result of its strategy, Zignago Vetro expects to increase the percentage of electricity from renewable sources to 100% by 2030.

This objective does not yet include the potential effect deriving from the launch of the aforementioned fossil fuel replacement process (e.g. through initiatives like the H2GLASS project), which is currently still under review and therefore not yet currently quantifiable.

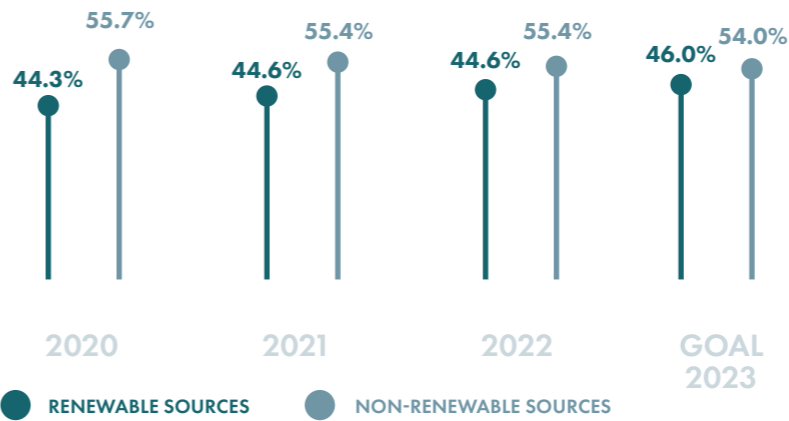
After the significant increase observed between 2019 and 2021, the percentage of electricity from **renewable sources stabilised** in 2022 at **44.6% of the total electricity consumed**, thanks to:

- direct supply** of electricity consumed by the Fossalta di Portogruaro facility **from the Zignago Power biomass plant**;
- installation of **photovoltaic panels** for a total of 21,000 square metres in the Fossalta di Portogruaro and Empoli plants;
- use in the Fossalta di Portogruaro plant of a **steam turbine** to recover the heat contained in the furnace fumes for the production of electricity. However, this turbine was decommissioned in mid-2022 with the shut-down of the associated Furnace 11. The new Furnace 14 that replaces it recovers energy in another way from the preheating of combustion air in the glass melting process.

Despite the substantial improvements in the sourcing of electricity from renewable sources, the percentage achieved over the total electricity consumption was slightly lower than the 2022 target, since the overall electricity consumption was higher than expected due to increased production at the Group’s plant, and the greater use of electric boosting for glass melting.

RENEWABLE ENERGY KPIs	2020	2021	2022	Δ% 22/21	Goal 2022	Goal 2023	Strategic Goal 2030
% EE from renewable sources over total	44.3%	44.6%	44.6%	0%	46.0%	46.0%	100%

### Energy use by type



# Zignago Power for renewable energy

Zignago Power S.r.l. was founded in 2008 in Fossalta di Portogruaro with the objective of meeting the energy demands of the Zignago Holding group, using renewable energy sources that respect the environment.

The Company owns two thermo-electric plants in Italy fuelled by solid biomass: one in Fossalta di Portogruaro (VE) and one in Bagnolo di Po (RO).

The Zignago Power thermoelectric plant in Fossalta di Portogruaro is fuelled by virgin wood chip biomass that has been processed exclusively by mechanical means. The plant runs on a Rankine cycle, with superheated, highly pressurised steam and four different tappings, to ensure high conversion efficiencies. The steam drives an electric generator coupled turbine, producing an output of approximately 17 MW electric (49.2 MW thermal), at the best performance available on the market. In addition, the plant offers cogeneration, recovering thermal energy from combustion fumes to heat water for a district heating system for the local public and private users.

The biomass used is a renewable energy source, as per Legislative Decree No. 387/2003. Qualifying in Italy as a Renewable Sources Powered Plant (IAFR), under current regulations, the plant is incentivised for the energy it produces on a par with other renewable sources, such as solar, wind, hydroelectric, geothermal and biogas. The plant is, in fact, considered to have net zero CO<sub>2</sub> emissions, since its fuel comes from organic carbon biomass, produced by plants that have absorbed equivalent quantities of CO<sub>2</sub> during their lifespan.

The Zignago Power thermoelectric biomass plant is currently the most sustainable generation system possible for the energy supply needs of Zignago Group, particularly Zignago Vetro, which needs a constant supply of electricity and power, almost 24 hours a day, 365 days a year. Among all the renewable options, the plant is the only possible solution to meet these needs in the area where it is located, since the energy source, in this case biomass, allows for programmable, independent electrical power production regardless of the weather conditions or seasons. Additionally, the energy is consumed in the vicinity of where it is produced, and distributed via the Group's own network, minimising any losses or waste.

The biomass fuel for the plant comes, almost entirely, from a short supply chain, sourced within a range of a few tens of kilometres, through ongoing agreements with operators approved by the Italian Ministry of Agriculture, Food and Forestry Policies (MIPAAF). All the biomass is fully documented, certifying its traceability, from its exact geographic origin to the legal basis of its supply, in terms of quantities and authorised woodcutting areas. The documentation is annually approved by the Ministry, releasing the grid operator to apply the relevant incentive, based on the amount of biomass energy produced. The biomass fuel for the plant comes, almost entirely, from a short supply chain, sourced within a range of a few tens of kilometres, through ongoing agreements with operators approved by the Italian Ministry of Agriculture, Food and Forestry Policies (MIPAAF). All the biomass is fully documented, certifying its traceability, from its exact geographic origin to the legal basis of its supply, in terms of quantities and authorised woodcutting areas. The documentation is annually approved by the Ministry, releasing the grid operator to apply the relevant incentive, based on the amount of biomass energy produced.



This incentive scheme was created precisely to favour local supply chains, to maximise environmental sustainability of productive cycles, by sourcing biomass from local areas authorised for cutting well-defined amounts, and to generate positive, local economic and social impacts, such as employment, investment, and so on.

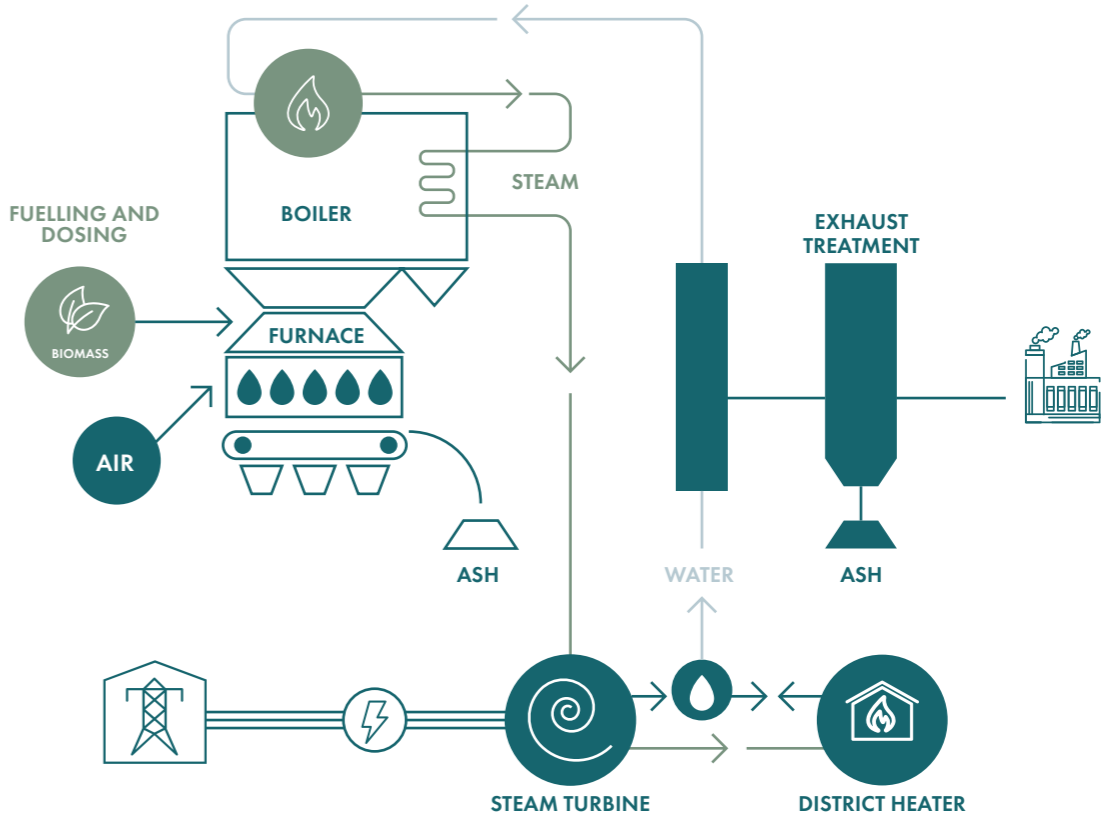
No biomass comes from long distances, such as transported by ship, or from non-European countries, or any areas where sourcing is not planned, controlled, regulated and authorised.

Another important aspect, from a sustainability perspective, according to the "cascading use" principle is that the Zignago Power plant uses biomass that cannot otherwise be used by other "higher value" activities, since it derives from agricultural waste (e.g. pruning), forest maintenance waste (e.g. branches and twigs), or virgin wood processing waste (e.g. sawmill residues from cutting quality wood for the furniture industry).

Woody material is also sourced from storm debris, such as the trees felled by the recent violent storm Vaia. If these raw materials were not used as an energetic and economic resource, for example, if the plant were not there, they would, otherwise, simply be disposed of, and represent harmful environmental risks, such as dumping, forest fires, and similar.

It is also a cogeneration plant as, thanks to the recovery of thermal waste from fumes, it provides hot water for process uses in the production site itself and fuels a civil district heating system that extends to the surrounding town.

**AET Biomass Power Plant**  
(Fossalta di Portogruaro - VE)



## 6.6 Atmospheric emissions management

Plant production activities require the use of melting furnaces, which involves the emission of volatile substances, in particular greenhouse gases (GHGs) and mainly CO<sub>2</sub>.

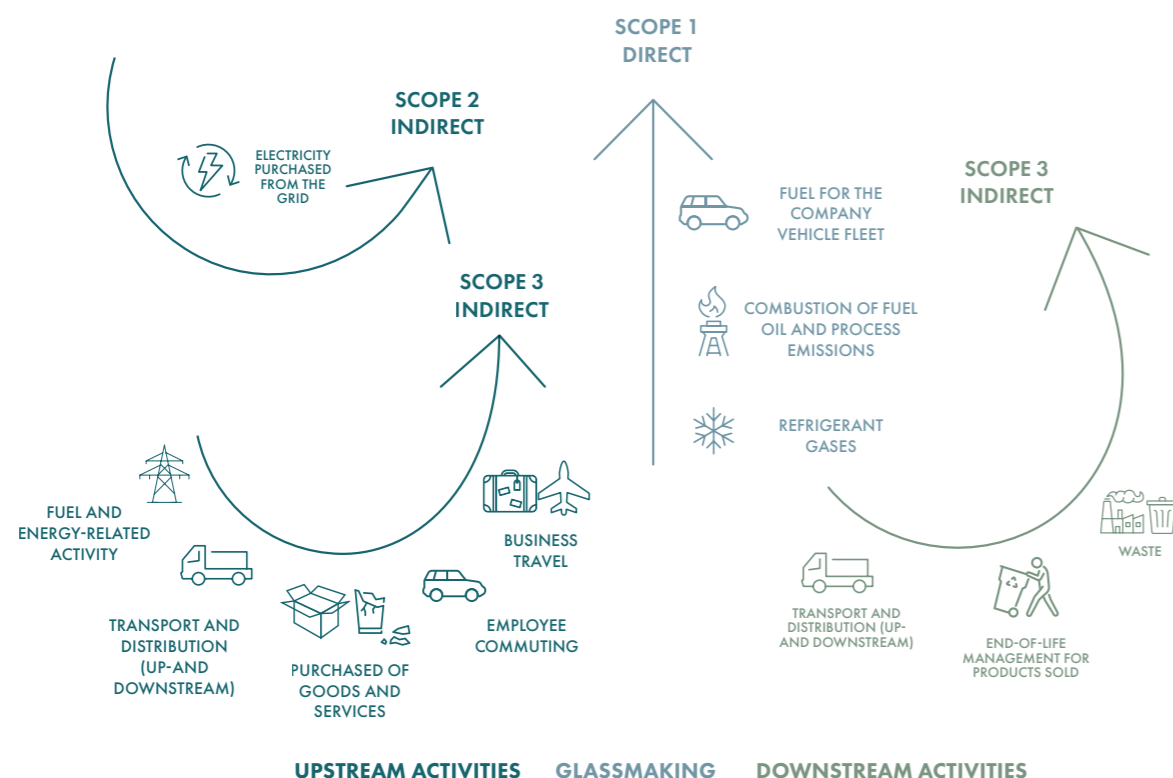
Zignago Vetro, using the data for 2019, has produced its own GHG Inventory in accordance with the GHG Protocol Accounting and Reporting Standard, in which a third party has reported and verified all the direct and indirect emissions from its industrial activities, and specifically:

- Scope 1 emissions, i.e. those directly generated by production processes
- Scope 2 emissions, i.e. those indirectly originating from the electricity consumed in production processes
- Scope 3 emissions, i.e. all other indirect emissions linked to production processes

The Group manages this aspect of its production activities with extreme care, implementing all technological solutions available to date, not only in order to comply with current regulations, but also to achieve the highest possible environmental protection standards.

Zignago Vetro has committed to various initiatives with a view to reducing CO<sub>2</sub> emissions:

- reductions in energy consumption;
- using less polluting energy sources;
- maximising the quantity of glass cullet put in the furnaces;
- Eco-conceptions of products offered with the introduction of lighter containers or containers with higher percentages of cullet.



## Carbon footprint and GHG

The calculation of Zignago Vetro's carbon footprint and improvements in environmental data are among the most significant goals of its ESG Policy, and a top priority for the Board of Directors and the ESG Committee.

In particular, Carbon Intensity, measuring CO<sub>2</sub> emissions per product unit, is one of the monthly monitored KPIs for the achievement of the goals of the Zignago Vetro ESG business plan.

The ESG business plan defines a series of specific actions to improve results and reduce overall emissions, such as the setting of multi-year goals for individual environmental KPIs, and the formalisation of related procedures.

Zignago Vetro's Carbon Intensity goals are both consistent with ESG Policy principles and form part of the reduction process stimulated by the EU Emissions Trading System (ETS). Gradual, systematic and non-volatile improvements in this area can reduce the need to purchase CO<sub>2</sub> allowances on the market, thereby generating important savings for the Group.

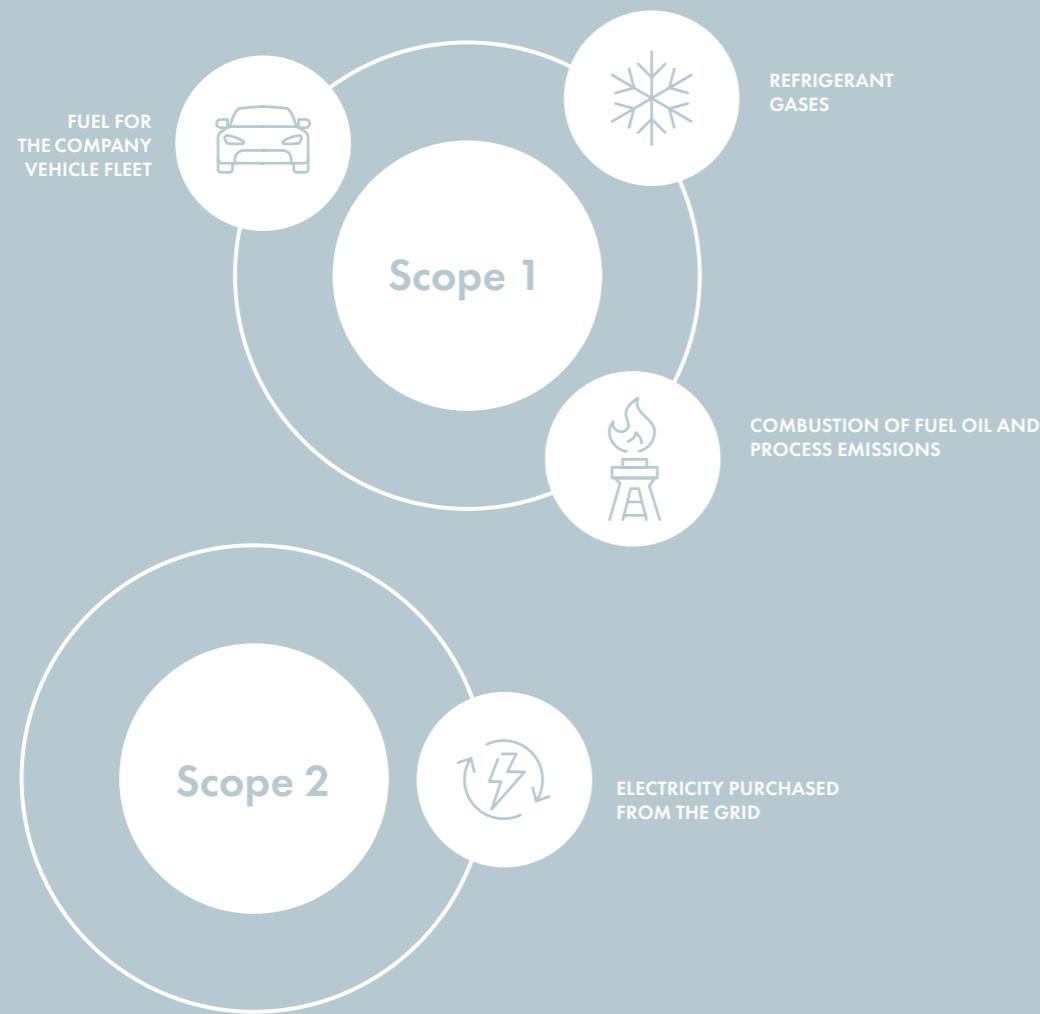
Zignago Vetro is, therefore, increasingly focused on improving Carbon Intensity, aware that lower emissions lead to less energy consumption and greater energy savings.

Following its commitment to improve Carbon Intensity, energy efficiency and environmental aspects in general, Zignago Vetro has implemented a monthly reporting system, including Scope 1 and 2 emissions and energy and water consumption data. Waste production, on the other hand, is calculated annually as a whole, even though, in reality, its monitoring through loading and unloading records is continuous throughout the year. Scope 3 indirect emissions from the value chain, due to their complexity, are calculated annually and verified by an independent audit firm.

Zignago Vetro procedures for Carbon Footprint calculations, particularly concerning the majority of Scope 1 data, refer to the EU Emissions Trading System (ETS), as per legislation regulating the direct emissions of stationary plants. The related data is verified by third-party certification bodies, applying strict Europe-wide standards. The second method of data collection defined in Zignago Vetro's procedures is the GHG Protocol Accounting and Reporting Standard, which includes Scope 2 and Scope 3 indirect emissions certified by an independent audit firm.

6.6.1
Scope 1 and 2 GHG emissions

In order to fully represent the phenomenon of air emissions linked to company operations as well as the improvements that the Group intends to pursue in the medium-long term, it is believed that the most appropriate indicator is the tonnes of Scope 1 and Scope 2 CO2 emitted per tonne of total molten glass.



Scope 1+2 CO <sub>2</sub> Emissions KPIs		2020	2021	2022	Δ% 22/21	Goal 2022	Goal 2023	Strategic goal 2030
CO <sub>2</sub> emissions (Scope 1 + 2 MB)	tonne CO <sub>2</sub>	289,927	304,181	332,595	+9.3%	-	-	-
Specific CO <sub>2</sub> emissions (Scope 1 + 2 MB)	tonne CO <sub>2</sub> /tonne molten glass	0.514	0.502	0.533	+6.2%	0.497	0.529	0.351
Of which:								
CO <sub>2</sub> emissions (Scope 1)	tonne CO <sub>2</sub>	232,960	240,779	265,407	+10.2%	-	-	-
Specific CO <sub>2</sub> emissions (Scope 1)	tonne CO <sub>2</sub> /tonne molten glass	0.413	0.397	0.425	+7.1%	-	-	-
CO <sub>2</sub> emissions (Scope 2 MB*)	tonne CO <sub>2</sub>	56,968	63,402	67,188	+6.0%	-	-	-
Specific CO <sub>2</sub> emissions (Scope 2 MB*)	tonne CO <sub>2</sub> /tonne molten glass	0.101	0.105	0.108	+2.9%	-	-	-

\*MB = Market-Based. This is the most accurate method for estimating Scope 2 GHG emissions, since it is based on the energy contracts stipulated by the organisation, and takes into account the real supply of certified renewable energy.

External factors of necessity due to the crisis in natural gas supplies, as mentioned in the previous section, forced the Company to convert, where possible, the energy supply of the melting furnaces to make use of fuel oil. The increased CO2 emissions were therefore in part due to the use of fuel oil, which has a higher emission factor for the same energy content than methane, and in part due to increased production.

Nonetheless, in 2022, the actions undertaken by the Group (listed in the following table) made it possible to limit the increase in emissions due to the new energy mix and to the natural loss of efficiency of the plants in relation to the ageing of the furnaces and the deterioration of the thermal insulation refractory material. In particular, the replacement of the old Furnace 11 with the new, more efficient Furnace 14 led to greater energy savings per unit of molten glass in 2022, partially mitigating the negative effects due, as mentioned, to the use of fuel oil.

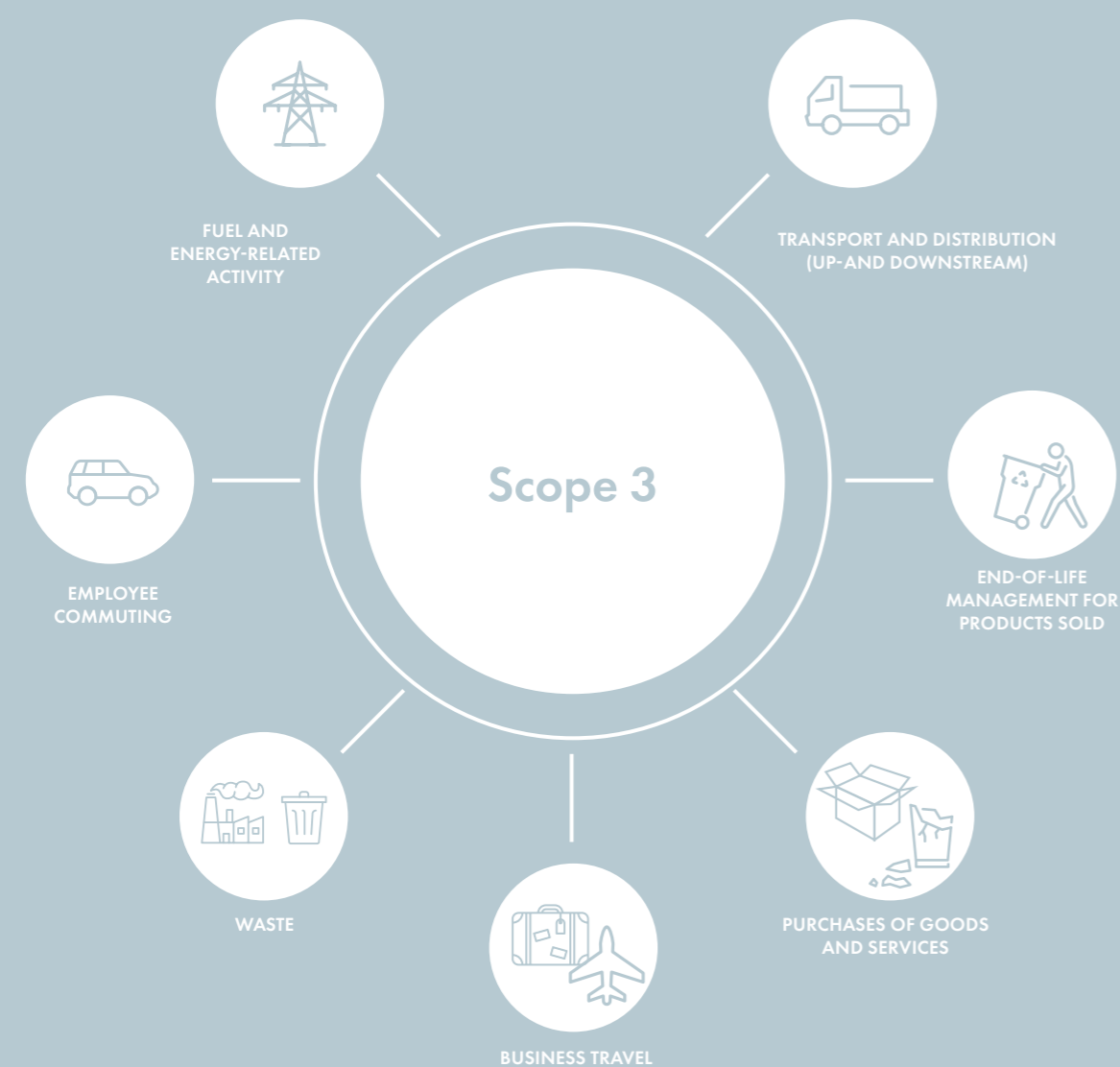
Absolute Scope 1 emissions increased by +10.2%, also due to the increase in production capacity achieved by the commissioning of the new Furnace 14, while specific Scope 1 emissions per tonne of molten glass increased by +7.1%, due to the necessary use of fuel oil.

Absolute Scope 2 emissions from electricity consumption also rose by +6.0%, due to the increased production capacity, while, in specific terms, per molten glass unit, they increased by +2.9%, due to the extraordinary maintenance shut-down of the Zignago Power biomass plant, which led to the Fossalta plant being supplied from the national grid (also from non-renewable sources) for an unusually long period. The Group’s strategic goals include specific CO2 emission reductions (Scopes 1 & 2) of -34.1% by 2030, through energy efficiency improvements, increased glass cullet use, continuous plant modernisation, and the introduction of new technologies - e.g. the H2GLASS project.

In the short term, however, the conditions of market uncertainty and the unavailability of well-established and reliable alternative technological solutions make it necessary to set less ambitious targets for 2023, while protecting the sustainability of the business. Therefore, the 2023 target is to limit specific emissions to 0.529 tonnes of CO2 per tonne of molten glass, calculated in the most precautionary hypothesis of running all the plants on fuel oil.

PRODUCTION SITE	ZV Fossalta	ZV Empoli	ZV Polska	ZV Brosse
Actions to reduce Scope 1 and Scope 2 emissions in 2022	<ul style="list-style-type: none"> <li>Replacement of Furnace 11 with the new, lower emissions Furnace 14.</li> <li>% increase in PCR cullet used (+3.5%)</li> <li>Limitation, where possible, of the use of fuel oil in the energy mix. <ul style="list-style-type: none"> <li>% increase in the procurement of renewable electricity from Zignago Power (+1.4%).</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Auxiliary technology efficiency, particularly in compressed air management</li> <li>% increase in PCR cullet used (+11.8%)</li> <li>Increased solar energy production (+8.2%)</li> </ul>	<ul style="list-style-type: none"> <li>Introduction of an ISO 50001 certified energy management system</li> <li>Improving efficiency of auxiliary technologies</li> <li>Significant increase in % PCR cullet used (+5.9%)</li> </ul>	<ul style="list-style-type: none"> <li>Optimisation of melting processes</li> <li>Significant increase in % PCR cullet used (+66.1%)</li> </ul>

6.6.2
Scope 3 GHG Emissions



To demonstrate the improvement process undertaken by Zignago Vetro in analysing and reducing all environmental impacts from its own process, as of 2019 the Company is also reporting indirect Scope 3 emissions in its GHG Inventory. As previously stated, the monitoring of this parameter is in accordance with the GHG Protocol Accounting and Reporting Standard and it is verified by an independent audit firm. The monitoring includes emissions in the following categories:

CATEGORY	DESCRIPTION	APPLICABILITY
Cat.1: Purchased goods and services	Emissions upstream of the process (cradle-to-gate) relating to the production of purchased products (both tangible such as raw materials and intangible such as services).	Applicable
Cat.2: Capital goods	Emissions upstream of the process (cradle-to-gate) relating to the production of purchased capital goods.	Applicable
Cat.3: Fuel- and energy-related activities not included in Scope 1 and 2	Includes the following specific contributions: <ul style="list-style-type: none"><li>Upstream emissions from the extraction, production and transport of the fuels consumed;</li><li>Upstream emissions from the extraction, production and transport of fuels used to generate the electricity consumed;</li><li>Transmission and distribution losses.</li></ul>	Applicable
Cat.4: Upstream transportation and distribution	Emissions deriving from the following types of transport: <ul style="list-style-type: none"><li>Transport and distribution of products (e.g. raw materials) procured from Tier 1 suppliers;</li><li>Transport of the finished product carried out by third parties at the Group's expense, including inbound and outbound logistics, and intra-Group, inter-site transfers.</li></ul>	Applicable
Cat.5: Waste generated in operations	Emissions from the disposal and/or treatment of generated waste.	Applicable
Cat.6: Business trips	Emissions from the business trips of employees in vehicles owned or operated by third parties, such as aeroplanes, trains, buses, taxis, and boats. This includes emissions from stays in hotels and accommodation facilities during business trips.	Applicable
Cat.7: Employee commuting	Emissions from employees' daily commute to and from their workplace, and those associated with smart-working.	Applicable
Cat.8: Upstream leased assets	Emissions from the use of leased assets not already included in Scope 1 and 2.	Not applicable
Cat.9: Downstream transportation and distribution	Emissions from finished product transport and distribution services carried out by third parties at the customer's expense.	Applicable
Cat.10: Processing of sold products	Emissions from processing carried out by third parties on sold semi-finished products.	Not applicable
Cat.11: Use of sold products	Emissions from the use of sold products.	Not applicable
Cat.12: End of life of sold products	Emissions (expected) from the disposal and treatment of marketed finished products once they have reached their end-of-life.	Applicable
Cat.13: Downstream leased assets	Emissions from the use of owned assets leased to third parties.	Not applicable
Cat.14: Franchises	Emissions from franchise operations not already included in Scope 1 and 2.	Not applicable
Cat.15: Investments	Emissions associated with investments made. This category is only applicable to investors and other firms providing financial services.	Not applicable

The results of these initial campaigns are reported in the table below. Between 2021 and 2022, the reporting of all Scope 3 categories applicable to the Group’s business was completed, with the addition of indirect emissions associated with the purchase of services (Category 1) and capital goods (Category 2). Naturally, this expansion in the reporting scope led to an increase in total Scope 3 emissions, both in absolute terms (+24.5%) and per molten glass unit (+20.9%).

Other contributions to the increase in indirect emissions were due to the greater use of fuel oil (associated with higher emissions from extraction, refining and distribution processes included in Category 3), and transport (improved precision and inclusion of more data for Categories 4 and 9).

The following table shows the Scope 3 data broken down by category over the last three years:

CO <sub>2</sub> KPI Emissions		2020	2021	2022	Δ% 22/21	Goal 2022	Goal 2023	Strategic goal 2030
CO <sub>2</sub> emissions (Scope 3)	tonne CO <sub>2</sub>	154,424	168,440	209,775	+24.5%	-	-	Engagement with parties responsible for at least 80% of Scope 3 emissions
Specific CO <sub>2</sub> emissions (Scope 3)	tonne CO <sub>2</sub> /tonne molten glass	0.274	0.278	0.336	+20.9%	-	-	
Of which								
Cat.1: Purchased goods	tonne CO <sub>2</sub>	79,149	79,365	70,807	-10.8%	-	-	-
Cat.1: Purchased services	tonne CO <sub>2</sub>	N/D	N/D	14,670	-	-	-	-
Cat.2: Capital goods	tonne CO <sub>2</sub>	N/D	N/D	18,681	-	-	-	-
Cat.3: Fuel- and energy-related activities	tonne CO <sub>2</sub>	37,201	46,267	54,767	+18.4%	-	-	-
Cat.4: Upstream transportation and distribution	tonne CO <sub>2</sub>	24,046	22,758	28,374	+24.7%	-	-	-
Cat.5: Waste generated in operations	tonne CO <sub>2</sub>	814	919	747	-18.7%	-	-	-
Cat.6: Business travel	tonne CO <sub>2</sub>	124	124	189	+52.4%	-	-	-
Cat.7: Employee commuting	tonne CO <sub>2</sub>	1,408	1,378	1,480	+7.4%	-	-	-
Cat.8: Upstream leased assets	tonne CO <sub>2</sub>	N/A	N/A	N/A	-	-	-	-
Cat.9: Downstream transportation and distribution	tonne CO <sub>2</sub>	2,917	8,326	10,298	+23.7%	-	-	-
Cat.10: Processing of sold products	tonne CO <sub>2</sub>	N/A	N/A	N/A	-	-	-	-
Cat.11: Use of sold products	tonne CO <sub>2</sub>	N/A	N/A	N/A	-	-	-	-
Cat.12: End of life treatment of sold products	tonne CO <sub>2</sub>	8,765	9,303	9,762	+4.9%	-	-	-
Cat.13: Downstream leased assets	tonne CO <sub>2</sub>	N/A	N/A	N/A	-	-	-	-
Cat.14:Franchises	tonne CO <sub>2</sub>	N/A	N/A	N/A	-	-	-	-
Cat.15: Investments	tonne CO <sub>2</sub>	N/A	N/A	N/A	-	-	-	-

Analysis of these indicators, collected in significant and consolidated database, over a multi-year period, builds on an awareness of the need to engage with the value chain’s main partners, and promote initiatives to reduce indirect emissions in any way related to Group operations. This is why Zignago

Vetro has set itself the goal of directly engaging with partners responsible for at least 80% of Scope 3 emissions by 2030, and urging them to implement opportune improvement actions.

### 6.6.3 Other pollutant emissions

Concerning other emissions, more specifically NOx and SOx and dust (considerably less than those of CO<sub>2</sub>), all the Group’s plants have invested in the best abatement technologies available, capable of guaranteeing a wide margin of compliance with the limits imposed by law. For these parameters, the indicator used was therefore the number of times these limits were exceeded per year for the most significant emissions (i.e. those from the melting furnaces). As evident from the following table, this number was zero.

NOx, SOx and dust KPIs		2020	2021	2022	Goal 2022	Goal 2023	Strategic goal 2030
Number of times the legal limit for atmospheric emissions was exceeded (NOx, SOx and dust)	No.	0	0	0	0	0	0

As proof of its continuous commitment to the technological advancement of pollutant abatement plants, in the major facilities of the Group, in 2022, Zignago Vetro built and commissioned new DeNOx plants with Selective Catalytic Reduction (SCR) technology, to further cut emissions of nitrogen oxides. Furthermore, starting from 2023, the new continuous emissions monitoring systems (EMS) will also be activated in the same plants for advanced process control, and for a further guarantee of the containment of emissions.

## 6.7 Raw material and finished product transport and logistics efficiency

Currently, transport for the Group and for the glass industry in general is mainly carried out by road. The Zignago Vetro strategic Roadmap calls for the introduction and delivery of the “multimodal” project launched in 2019. This project is based on willingness to diversify the means of transport, also with alternative and more sustainable ones, for the purpose of reducing CO<sub>2</sub> emissions.

More specifically, rail freight was identified as an alternative means that permits, given equal efficiency, an appropriate saving of emissions.

Currently the system is already in operation and permits delivery by rail of some of the sand delivered to the Fossalta and Poland plants. In 2022 the use of multimodal transport produced a

saving of -22.4% (equal to -60.4 tCO<sub>2</sub>eq) in CO<sub>2</sub> emissions compared with transporting the same material solely by road.

Similarly, the topic of external packaging is particularly relevant to Zignago Vetro’s ESG roadmap.

The R&D division is studying, in collaboration with main clients, packaging solutions that can reduce the total use of plastic, as well as the weight and dimensions of the packaging, in the future.

# 6.8 Water

## 6.8.1 Zignago Vetro and water

Water has always been one of the most important resources for sustaining human life and it plays a key role in all natural cycles and ecosystems. In addition, its abundance on the planet and its chemical and physical properties also make water a primary resource for the economic and productive activities that have developed in recent centuries in agriculture and industry. Population growth and the intense economic development of societies mean that it is now necessary to tackle sustainable water use and consumption in all sectors and processes.

The Zignago Vetro Group is aware of and sensitive to the challenges linked to the conservation and protection of water resources, and has for years been on a path to improve its processes so that it can progressively reduce its impact in this area.

The area of glass production processes that uses the most water is undoubtedly the cooling of auxiliary equipment and incandescent glass cullet. Water is used as a cooling fluid in numerous pieces of equipment such as vacuum pumps, compressors, furnace blades, electrodes for electrical boosting in melting furnaces and other minor items of equipment. Water is also used to cool the incandescent glass cullet, which is transported inside special tanks (called "scrapers") equipped with bottom scrapers that transfer the glass to special accumulation hoppers in order to recycle the material within the production process.

The water needed to operate such equipment may, depending on the usage requirements, be taken from various sources, such as underground wells, surface water-courses or aqueducts and may be treated to remove hardness or pollutants.

Increasingly, plant cooling water is also being reused through recirculation technologies to reduce the need for and consumption of water from natural sources.

Given the high impact of the process on water resources, therefore, the Group has acquired appropriate technological and governance tools to reduce impacts and mitigate water-related risks.

The Company has long integrated water resource management aspects into the overall process of assessing risks relating to its operations. Risk identification and analysis is carried out by the Control and Risks Committee, a body appointed by the Board of Directors, which collaborates with other relevant bodies (such as the ESG Committee) to mitigate risks. The assessment is carried out at the facility level and takes into account both elements relating to the local context (spatial and hydro-geological characteristics, regulations applicable to water management, status of surrounding aquatic ecosystems) and the needs and expectations of any stakeholders involved (customers, employees, investors, local communities).

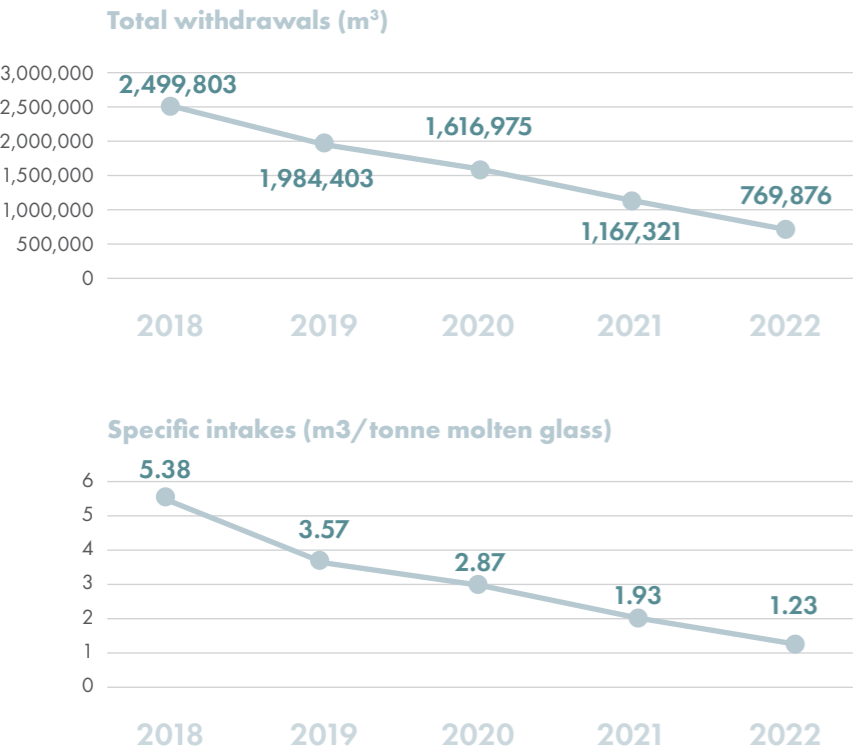


Risks identified that apply to the organisation as a whole or to specific sites are tracked, by assessing potential areas of concern and potential direct and indirect negative impacts on operations, legislative compliance and the Company's reputation. In addition to analysing, for each type of risk, the severity and probability of impacts linked to water management, their potential financial and strategic effect on the Group is also evaluated.

Using the outcome of the evaluation process, management can identify the main issues to address in water resource management, define the relevant functions within the organisation, the priorities and objectives to pursue with a view to continuous improvement, the specific initiatives and actions to put in place and the main parameters to measure in order to monitor them.

The most representative indicators for Zignago Vetro relate specifically to the quantity of water consumed and the quality of water discharged into the environment.

Year	Total intakes (m3)	Specific intakes (m3/tonne molten glass)
2018	2,499,803	5.38
2019	1,984,403	3.57
2020	1,616,975	2.87
2021	1,167,321	1.93
2022	769,876	1.23



Both the volume and quality of water intakes from the various sources and the volume and mass of pollutants emitted in water discharged externally (to surface water or the public sewer) are then measured and monitored accurately.

This approach has enabled the Group to achieve remarkable results in saving more and more water. The last five years have seen a substantial reduction in the water requirements of production plants both in absolute terms and in proportion to the mass of molten glass, as shown in the graphs below. Total water withdrawals have decreased by -69.2% since 2018, while specific water withdrawals have even dropped by -77.1%. This is all due to the success of the technological and management improvement activities that will be described in the following sections.

## 6.8.2 Water withdrawal and discharge management

### Reduction in water consumption

The use of water resources is an important factor in the Group's production activity, whose risks must be managed and mitigated, especially in relation to the need to prevent water pollution and to minimise, as far as possible, water consumption, waste and dispersion.

Zignago Vetro’s commitment through the progressive introduction of environmental monitoring and measuring systems (ISO 14001 and ISO 50001), target-setting, and technological upgrades has been constant and over the years has led to important reductions in terms of water intake and discharges, as illustrated in the table below:

Water KPIs		2020	2021	2022	Δ% 22/21	Goal 2022	Goal 2023	Strategic goal 2030
WATER WITHDRAWALS	Mm³	1,617	1,166	770	-34.0%	-	-	-
	m³/tonne of molten glass	2.87	1.93	1.23	-36.3%	1.79	1.10	0.8
Surface water (rivers, lakes, etc.)	% of total consumption	62.8%	53.7%	46.7%	-13.0%	-	-	-
Well groundwater	% of total consumption	34.0%	41.9%	47.9%	+14.3%	-	-	-
Mains water supply	% of total consumption	3.2%	4.4%	5.4%	+22.7%	-	-	-

During 2022 the value of specific water withdrawals per tonne of molten glass reduced further compared to the previous year, with a decrease of -36.3%.

As set out in the preceding section, the Group is committed to constantly reducing its water consumption through technological investments in process water recirculation systems. As a result of its business strategy, Zignago Vetro expects to **reduce specific water withdrawals by -35.0% between 2022 and 2030**.

The tangible measures deployed to optimise the reduction of withdrawals in past years can be summarised as follows:

- systematic technical interventions to reduce water intake for the production process, mainly by means of the installation of closed-circuit water systems and recycling and recovery systems,
- the use of proper plants for the wastewater and rainwater’s treatment and disposal.

More specifically, Zignago Vetro has invested in a closed-circuit system for each furnace. This means that after the initial intake of water from wells and surface waters, the system continues reusing the same water for both cooling the glass during the production process and for cooling the processing system (compressors and vacuum pumps). The reuse of water within the closed circuit makes it possible, on the one hand, to reduce its consumption and, on the other, to purify it according to set deadlines.

The most recent upgrade of a plant to this standard was in 2022 in the Fossalta plant, where the cooling waters from the new Furnace 14 were connected to the closed-circuit system already set up for Furnace 13.

Thanks to these connection works and other initiatives, such as the replacement of open-cycle vacuum pumps or the identification of hidden leaks, the Group was able to exceed its savings target for 2022, decreasing absolute withdrawals by -34.0%, and specific withdrawals by -36.3%.

PRODUCTION SITE	ZV Fossalta	ZV Empoli	ZV Polska	ZV Brosse
Actions to reduce water withdrawals in 2022	<ul style="list-style-type: none"><li>• Connection of closed-loop cooling water for the new Furnace 14</li><li>• Liquid ring vacuum pump replacement with new air-cooled system</li><li>• Monitoring of the water network, any hidden leaks, and major consumption points</li><li>• Regulation of largest users</li></ul>	<ul style="list-style-type: none"><li>• Optimisation of drawn water softening system</li><li>• Monitoring of the water network, any hidden leaks, and major consumption points</li><li>• Regulation of largest users</li></ul>	<ul style="list-style-type: none"><li>• Connection of closed-loop cooling water for furnace 41</li><li>• Monitoring of the water network, any hidden leaks, and major consumption points</li><li>• Regulation of largest users</li></ul>	<ul style="list-style-type: none"><li>• Monitoring of the water network, any hidden leaks, and major consumption points</li><li>• Regulation of largest users</li></ul>



In strategic terms (ESG Roadmap) Zignago Vetro calls for a detailed wastewater management plan (Effluent Management) that includes, among other things:

**Procedures aimed at managing and reducing the use of water in general, effusions and chemical agents;**

**Technical upgrades with identified technologies and initiatives to progressively increase the percentage of water reused in the closed circuit;**

**A periodic reporting system for the purpose of monitoring the quantity of water used in the closed circuit compared to the total quantity used in the production cycles of different plants;**

**The monitoring and measurement of water savings following an increase in the use of recycled water.**

Water discharges

WATER DISCHARGES					
		2020	2021	2022	Δ% 22/21
TOTAL DISCHARGES	mm³	1,613	1,178	787	-33.2%
	m³/tonne of molten glass	2.86	1.94	1.26	-35.1%
Of which:					
Sewerage	%	22.8%	26.8%	41.9%	+56.3%
Surface water discharges	%	77.2%	73.2%	58.1%	-20.6%

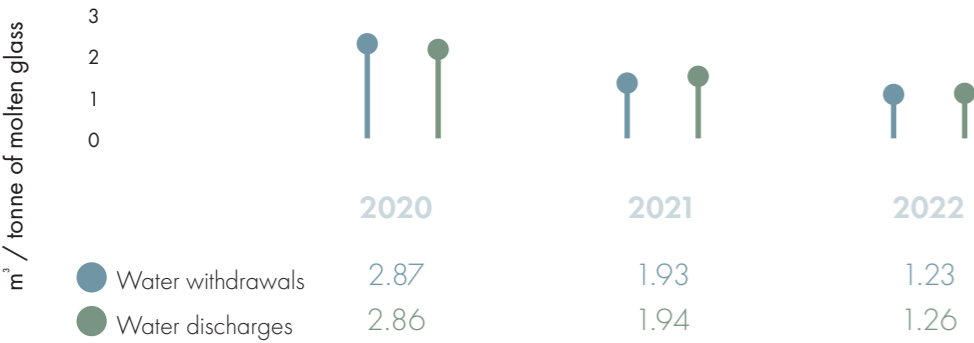
Commenting on the above data, it should be noted that surface discharges mainly derive from the cooling of production plants and from rainwater runoff. These amounts are therefore variable depending on the meteorological conditions, but have fallen in absolute terms due to the reduction in process water intakes.

We note that surface water discharges are subject to legal

limitations that are much more restrictive than those established for sewage discharges.

Discharges are always kept within the limits set by applicable legislation.

Trends in water withdrawals and discharges



Appropriate treatment plants guarantee the quality of surface water discharges, which may be contaminated with process pollutants such as suspended solids, dissolved organic carbon (DOC), heavy metals or hydrocarbons.

All Group plant have invested in the best technologies for treating process wastewater, ensuring that the limits set by regulations are complied with, with ample headroom. Therefore, for water pollutants (such as suspended solids, DOC or total hydrocarbons), a decision was taken to use, as the indicator, the number of times the regulatory limit was exceeded per year. The table below shows that this was always zero. We note that surface water discharges are subject to legal limitations that are much more restrictive than those established for sewage discharges.

WATER POLLUTION KPI		2020	2021	2022	Goal 2022	Goal 2023	Strategic goal 2030
Number of times the legal limit for process water discharges was exceeded (pollutants such as suspended solids, DOC, heavy metals, hydrocarbons, etc.)	No.	0	0	0	0	0	0



## 6.9 Noise and traffic

The Group's focus on the external environment may be seen not only in the protection of the above areas but also in initiatives to mitigate the noise and vehicular traffic impacts of its operations.

### 6.9.1 Noise emission management

Due to the nature and technology of the machinery used, the production processes carried out by the Group's facilities generate considerable noise levels and can have an impact on the external environment.

For this reason, Zignago Vetro has, over time, equipped itself with the best technical solutions to mitigate the noise emissions generated by its operations, both by building new plants and retrofitting existing ones with the best available techniques (BAT). In fact, many of the noisiest plants (such as compressors or evaporation towers) are equipped with appropriate filters and sound barriers to dampen the noise emissions generated at source. They are also placed inside buildings with sound-absorbing walls and panels that isolate noise within the production buildings.

To verify the results of these abatement measures at all Group production sites, regular monitoring campaigns are conducted of the noise impact generated by the process at the receptors closest to the facilities. In this way, possible opportunities for improvement can be evaluated and additional measures to reduce the noise emitted can be planned.

For example, between 2019 and 2022, a number of acoustic mitigation works were carried out at the Fossalta di Portogruaro facility, improving the performance of various plants (installation of acoustic barriers on fans, evaporation towers and aerators) and buildings (new insulation and installation of insulated window frames).

The acoustic emission and input limits imposed by applicable regulations and noise zoning are met at all Group facilities.

### 6.9.2 Management of impacts on vehicle traffic

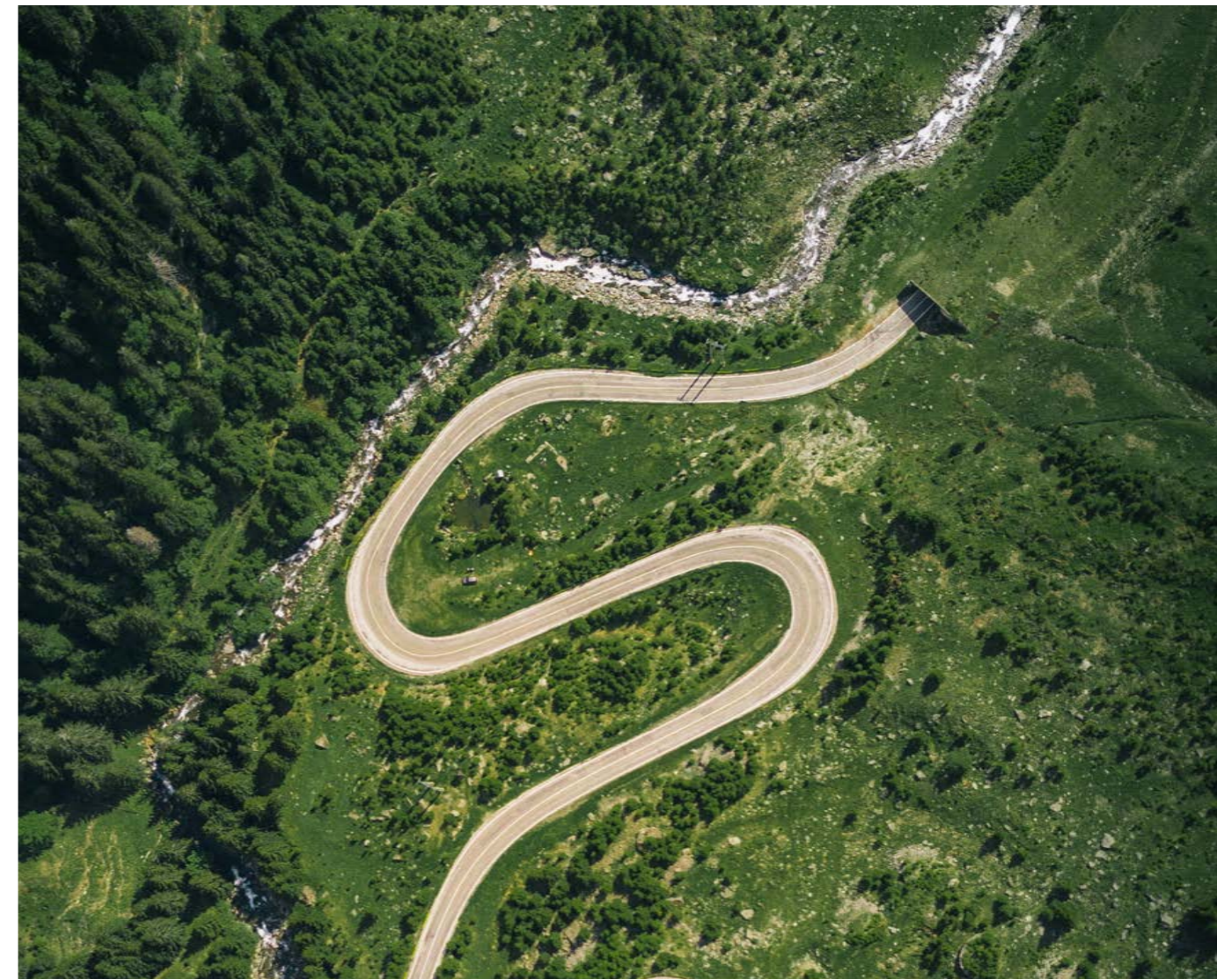
The type of business and geographical location of Group sites produce impacts on local vehicle traffic. Most of Zignago Vetro's operations involve road haulage both for the receipt from suppliers of raw materials and purchased goods and for the shipment of finished products to customers.

There are therefore several dozen heavy goods vehicles travelling on the local road networks every day to enter or leave Zignago Vetro facilities, constituting a potential source of road traffic congestion.

In order to avoid traffic jams and slowdowns, the company has appropriate logistics management systems and adequate internal infrastructure and traffic rules within the facilities.

For example, the entrances to each production site have adequate parking spaces for waiting heavy goods vehicles, and there is a gatehouse with a booking service for slots to load or unload goods.

During the most recent expansion works, the Company carried out several vehicle traffic monitoring campaigns at the roads closest to its facilities to investigate the effects before, during and after the works, and it found no major negative impact on the urban road system.



# 6.10

## Waste management and end-of-life programme

### 6.10.1

#### Waste management

Zignago Vetro constantly monitors, through specific registers and database, the volume of waste produced by all the plants, the compliance with all legal obligations and the relative storage requirements. In particular, specific procedures have been introduced by the Group to govern waste collection and management processes.

In 2022, the amount of waste generated per tonne of molten glass decreased by a further -20.0%.

After increasing in 2020 due to a number of factors (e.g., increased frequency of cleaning and sanitising activities, frequency of maintenance, or volumes of products selected), the figure dropped again in 2021 and 2022 thanks to a series of measures designed to reduce waste.

The documents define in detail the operational indications and the responsibilities in the process in order to guarantee compliance with laws and adequate disposal of all waste, favouring forms of recycling and recovery.

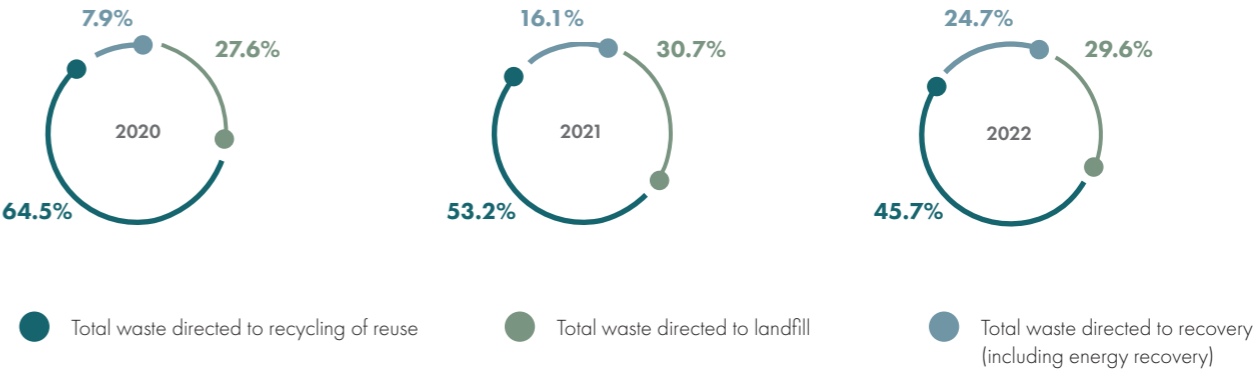
The company is indeed committed to the diffusion of eco-compatible processes and technologies capable of reducing the generation of waste, as well as initiatives intended as incentives to establish the circular economy, such as:

- packaging reuse and recovery systems as described in the following paragraphs;
- recycling of all glass cullet of production departments in the vitrifiable mix;
- recycling of part of the dusts produced from the treatment of fumes by means of electrofilters in the vitrifiable mix;
- delivery to recycling of all the materials that make up the packaging of finished products, raw materials, and supply materials to various plants (paper, plastic, metal). The materials are collected in a differentiated way and delivered to companies specialised in the reuse and recycling of the materials.

Below is the data concerning the transfer of waste from routine activity<sup>6</sup> in the Group’s glass plant:

		2020	2021	2022	Δ% 22/21
TOTAL WASTE	tonne	5,793.1	5,931.9	4,887.1	-17.6%
TOTAL WASTE/MOLTEN GLASS	kg/tonne	10.27	9.79	7.83	-20.0%
Total waste delivered to landfill	%	27.6%	30.7%	29.6%	-3.6%
Total waste delivered to recovery (including energy recovery)	%	7.9%	16.1%	24.7%	+53.4%
Total waste delivered to recycling or reuse plants	%	64.5%	53.2%	45.7%	-14.1%
TOTAL HAZARDOUS WASTE	tonne	985.5	857.5	1,225.5	+42.9%
TOTAL HAZARDOUS WASTE/MOLTEN GLASS	kg/tonne	1.75	1.42	1.96	+38.0%
Hazardous waste to landfill	%	84.3%	83.4%	83.6%	+0.2%
Total hazardous waste delivered to recovery (including energy recovery)	%	14.1%	15.0%	11.8%	-21.3%
Total hazardous waste delivered to recycling or reuse plants	%	1.6%	1.6%	4.6%	+187.5%
TOTAL NON-HAZARDOUS WASTE	tonne	4,807.6	5,074.4	3,661.6	-27.8%
TOTAL NON-HAZARDOUS WASTE/MOLTEN GLASS	kg/tonne	8.52	8.38	5.87	-30.0%
Total non-hazardous waste delivered to landfill	%	15.9%	21.8%	11.6%	-46.8%
Total non-hazardous waste delivered to recovery (including energy recovery)	%	6.7%	16.3%	29.0%	+77.9%
Total non-hazardous waste delivered to recycling or reuse plants	%	77.4%	61.9%	59.4%	-4.0%

Total waste by destination



In 2022, ordinary waste generated per tonne of molten glass decreased by -20.0% on 2021.

This specific decrease per unit produced is even more marked concerning hazardous waste (-30.0%), while non-hazardous waste increased significantly (+38.0%). This increase is primarily due to the increase in disposal of electrofilter dust. However, Zignago Vetro remains very focused on managing the hazardous substances used in its production process in order to protect both workers and the environment from the associated risks. Possible alternatives to hazardous substances in use are constantly monitored with the aim of replacing them with equally functional but less hazardous or non-hazardous materials.

Much of the waste produced (amounting to 70.4%) is delivered to recycling, reuse, or recovery (including energy recovery), while only the residual fraction (the remaining 29.6%) is sent to landfill.

Through a specific end-of-life programme for the materials used, both in production and in transporting and packaging finished products, the Zignago Vetro Group plans to systematically reduce the impact on the environment through actions to recycle and reuse these materials.

The Group has a commitment to continue, where possible, down the path already taken of reducing the specific amount of waste generated per unit of glass produced, and to channel a growing percentage of waste for reuse, recycling or recovery.

Below is a summary table of the Group’s KPIs and goals regarding waste generation and destination:

WASTE KPIs		2020	2021	2022	Δ% 22/21	Goal 2022	Goal 2023	Strategic Goal 2030
Total waste/Molten glass	Kg/tonne	10.27	9.79	7.83	-20.0%	-	7.77	5.50
Total waste sent for recycling, reuse or recovery (including energy recovery)	%	72.4%	69.3%	70.4%	+1.6%	100%	72.0%	80.0%

This demonstrates the ongoing attention that the Group pays to waste management in terms of ecology and circularity. Despite the efforts made, the last three years have been affected by congestion in waste recovery routes, such as to prevent the desired increases in the recycling, reuse or recovery rate, which, however, have remained at a high level.

## 6.10.2 Materials End-of-life Waste Management

As extensively highlighted in the relevant section, the use of recycled glass, driven by sustainability but also by its undeniable cost-effectiveness, has now reached 53.4% of the total glass produced by the Group.

Having achieved these percentages, Zignago Vetro believes that the circularity of production factors and its implications are now a fully integrated part of its business model.

Similarly, the issue of circularity is also considered very significant in waste disposal.

Following precise indications from the Zignago Vetro Board of Directors, fully acknowledged by the ESG Committee, specific procedures have been established by the Environment, Safety, Quality and Purchasing function.

The objective of the Council, and consequently of the procedures, is to ensure that the various materials that for reasons of obsolescence, or exceeding a reasonable period of use, would be destined for scrapping, can instead be recycled and reused as a finished product or intermediate material in a new circular process. For Zignago Vetro, ensuring that these materials benefit from an extension of their useful life implies compliance with its commitment to the fight against climate

change, a reduction in indirect emissions and, in some cases, a capital gain from the sale of the materials.

Proceduralising the activities carried out by the Environment, Safety, Quality and Purchasing function was preceded by a review and assessment of all materials used and an analysis of their characteristics, including minimum conditions for use and useful life defined in number of months or years. Using this mapping process for each product or material that has reached the end of its cycle, "alternative and sustainable" disposal methods have been identified with respect to traditional ones.

In several cases, End-of-Life management of decommissioned materials, also involved revenue that became more pronounced in the post-COVID era as a result of structural shortages of many production factors.

The table below shows the main materials covered by End-of-Life Waste Management procedures, the industrial process they undergo, and the new industry and/or use they are intended for.

Material	Function	Recycling process	Description of new type of use
Pallets	Wooden pallets that work as a base for products to be stacked	Wood recovery for other productions	
Plastic interlayer pads	Serve as a shelf to horizontally separate different batches	Granularisation or depolymerisation	Repolymerisation for the production of a new interlayer pad or other similar products
Heat-shrinkable polyethylene tubes	Film used to cover and protect every single lot produced	Depolymerisation	
Cardboard separators	Serve to vertically separate the different lots of boxed and stored product	Collection and recycling, in production, of other cardboard	
Non-conforming glass products	Non-conforming products immediately detected in the production phase	Immediate re-circulation	
Cardboard boxes	Used to pack smaller bottles	Collection and recycling, in production, of other cardboard	
Wastewater	Output water from the closed circuit of the installations	Purification	

The materials subject to recycling activities include all those necessary for the post-production storage phases of the finished product (interlayer pads, plastic separators, pallets, heat-shrinkable tubulars, etc.) and the wastewater that comes out of the closed glass cooling circuit and is sent to the treatment plant where it is purified using a traditional chemical-physical process. Finally, non-conforming glass products are taken back and reused internally as recycled glass and therefore returned to the production process.

The End-of-life Waste Management procedures adopted by Zignago Vetro have become an integral part of its commitment to environmental protection and climate change in the ESG Policy. By feeding the materials to be disposed of into a new circular process, the Group contributes to limiting the production of new products to replace those to be disposed of, resulting in a proportional reduction in the consumption of production factors and, consequently, a reduction in emissions.

# 6.11

## Management of packaging and its recycling

Zignago Vetro operations require the use of packaging in order to deliver the finished product to the customer, as well as protecting it against the risk of damage or loss of quality.

The packaging typically used is: pallets, interlayer pads, heat-shrinkable polyethylene, cardboard boxes and trays.



### Pallets

These are wooden supports used as a base on which layers of containers can be stacked on top of each other. By law, special treatments are applied to ensure they are hygienic and fire-resistant.



### Interlayer pads

These are separation layers in plastic (polypropylene) used to subdivide the layers that comprise the pallet of containers. Interlayer pads must be used in order to provide a light, resistant support base on which to place the upper layer and at the same time avoid compromising the quality of the container.



### Heat-shrinkable material

This is a plastic film in polyethylene used to seal the pallet once it has been prepared and is ready for storage and subsequent delivery.

It is used both to keep the containers firmly anchored to the supports and to guarantee the quality of the containers (for instance, by keeping them safe from intrusion by foreign bodies such as dust, insects, etc.).



### Boxes and trays

These are cardboard containers used to package containers of small glass items, typically for cosmetic or pharmaceutical use, in order to provide adequate support for subsequent palletising. This would not be possible using small containers if they were simply placed on top of a layer or interlayer pads.



Recycling of Zignago Vetro packaging

In Zignago Vetro’s production cycle the packaging materials referred to above are both directly and indirectly recovered and reused.

Over the years the Group has put in place a set of initiatives to recover and reuse packaging, to minimise the quantity of new packaging purchased and to minimise the amount of packaging disposed of as waste.

Packaging recycling is now an organic part of Zignago Vetro’s production cycle. Specifically:

**Pallets:** the majority of the pallets used are reacquired by Zignago Vetro and are cleaned, checked and repaired so that they may be reused in the production process.

In 2022, the recovery rate at Group level was nearly 65% of pallets used, while the percentage reused reached almost 60%, net of the quantities discarded because of deterioration.

It should be noted that the pallets that are not reused are sent to special recovery channels, whether they are destined for the subsequent reuse of the wood (especially for the production of panels and others) or for the thermal recovery of the material (for the production of electricity from waste).

**Interlayer pads:** for this packaging material the Group has achieved very high recycling levels. Zignago Vetro also reacquires the used interlayer pads and checks and washes them so they can be reused in the production process.

In 2022, the recovery rate at Group level was 80% of interlayer pads used, while the percentage reused was almost 67%, net of the quantities discarded due to deterioration.

It is interesting to note that interlayer pads that are not reused are not sent to landfill but to a channel that recycles plastics in order to produce new interlayer pads, so that it is calculated that the interlayer pads purchased contain almost 33% recycled material.

**Heat-shrinkable material:** for this packaging material the Group has for some time been adopting a process of using heat-shrinkable film from recycling.

This process began in 2007 and involves Zignago Vetro and Aliplast, a leading manufacturer of flexible PE films, PET sheets and regenerated polymers. Since 2014, Herambiente Industrial Services, a company that handles business waste, has also been involved.

This purchasing policy has been progressively rolled out to all Group facilities. In 2022 the share of recycled heat-shrinkable material reached almost 38%, and in some plants accounted for more than 85%. Zignago Vetro is determined to continue with this purchasing policy and further increase the percentage of recycled material.

All processes involving the above companies are developed with sustainability in mind.

The partnership with Aliplast and Herambiente is leading to a further reduction in the carbon footprint from the Company's production processes. All services provided and products sold at Zignago Vetro are monitored by applying LCA to assess the environmental footprint from a supply-chain perspective, considering their impact from regeneration to end of life.

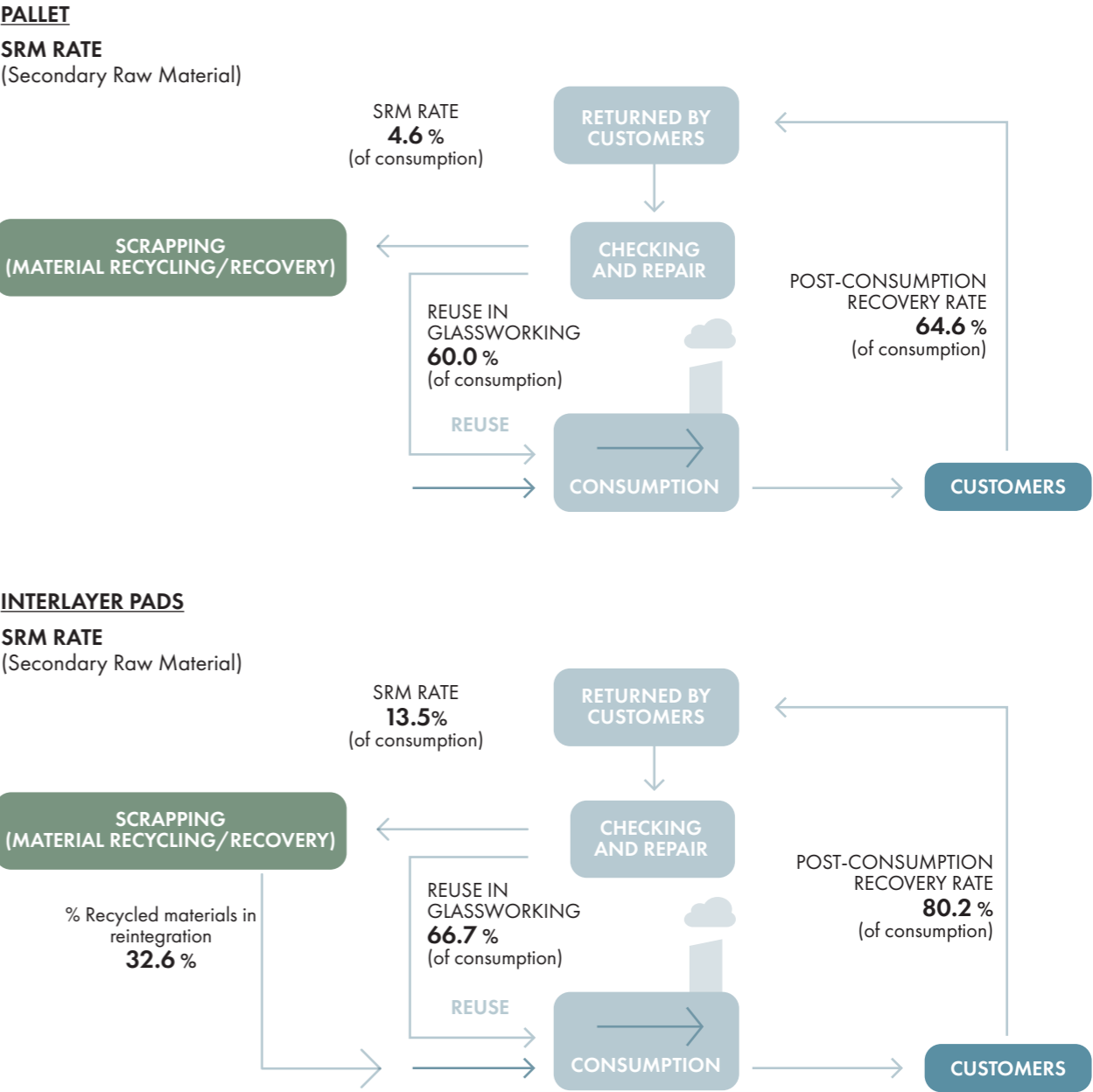
The Zignago Vetro Group's use of Aliplast products produces savings of more than 1.4 million kg of CO2.

**Paper and cardboard:** for this packaging material too, the Group has launched a purchasing policy targeting the use of recycled materials, achieving very impressive percentages: in 2022 almost 69% of the boxes and trays used were produced using recycled material.

For the second year. Zignago Vetro is disclosing in the Sustainability Report the main KPIs offering the best summary of the results achieved by the Group’s policies on packaging reuse:

	INTERLAYER PADS			HEAT-SHRINKABLE MATERIAL			PALLETS			PAPER AND CARDBOARD		
	2020	2021	2022	2020	2021	2022	2020	2021	2022	2020	2021	2022
% Packaging reused	79.6%	78.9%	66.7%	-	-	-	66.2%	70.3%	60.0%	-	-	-
% Packaging sent for recovery in other chains	7.5%	11.7%	13.5%	-	-	-	5.7%	4.01%	4.6%	-	-	-
% of recycled material in packaging used	42.3%	41.4%	32.6%	26.1%	31.9%	37.7%	-	-	-	72.8%	73.5%	68.5%

The reuse cycle is shown in the graphic below:



# 6.12

## Biodiversity and the prevention of local pollution

In its company policy Zignago Vetro has formalised its commitment to reducing the environmental impact of its operations, with particular attention to protecting biodiversity and respecting the local ecosystem. The Company has carried out an evaluation of the proximity of its sites to protected natural areas and takes all appropriate steps to minimise as far as possible the harmful effects of the production process.

### 6.12.1

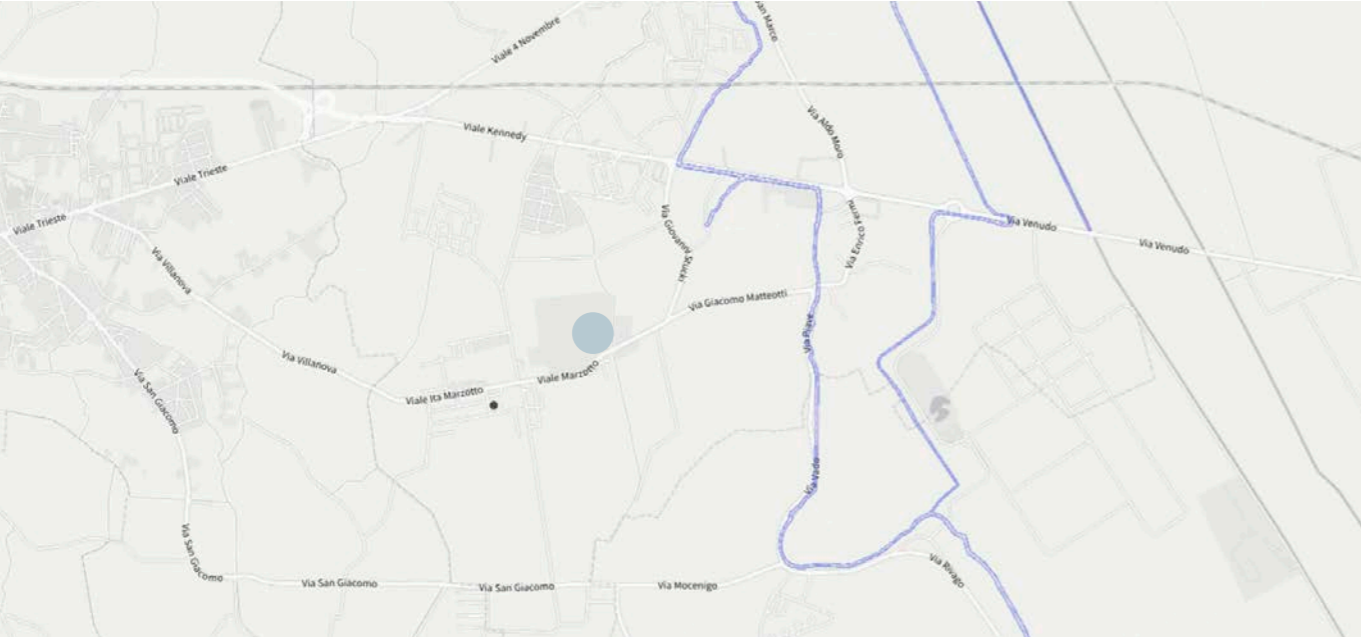
#### Proximity of production sites to protected natural areas

The proximity of the Zignago Vetro Group's production plants to areas of high natural and environmental value was independently assessed, making use of publicly available nationwide geographic information systems and georeferenced geographic databases. Specifically, "Geographical Information System" (GIS) refers to a tool for organising geographic data, which allows data of various kinds (socio-economic, statistical, land register, environmental, technological networks, etc.) to be associated with geographical reference bases (maps, aerial ortho-photos, satellite images, etc.). Cartographic references and sources used are given where necessary.

The protected areas covered in this report are part of the "Natura 2000 Network," which is the main EU policy tool for biodiversity conservation. The Natura 2000 Network identifies an ecological network spread throughout the EU, established under the Habitats Directive (92/43/EEC), with the goal of long-term maintenance of natural habitats and species of flora and fauna that are threatened or rare in the EU. The network consists of Sites of Community Interest (SCIs), identified by Member States in accordance with the Habitats Directive, which are subsequently designated as Special Areas of Conservation (SACs), and also includes Special Protection Areas (SPAs) established under the Birds Directive (2009/147/EC) on the conservation of wild birds.

The areas that make up the Natura 2000 network are not strictly protected reserves where human activities are excluded, as the Habitats Directive aims to ensure nature protection while also taking into account "economic, social and cultural requirements and regional and local characteristics" (Article 2). Private entities may own Natura 2000 sites, managing them sustainably from both an ecological and economic viewpoint.





## Fossalta di Portogruaro, Italy

The Fossalta di Portogruaro facility is located in the municipality of the same name, with a population of about 5,700, in the metropolitan city of Venice in the Veneto region, about 1 km south of the city centre.

About 80% of its perimeter is surrounded by agricultural fields, except to the south-west, where there are residential and commercial buildings. The plant is about 1 km north and 1.2 east of an area identified as an SAC by the Natura 2000 Network Directive in July 2018.

This area, named "Fiumi Reghena e Lemene - Canale Taglio e rogge limitrofe - Cave di Cinto Caomaggiore", with the unique SiteCode IT3250044, covers an area of about 640 hectares and extends from the municipality of Sesto al Reghena in the north to Maranghetto and Lugugnana in the south. The area consists of lowland rivers of a high vegetation and wildlife value and the presence of springs with aquatic rooted vegetation, rushes, sedges and reed banks. Specifically, the Cinto Quarries, a wetland of artificial origin, is an important area for waterfowl stopover and nesting, with, for example, the largest wintering colony of cormorants in the Venetian hinterland.

There are no national parks in the Metropolitan City of Venice, and there is only a small portion of the Sile River Natural Park, but it falls outside the municipal territory of Fossalta di Portogruaro. The Bosco Nordio Regional Nature Reserve is the only reserve in the territory of the Metropolitan City of Venice, and is in the municipality of Chioggia, but this is more than 60 kilometres from the production site as the crow flies.

### Natura2000 Sites (small scales)

Habitats Directive Sites (pSCI, SCI or SAC)

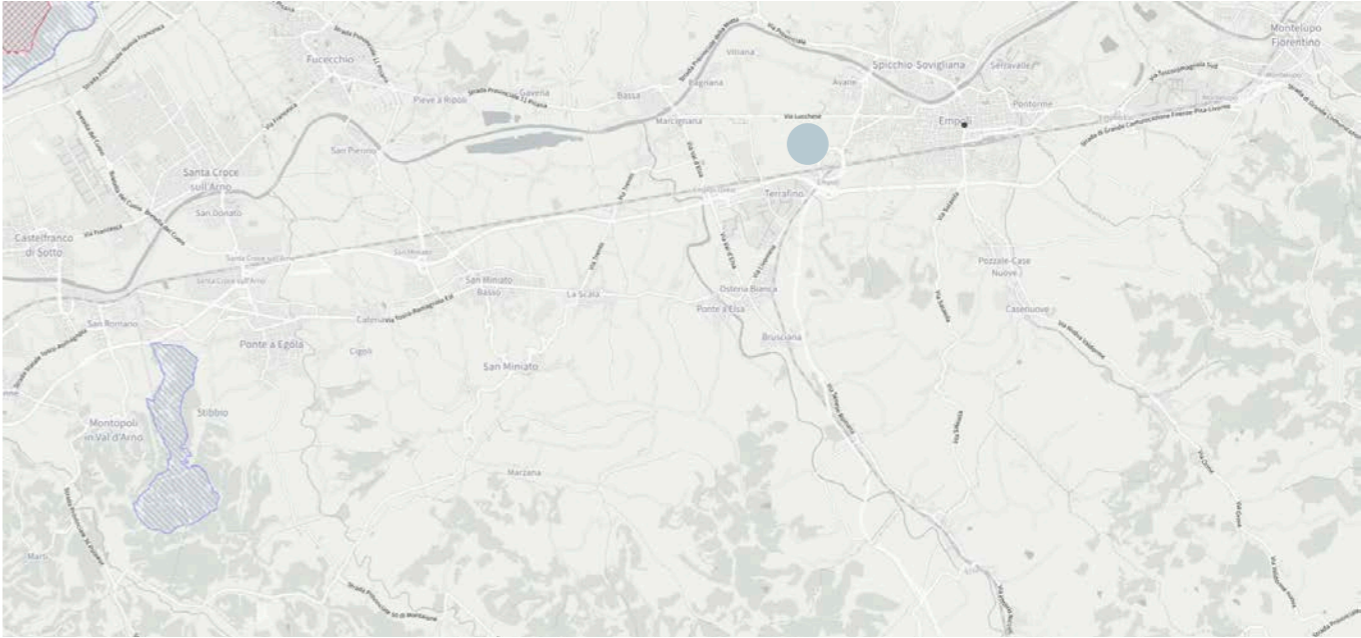
Habitats Directive Sites (pSCI, SCI or SAC)

Birds and Habitats directives

Birds Directive Sites (SPA)

Birds Directive Sites (SPA)

Birds and Habitats directives



## Empoli, Italy

The Empoli facility is located in the municipality of the same name, with about 48,700 inhabitants, in the metropolitan city of Florence in Tuscany, the capital of the Empolese Valdelsa union of municipalities, and is more than 1 km west of the municipality's main urban centre.

The whole of its perimeter is surrounded by areas of public green space or agricultural fields, and the facility is separated from an area of predominantly industrial use by the Florence-Pisa-Livorno motorway. Data from 2009 indicates that almost 86% of Empoli's territory is covered by areas of open land, consisting mostly of agricultural land or the forests that over time have become a feature of the landscape in this part of the Arno plain.

The Zignago Vetro production site is about 10 km south-east of an area identified as an SAC by the Natura 2000 Network Directive. This area, named "Boschi di Germagnana e Montalto", with unique SiteCode IT5170010, covers an area of about 230 hectares in total, divided between the municipality of San Miniato and the municipality of Montopoli in Val d'Arno. It is a fragment of a hilly area that begins immediately south of the Arno and extends between the Egola and Chiecina rivers, forming part of the larger wooded area between the Era and Elsa rivers. Overall, forest is the dominant feature of the site, partly because of the clear traces of fairly recent abandonment of the countryside, especially in some south-facing portions of the hills that were once used as olive groves and are now invaded by semi-impenetrable thickets. The area is therefore considered to have high biological and ecological diversity due to a combination of morphological and climatic features, since it hosts plant species that are the last remainders of populations typical of environments with colder climates than today's.

### Natura2000 Sites (small scales)

Habitats Directive Sites (pSCI, SCI or SAC)

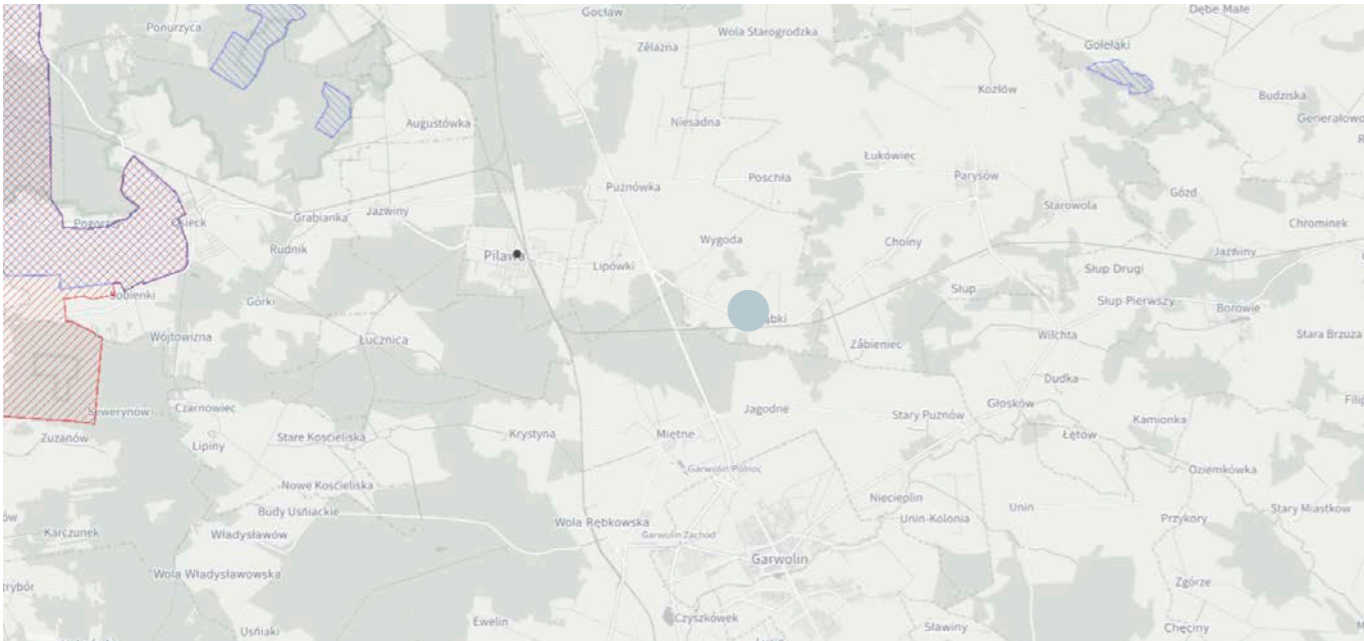
Habitats Directive Sites (pSCI, SCI or SAC)

Birds and Habitats directives

Birds Directive Sites (SPA)

Birds Directive Sites (SPA)

Birds and Habitats directives



## Pilawa, Poland

The Pilawa facility is located in the Trąbki municipality of about 2,000 inhabitants within Garwolin county in Masovian Voivodeship in eastern Poland, about 100 km from the border with Ukraine and Belarus, and is more than 1 km east of the municipality’s main urban centre.

The whole of its perimeter is surrounded by green areas and buildings used for industrial and commercial purposes, and the Zignago Vetro Polska facility is about 8 km from an area identified as an SPA by the Natura 2000 Directive to the west and about 10 km from a second protected area to the east.

The first area, named "Bagna Celestynowskie" and with the unique SiteCode PLH140022, covers an area of about 1,000 hectares between the municipalities of Ponurzyca, Chrosna and Zabieski and is located on the western edge of the Garwolin Plain. The area is now the best-preserved portion of the former Osiecka Forest, now known as Celestyn Forest. The landscape system consists of dunes of different origin, sizes and compositions and peat bogs of varying areas and shapes created within local depressions. Tall-trunked plant species of interest, such as Scots pine, alternate with low scrub typical of bogs, such as cranberry.

The other protected area referred to above covers a small area of about 50 hectares and is named "Gole Łąki" (SiteCode: PLH140027). The site, which was recognised as a Site of Community Importance (SCI) in January 2012, is located near the municipality of the same name in the "Siedlce Upland" mesoregion and is situated in a watershed area between the valleys of the Świder and Rudynia rivers, a considerable distance from the surrounding villages. The area has a congested basin with no drainage surrounded by a mosaic of meadows and strips of indentations covered mainly by pine forests. The area features significant standing water, dominated by typical peatland vegetation. Peat deposits, formerly exploited as evidenced by the presence of pits, are now waterlogged and separate from "mossy" areas. The area is also an important ecological corridor used by elk for seasonal migration.

About 11 km away in a westerly direction is the "Bagno Całowanie" SPA which, with an area of about 5,000 hectares, is one of the largest peat bogs in Mazovia. It was recognised as a protected area in November 2008 (SiteCode: PLB140011).

### Natura2000 Sites (small scales)

Habitats Directive Sites (pSCI, SCI or SAC)

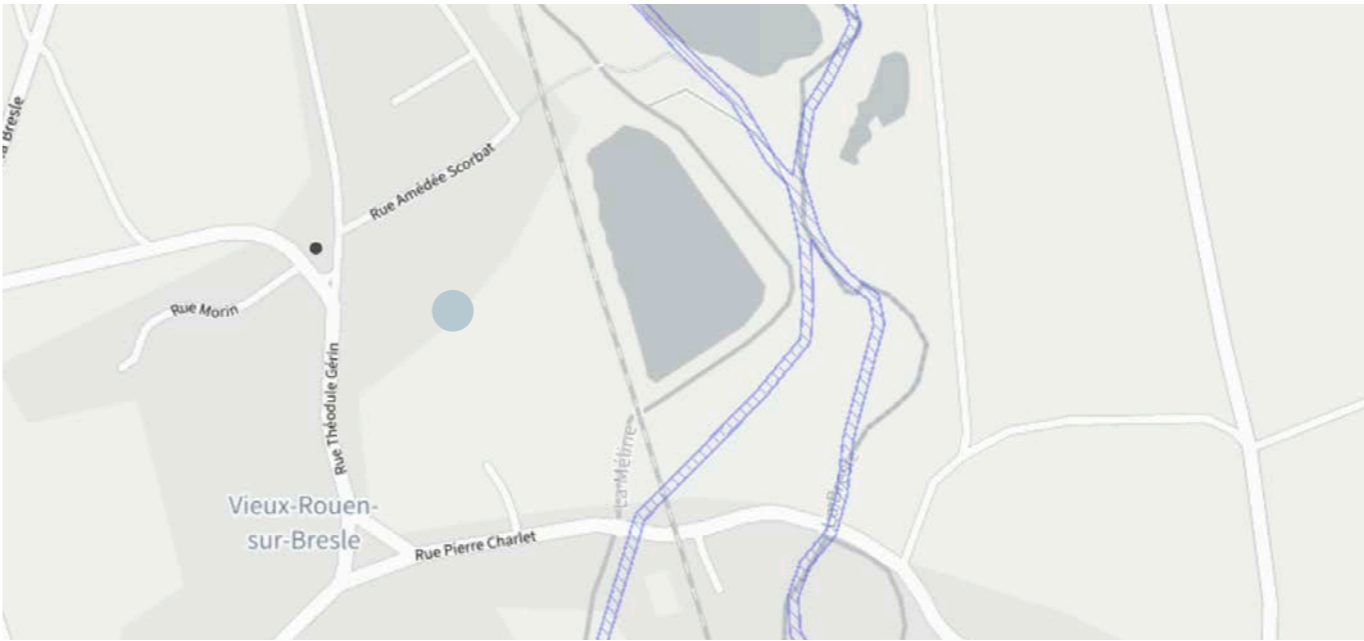
Habitats Directive Sites (pSCI, SCI or SAC)

Birds and Habitats directives

Birds Directive Sites (SPA)

Birds Directive Sites (SPA)

Birds and Habitats directives



## Vieux-Rouen-Sur- Bresle, France

The Vieux-Rouen-sur-Bresle facility is located in the municipality of the same name, with about 700 residents, positioned on the left bank of the Bresle river. The town, whose main activities are agriculture and light industry, is a municipality in the Seine-Maritime department, in the Normandy region. The Zignago Vetro Brosse plant is surrounded by green areas and is situated a short distance from the left bank of the river.

The riparian area of the Bresle river ("Vallée de la Bresle"), with a total area of just over 1,000 hectares, was identified as an SCI and SPA in 2004 and 2015 respectively by the Natura 2000 Directive and given the unique recognition code FR2200363. Divided into four sub-units, the river is home to a dense population of Atlantic salmon, thus, together with the Skjern in Denmark, being one of the few waterways still frequented by the species. Conservation of this species, already the subject of a pilot restoration programme, appears to be a key strategic choice at the European biogeographic level. The warm hillsides of the Bresle and Liger rivers provide a long continuous area of grasslands, verges, groves and limestone forests with thermo-continental characteristics and submontane influences, constituting an exemplary and highly diverse representation of the area’s potential for flora and fauna. The area is home to four threatened dragonfly species and is of special ornithological interest because of the rich forest system on its banks. In addition, with its southeast/northwest orientation, the Bresle valley forms a long ecological corridor.

### Natura2000 Sites (small scales)

Habitats Directive Sites (pSCI, SCI or SAC)

Habitats Directive Sites (pSCI, SCI or SAC)

Birds and Habitats directives

Birds Directive Sites (SPA)

Birds Directive Sites (SPA)

Birds and Habitats directives

6.12.2

Actions to safeguard biodiversity

The analysis conducted and described in the preceding section shows that although Zignago Vetro's production sites are located in urban areas designated for industrial activities, they are only few kilometres away from special natural areas. This awareness has always spurred Zignago Vetro to take every action possible to mitigate the potential impacts of its activities on the living beings in the area.

Over the years, expansions of production sites have always been limited to areas already used for industry, and appropriate environmental impact assessments have been carried out to ensure that there is no adverse impact on protected areas or typical habitats for local fauna. Procedures and mechanisms are then put in place in 100% of production sites to manage any emergencies or incidents that might involve pollution of the local environment, and 80% of sites have an **ISO 14001** certified Environmental Management System. These systems incorporate specific prevention measures and maintenance plans to guarantee the efficiency of pollutant abatement and containment processes. For the Italian plants, an emergency environmental service is also active, providing a rapid response to unexpected events and swift re-establishment of the previous environmental conditions.

The absence of environmental incidents in the Group's plants in the reporting period bears witness to the excellent performance achieved by the initiatives put in place to prevent local pollution and therefore protect biodiversity:

BIODIVERSITY AND LOCAL POLLUTION KPIs		2020	2021	2022	Δ% 22/21	Goal 2022	Goal 2023	Strategic goal 2030
Environmental incidents at production sites	No.	0	0	0	0%	0	0	0



6.13

Environmental initiatives

Zignago Vetro has always been sensitive to environmental issues and for this reason has promoted activities to support the protection of biodiversity and the ecosystem.

Friends of glass

Together with Assovetro and FEVE, we have promoted the European Friends of Glass Campaign since 2018. This focuses on various local activities to raise awareness of glass packaging, especially on the issues of health, taste and sustainability.

**Communication** activities in **collaboration with Assovetro** to raise awareness of the characteristics and properties of glass containers; during 2022 the significant collaboration with Assovetro continued, raising public awareness of the advantages of using and recycling glass containers. A broader awareness campaign was also implemented throughout 2022, which the UN had proclaimed the International Year Of Glass.



Meglioinvetro

In collaboration with Assovetro and Co.Re.Ve. the Company maintains a platform brimming with news, information, facts, and research on the world of glass. In 2022 the social profiles of the platform further increased in popularity, number of subscribers and shares by users compared with the previous year.



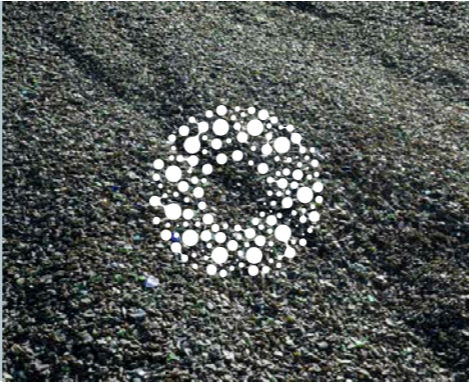
Treedom project

One of the sustainability measures enacted by our Group is reforestation. We have long been using the Treedom platform to plant trees on our planet: the Zignago Vetro Forest has 4,615 such trees, present in eight countries around the world and absorbing 1,497,000 kg of CO<sub>2</sub>. The trees we plant have great ambitions: to bring benefits not only to the environment, but also to the people living there. Therefore, we work with NGOs and local communities to select the right tree and then dedicate ourselves to ensuring it grows.



# Close the glass loop

In collaboration with Assovetro, the European campaign coordinated by FEVE continued to be supported. This promotes the sustainability of glass packaging and supports the circular economy. The target is to achieve a 90% collection rate of sorted glass for recycling by 2030 in all EU countries.



# Electric Mobility Incentives

Zignago Vetro has increased the number of charging stations dedicated to electric cars, expanding the company vehicle fleet with hybrid or full electric vehicles. The charging points use 100% renewable energy from Zignago Power.



# Sustainable viticulture award

In 2022, Zignago Vetro continued its significant partnership with Gambero Rosso, Italy's leading food and wine multimedia publishing group. The Group was the main sponsor of the launch event of the Italian Wine Guide 2022 in Rome, awarding the prize for sustainable viticulture to the most deserving winery in Italy.



# Marevivo Project

Financed seabed clean-up and marine forest conservation and protection activities by the Marevivo association, within the "Replant" project. Through Zignago Vetro's support of the Marevivo association, the project (funded in 2022 but implemented in 2023) will remove two nets of about 120 m each and about 2 pots in an area rich in the seagrass Posidonia Oceanica, in the San Felice Circeo area. One of the key activities to protect marine forests is the removal of the nets, fishing gear and waste that are suffocating and destroying them. Ghost nets are a major risk to the marine ecosystem, as they pose a serious danger to marine wildlife, which can become trapped in them; over time, abandoned nets also release deteriorating microplastics, which can be ingested by animals.



# Acting as ambassador at various environmental conferences

Speaker at the Gambero Rosso Global Summit entitled "Sustainability as a growing factor for the companies in the agricultural sector." Promoting the United Nations International Year Of Glass during Italian Glass Week at the debate "Green like glass. Innovation. Sustainability. Future" and at the "Glass Vallée - The night of glass" event.



# Started the "door-to-door" recycling project with glass recycling companies (Vetreco, Vetro Revet, Julia Vitrum)

Zignago Vetro has begun a unique project in Italy involving customers and stakeholders, in order to increase and improve the glass recycling chain. In this circular model, the Group has established relationships with a network of distributors to source cullet (empty, broken or damaged containers that would be thrown away) directly from Zignago Vetro's customers. Once the local cullet has been collected – to minimise transport costs and CO<sub>2</sub> emissions – these partners also manage the associated transport to Zignago Vetro's cullet processing centres (Vetreco, Vetro Revet and Julia Vitrum), again following a 'local is best' philosophy. The recently launched initiative has been very successful, especially among medium to large wineries in the area. The Group's goal is to increase the network of stakeholders, such as small to medium wineries, the restaurant industry, and Horeca in general, joining the project. It is a form of "door-to-door collection" for cullet, simultaneously benefiting customers, processing centres and glass manufacturers. More importantly, it is a flagship project for the circular economy, with respect for the environment at its heart.



SDGs	MATERIAL TOPIC
	Personnel training and development
	Diversity, equal opportunities, and non-discrimination
	Reduce inequalities
	Respect for human rights
	Human resource management
	Suppliers
	Workplace health and safety
	Customer health and safety
	Communication with social partners and community initiatives

# 7.0 Social Topics

- 7.1 Objectives
- 7.2 Main stakeholders
- 7.3 Training, staff development, and talent retention
- 7.4 Protecting diversity, equal opportunities, and non-discrimination
- 7.5 Reducing inequality
- 7.6 Respect for human rights
- 7.7 Human resource management
- 7.8 Suppliers
- 7.9 Safeguarding workplace health and safety
- 7.10 Consumer Health and Safety
- 7.11 Community initiatives





Beginning in 2020 Zignago Vetro adopted a precise system for defining the objectives and monitoring the impacts of financing activities for projects of this type.

Specifically, on December 18, 2020 the Board of Directors of Zignago Vetro decided to adopt a policy to allocate 0.25% of annual consolidated net profit to social, cultural and environmental initiatives.

## 7.1 Objectives

As set out in the chapter on environmental sustainability, Zignago Vetro is also steadily stepping up its commitment to improving its approach to social issues.

On social issues, Zignago Vetro has developed a strategic plan with annual intermediate goals and medium-term (2030) goals.

Below are the main social issues and goals approved by the Board of Directors of Zignago Vetro, following a proposal by the ESG Committee and the Control, Risks and Sustainability Committee:

**Placing the growth and development of human capital and satisfaction levels at the heart of the project;**

**Workers' health and safety as a focus, to be continuously developed and improved;**

**Increase staff training and development, with specific targets and themes;**

**Continuing and constant improvement of working environments, making them more convenient for workers;**

**Continuing improvement of ESG sustainability issues, with employee involvement;**

**Protection of personal differences and development of diversity awareness;**

**Continuing and constant support for local communities and social activities, financing and supporting the projects and needs put forward by them.**

- **To continue to support personnel development and satisfaction**, in particular through: the growth of the Group and, therefore, of employment and promotion opportunities
  - Facilitation, where possible, of job flexibility;
  - Staff retention initiatives and therefore the reduction of outgoing turnover;
  - Continuous improvements in the corporate welfare system.
- **Further improvements to occupational health and safety measures**, with the aim of reducing the incidence of injuries to zero.
- **Greater emphasis on customer health and safety**, continuing to pursue the zero defect policy and seeking further performance indicators in this area, in collaboration with stakeholders.
- **Increased staff training and development** throughout all group plants and at all levels. In particular:
  - Increased training on occupational health and safety;
  - Increased training on ESG topics;
  - Increased training on topics in relation to Legislative Decree No. 231, including for foreign entities.
- **Creation of ever more convenient work environments** that allow staff to combine work and personal needs.
- **Continuous improvements in terms of ESG sustainability topics**, at all company levels, and increased training activities in this regard.
- **Measures to protect diversity and equal opportunity**, particularly by increasing the number of female employees.
- **Continued** promotion of diversity awareness at every level of the company.
- **Increased** support for local communities and social activities.

**Zignago Vetro also allocates funding to support various community projects.** As stated above, the Board of Directors has adopted, from 2021, a policy of allocating 0.25% of consolidated net profit to fund initiatives to support social development, care for individuals and environmental protection.



# 7.2 Main Stakeholders

The founding values of the Group are at the basis of the integrated management system, oriented towards the success of the company and a constant and positive relationship with its own stakeholders.

In this regard, in 2020 Zignago Vetro activated a formal Stakeholders' Engagement process, which will be completed in 2021 and is being carried out with the support of a specialised company in order to update the topics considered relevant to Group stakeholders. The results of the process will be compared with the Group's ESG strategy in order to refocus choices where necessary. Stakeholders have been divided into the following categories depending on the activity carried out and the context in which Zignago Vetro operates:

- Employees
- Customers
- Shareholders
- Communities and local authorities
- Suppliers
- Trade associations
- Regulatory bodies

Zignago asked all stakeholders to take an online survey so that it could identify the sustainability topics most relevant to its internal and external stakeholders from a list of 19 potential topics.

The members of Zignago Vetro's Sustainability Committee, on the other hand, expressed their preferred topics by determining their level of relevance to the organisation.

STAKEHOLDERS	INTERACTION TOOLS	STAKEHOLDER EXPECTATIONS
Employees	<ul style="list-style-type: none"><li>• Training programmes</li><li>• Dialogue with Human Resource Management</li><li>• Culture/awareness of ESG issues</li></ul>	<ul style="list-style-type: none"><li>• Equal opportunities</li><li>• Training and development</li></ul>
Customers	<ul style="list-style-type: none"><li>• Ongoing relations with the sales force</li><li>• Customer satisfaction questionnaires</li><li>• ESG audits received from clients</li><li>• Website feedback</li></ul>	<ul style="list-style-type: none"><li>• Product quality</li><li>• Product sustainability</li></ul>
Shareholders	<ul style="list-style-type: none"><li>• Shareholders' Meeting</li><li>• Seminars</li><li>• Sector conferences and roadshows</li></ul>	<ul style="list-style-type: none"><li>• Transparent and responsible management</li><li>• Value creation</li><li>• Respect for ESG issues</li></ul>
Communities and local authorities	<ul style="list-style-type: none"><li>• Dialogue with communities and local bodies</li></ul>	<ul style="list-style-type: none"><li>• Regional support and development</li></ul>
Suppliers	<ul style="list-style-type: none"><li>• Supplier selection methods</li></ul>	<ul style="list-style-type: none"><li>• Collaborative and ongoing relations</li><li>• Respect for contractual conditions</li></ul>
Trade associations	<ul style="list-style-type: none"><li>• Meetings with the Trade Unions</li></ul>	<ul style="list-style-type: none"><li>• Responsible management</li><li>• Dialogue between the parties</li></ul>
Regulatory bodies	<ul style="list-style-type: none"><li>• Dedicated meetings</li></ul>	<ul style="list-style-type: none"><li>• Compliance with legal obligations</li></ul>

The Group is actively engaged in consulting with stakeholders on ESG issues, and regularly reports on these issues through the Sustainability Report and other institutional channels, such as quarterly reports and the new Zignago Vetro website.

This Sustainability Report has been drawn up in light of the results of the above engagement work with these internal and external stakeholders in order to map out their needs, interests and expectations with regard to the Group. It also utilises a careful analysis carried out in 2022, which confirmed the validity of the results of the previous stakeholder engagement process. These considerations enabled the updating of the material sustainability topics and the interconnections with corporate goals. A summary of this work is provided below.

Zignago Vetro believes that it is particularly important to update, through periodic assessments, sustainability issues that are relevant to the Group and its stakeholders, by also involving

the main corporate functions with the purpose of identifying the more significant aspects for the organisation from an environmental, social, and economic viewpoint.

In fact, anticipating the changes and identifying the emerging trends through dialogue with the parties involved, enabled the Group to generate shared, long-term added value.

Every year, the Group companies adopt new and more challenging short, medium and long-term objectives, defining action plans and monitoring outcomes.



# 7.3

## Training, staff development and talent retention

Zignago Vetro S.p.A. has always paid the utmost attention to the development of its staff and the enhancement of talents, promoting training courses aimed at the constant improvement of technical, cross-cutting and management skills throughout staff careers (training and continuous development).

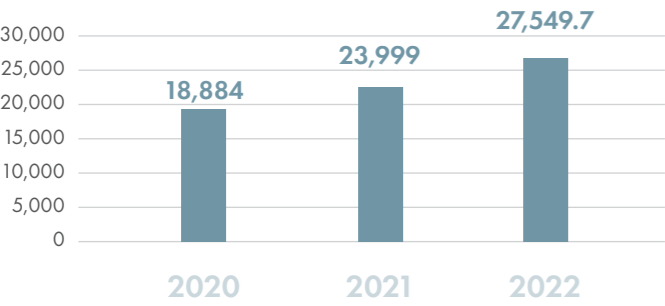
For each country in which the Group operates, training programs are organised and structured for all professional categories. Training also includes, particularly for senior figures, courses for the acquisition of strategic and cross-cutting knowledge and skills and team-building activities. In addition, for new hires too, the Group develops individual and group programmes for technical, management and sustainability awareness training.

The Group develops annual training plans covering practically all areas of the Company, and reviews them every six months. These plans are designed to be recurring, are reviewed every six months, and cover all Group facilities.

Training hours by employee category

	2020			2021			2022		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Executives	218	128	346	307.5	134	441.5	464.3	156	620.3
Managers	680	116	796	2,118	902.5	3,020.5	1,384.8	647.8	2,032.6
White-collar	2,742	840	3,582	3,992	3,279	7,271	2,360	2,750.5	5,110.5
Blue-collar	11,250	2,910	14,160	9,888.5	3,377.5	13,266	14,424.3	5,362	19,786.3
Total	14,890	3,994	18,884	16,306	7,693	23,999	18,633.4	8,916.3	27,549.7
Hours / person	11.2			13.6			15.2		

Training hours



Collectively, employees received more than 27,500 hours of training in 2022, up +14.8% on 2021.

In 2018 the Group launched an in-house training programme, called the Zignago Vetro Academy, geared toward young recruits with high potential and talent already at the Company. This programme seeks to continuously improve the involvement, skills and professional networking of its resources, creating a virtuous system of:

- promoting an ecosystem geared towards skill and knowledge sharing (knowledge management),
- creating an environment of awareness of and respect for every culture and diversity - understanding and management of intercultural effects on the organisation, team and Group (intercultural management);
- orientation towards the shared resolution of emerging challenges (problem-solving skills and tools - recurring problems, complex problems and out-of-the-box approach)

The 2022 edition of the Academy programme suffered an unintentional setback due to the pandemic waves experienced

in early 2020 and following the outbreak of the Russia-Ukraine war, a conflict in which the Group was heavily involved in supporting the Polish component in activities to take in refugees fleeing Ukraine. The timetable for the 2023 edition of the Academy programme has been set.

In order to further improve the high training standards and skills in the company, Zignago Vetro has a strategic goal of training all new entrants in the following areas: safety, environment, social ethics, technical skills, management skills and professional growth.

Scope of Training	Objective	Goal 2022
Training of new hires on safety, environment and sustainability issues	100%	100%
Training of new hires on technical and operational issues	100%	100%

Within the professional development plans of its employees, the Company not only considers training aspects, but also evaluates the performance of its workforce in both collective and individual terms.

The Group utilises forms of individual employee appraisal within each function at least annually. These are intended to verify the achievement of professional expectations and identify each staff member's strengths and areas for improvement in career advancement or professional growth. Similar individual

assessments are also used for the purpose, where applicable, of determining the achievement of function objectives and the related bonus payments.

At the collective level, second level bargaining provides for the payment of bonuses and production bonuses to each individual employee for the achievement of collective performance associated with production, quality and economic parameters.

The following are career development key indicators:

Professional development KPIs		2020	2021	2022
% of workforce subject to collective performance evaluation	%	100%	100%	100%
% of workforce subject to individual evaluation on professional performance	%	52%	57.3%	61.5%

## Sustainability awareness training

In 2021, a training course entitled "Company 2030" was offered to employees. Its content included topics on environmental, social, governance, business ethics, sustainable corporate development, SDGs and human rights issues.

On the basis of this experience, in 2022, training modules dedicated to new recruits were developed internally, covering sustainability issues and their application within corporate processes through the Code of Ethics, ESG policies and procedures.

# 7.4

## Protecting diversity, equal opportunities, and non-discrimination

Zignago Vetro companies are managed with complete respect for personal diversity.

Specifically, the Group companies are committed to refraining from engaging in conduct that may be inadequate in guaranteeing equal gender opportunities, and to operating in such a way as to mitigate risks associated with the emergence of working conditions that do not guarantee equal opportunities or which lead to unequal treatment for staff in similar roles and with similar merit or skill level.

Careful monitoring is carried out, in particular, to prevent violations of international conventions on the protection of workers’ rights.

The Zignago Vetro Group is committed to promoting diversity and equal opportunities, especially through employee selection procedures. The Group companies reject all discriminatory practices and place a strong emphasis on enhancing the skills of each individual, irrespective of nationality, minority status, religion, gender, political association, trade union membership, sexual orientation or physical or psychological condition. In this regard, it is important to highlight that no cases of **human rights violations have ever been reported in connection with the Group.**

Number of reports of non-compliance with basic labour rights (via whistleblowing and other channels)

	2020	2021	2022
Freedom and Equality	0	0	0
Collective bargaining right	0	0	0
Forced or compulsory labour	0	0	0
Exploitation of child labour	0	0	0
Discrimination regarding job or profession	0	0	0

Number of personnel from conflict areas in the past three years		
2020	2021	2022
10 personnel	29 personnel	56 personnel

# 7.5

## Reducing inequalities

Among the main commitments to which Zignago Vetro Group devotes itself both in its ESG and operational activities are several that fall under SDG 10, which aims to "reduce economic imbalances internally and between countries." SDG 10 is particularly significant to the Group because it aims to protect the weakest and most defenceless part of the population and it recalls the many ESG activities that have contributed to its history since its origins. Zignago Vetro Group is aware that there are various ways to reduce economic imbalances and that the most effective involve both direct and indirect involvement in the growth process.

Starting from the definition of the principles, the issues concerning diversity, equity and inclusion are an integral part of some of the main policies (ESG Policy, Human Rights Policy, Supplier Diversity Policy) drawn up and revised several times by the Zignago Vetro Group.

On the purely practical side, there are several activities with non-profit and other charitable organisations that support individuals and families in economically disadvantaged conditions.

Finally, among the activities that we believe best embody the Group's contribution to reducing inequality are the policies and activities related to Lithuanian and Ukrainian refugees who have been hired at the plant in Poland. Benefits provided include accommodation and integration support. Recent events in Ukraine have unfortunately once again amplified the issue of war refugees. The Zignago Vetro Group, both because of the location of its plant in Poland and for the knowledge of the profound imbalances that have existed in Ukraine in recent years, is taking an active role in providing economic support and including - through the extension of job placement programs - the Ukrainian population from an operational point of view.



# 7.6

## Respect for human rights

Zignago Vetro is committed to total respect for all forms of human rights and promotes this commitment among its stakeholders. In this regard, please refer to the Code of Ethics.

**None of the Group companies has ever been involved in human rights violations, nor have disputes ever been raised in this regard.**

Human rights KPIs		2020	2021	2022	Δ% 22/21	Goal 2022	Goal 2023	Strategic Goal 2030
Final judgements against ZVG in cases of child or forced labour	No.	0	0	0	0%	0	0	0
Final judgements against ZVG in cases of discrimination or harassment	No.	0	0	0	0%	0	0	0
Final judgements against ZVG regarding other human or civil rights violations	No.	0	0	0	0%	0	0	0

The following table details the number of reports that have emerged regarding cases of human rights violations (through the Whistleblowing system or other channels):

	2020	2021	2022
Freedom and Equality	0	0	0
Discrimination	0	0	0
Right to Life	0	0	0
Slavery	0	0	0
Torture	0	0	0
Freedom of Movement	0	0	0
Freedom of Thought	0	0	0
Freedom of Expression	0	0	0
Right of Public Assembly	0	0	0
Social Security	0	0	0
Workers' Rights	0	0	0

# 7.7

## Human resource management

Zignago Vetro Group, well aware that the human aspect plays a fundamental role, in terms of individual professionalism and motivation as well as collective management, undertakes to promote a dynamic, productive and engaging work environment respectful of the needs of its employees, by committing itself to:

- ensure the involvement of employees (within the scope of their duties) by effectively providing information, education and training activities to help increase awareness of their roles and responsibilities.
- efficiently organise and manage career development to ensure that all staff are adequately trained and evaluated to enhance the skills and knowledge of each member of personnel.
- promote open communication by creating opportunities for dialogue between staff representatives and trade unions. In 2022, 76 (Group-wide) union meetings were held at the national and local levels, dealing with issues concerning national and second-level bargaining and informational and consultative meetings with union representatives. In 2023 Zignago Vetro Italia will participate in the negotiation of the national collective bargaining agreement for the industry.
- as part of its ongoing dialogue with union representatives and its focus on the local area, Zignago Vetro ensures that the relevant group is involved in choosing the target of its social interventions for the benefit of local communities;
- foster optimal working conditions and support work-life balance (remote working, flexible schedules, exchanges and participation).
- ensure fair and equitable remuneration consistent with and in accordance with regulations and collective bargaining agreements, in addition to ensuring that the gender pay gap is addressed.

To make sure it complies with international best practice and Italian and EU labour legislation, the Zignago Vetro Group uses the work done over the years **by the International Labour Conference (ILO)**.

The mix of national and European legislation and ILO conferences and conventions guides the Group in implementing best working practice.

The Zignago Vetro Group is therefore committed to abiding by, promoting and disseminating the following "core" conventions on labour-related issues:

- **Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87);**
- Abolition of Forced Labour Convention, 1957 (No. 105);
- Minimum Age Convention, 1973 (No. 138);
- Worst Forms of Child Labour Convention, 1999 (No. 182);
- Equal Remuneration Convention, 1951 (No. 100);
- Discrimination (Employment and Occupation) Convention, 1958 (No. 111);
- Occupational Safety and Health Convention, 1981 (No. 155);
- **Fundamental Principles and Rights at Work, 1998;**
- Promotional Framework for Occupational Safety and Health Convention, 2006 (No. 187);

Specifically, in addition to the main issues addressed in the core conferences, the Group monitors **the main conventions** to improve its handling of issues such as freedom to associate in unions and the involvement of unions in different activities including at the social level, issues relating to forced and child labour, the maximum number of working hours per day and week, the prohibition on corporal punishment and discipline of any kind, anti-discrimination and equal opportunity issues in the workplace, and wage issues to avoid any form of gender gap.

The following tables summarise key data regarding the Group's human resources.

Employees by professional category divided by age group

	2020					2021					2022				
Age	<=18	<=29	30 to 50	>=51	Total	<=18	<=29	30 to 50	>=51	Total	<=18	<=29	30 to 50	>=51	Total
Executives	0		10	13	23	0		8	14	22	0	0	12	13	25
Managers	0	4	45	20	69	0	4	44	21	69	0	0	25	10	35
White-collar	0	29	174	60	263	0	29	169	70	268	0	28	189	85	302
Blue-collar	0	240	704	387	1,331	0	234	714	459	1,407	0	281	700	470	1,451
Total	0	273	933	480	1,686	0	267	935	564	1,766	0	309	926	578	1,813
Of which temporary	0	31	27	20	78	0	44	78	50	172	0	86	80	41	207

As provided for in its Code of Ethics and in the policies adopted in the social field, the Group opposes the use of child labour in any form. Recruitment procedures in place at all companies prohibit the selection of candidates under the age of 18 for any job position. In addition, checks during the candidate registration phase allow their requirements to be verified and violations to be avoided.

Instances of child labour identified:

Child labour KPIs		2020	2021	2022	Δ% 22/21	Goal 2022	Goal 2023	Strategic goal 2030
Workers under 18 years of age	No.	0	0	0	0%	0	0	0

Employees by geographical area at 31.12.

	2020	2021	2022
Italy	727	725	779
France	260	332	326
Poland	699	709	708
Total	1,686	1,766	1,813

Breakdown by contract

	2020	2021	2022
PERMANENT	1,445	1,436	1,514
M	1,083	1,059	1,078
F	362	377	436
FIXED-TERM	241	330	299
M	85	137	202
F	156	193	97
TOTAL	1,686	1,766	1,813

Incoming turnover by geographical area (excl. temporary employees)

%	2020	2021	2022	Number	2020	2021	2022
Italy	6.9%	6.3%	8.3%	Italy	49	45	62
France	10.2%	7.3%	8.5%	France	27	19	25
Poland	10.2%	3.5%	5.4%	Poland	64	22	36
Total	8.7%	5.4%	7.7%	Total	140	86	123

Outgoing turnover by geographical area (excl. temporary employees)

%	2020	2021	2022	Number	2020	2021	2022
Italy	2.7%	3.8%	5.5%	Italy	19	27	41
France	4.1%	1.5%	7.8%	France	11	4	23
Poland	6.2%	5.6%	8.1%	Poland	39	35	54
Total	4.3%	4.1%	7.4%	Total	69	66	118

New hires by gender (excluding temporary)

Number	2020	2021	2022
Male	90	61	92
Female	50	25	31
Total	140	86	123

Resignations by gender (excluding temporary staff)

Number	2020	2021	2022
Male	50	49	79
Female	19	17	39
Total	69	66	118

Employees by contract type (part-time/full-time)

Number	2020			2021			2022		
	M	F	Total	M	F	Total	M	F	Total
Part Time	9	1	10	2	2	4	4	7	11
Full-time	1,158	518	1,676	1,194	568	1,762	1,276	526	1,802
Total	1,167	519	1,686	1,196	570	1,766	1,280	533	1,813

Social Dialogue - Number of Trade Union Meetings

Working conditions and unions KPIs		2020	2021	2022	Δ% 22/21	Goal 2022	Goal 2023	Strategic goal 2030
Trade union meetings	No.	49	55	76	+38.2%	-	-	-
Final judgements against ZVG in cases of violation of workers' rights	No.	0	0	0	0%	0	0	0
Final judgements against ZVG regarding violations of workers' freedom of association	No.	0	0	0	0%	0	0	0

Companies within the Group are managed with absolute respect for personal diversity, whether it relates to gender, religion, political opinions, ethnicity, nationality, sexual orientation, age or anything else.

Zignago Vetro condemns and refrains from engaging in conduct that may be inadequate in guaranteeing equal gender opportunities. The Group is committed to operating in such a way as to mitigate risks associated with the emergence of working conditions that do not guarantee equal opportunities or equal treatment according to roles and merit. Careful monitoring is carried out, in particular, to prevent violations of international conventions on the protection of workers’ rights.

Zignago Vetro undertakes to create and maintain the conditions necessary to ensure that, in all the countries in which the Group operates, the skills, competences and knowledge of each employee are valued and developed so as to ensure personal growth and the achievement of corporate objectives.

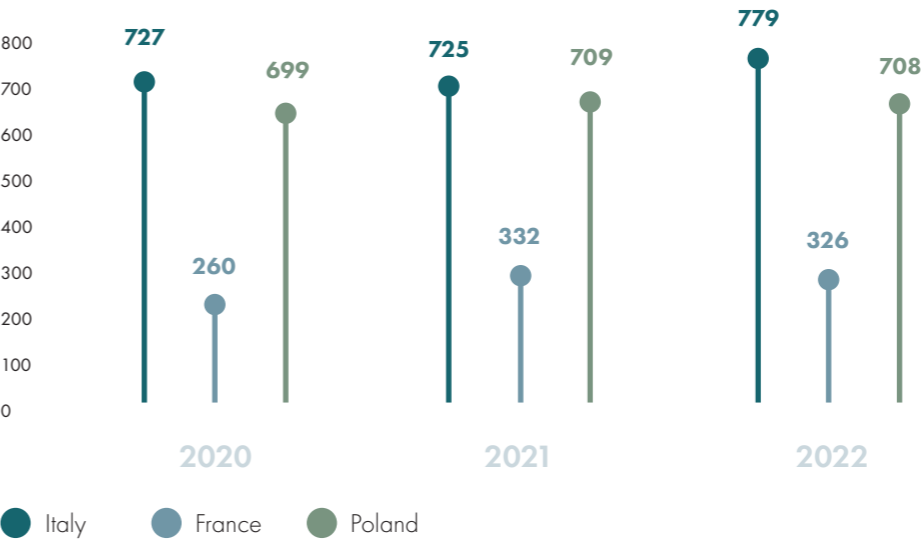
Any form of discrimination is explicitly prohibited by the Code of Ethics.

The above highlights the Group's commitment to implement labour policies aimed at stability and long-term collaboration with its employees.

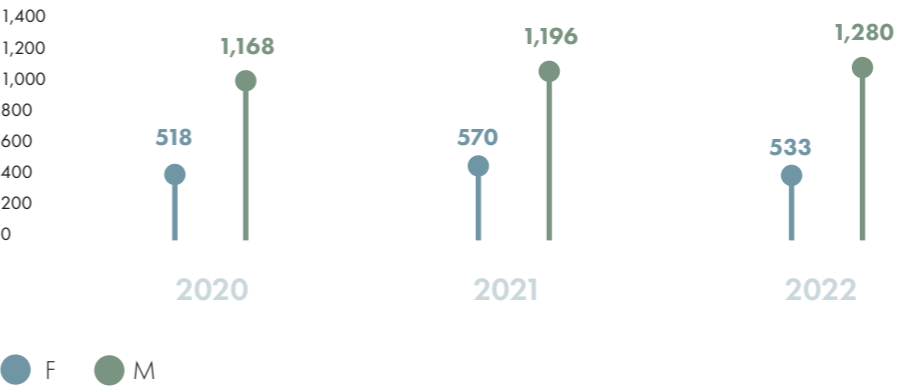
The Group's total workforce **at December 31, 2022 is 1,813, a net increase of +47 (+2.7%) employees on the previous year.**

During 2022, a total of 123 employees joined the Group, most of whom were under 29 years old. **The incoming turnover rate was 7.7%.**

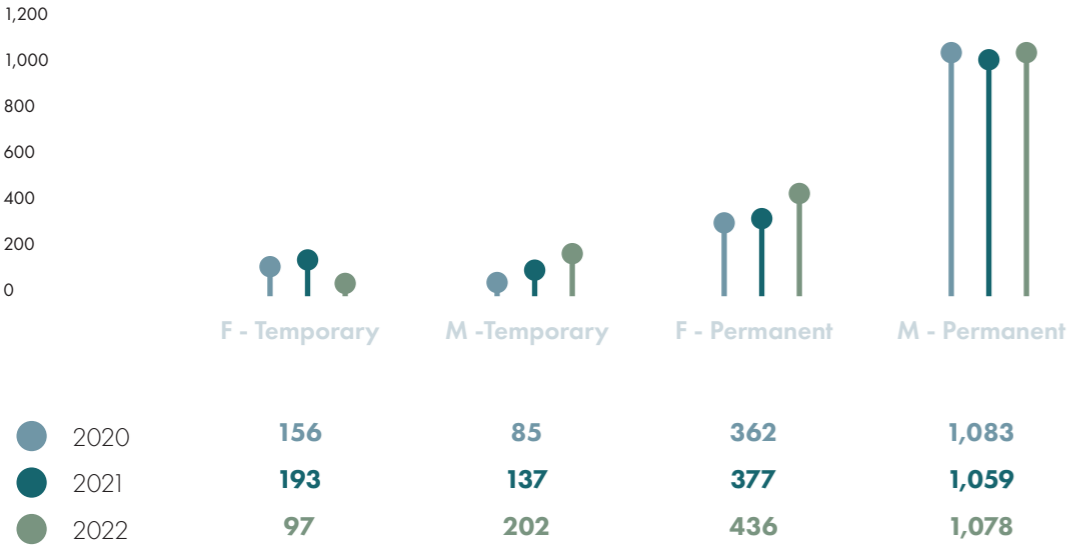
Workforce over the last 3 years by geographical area



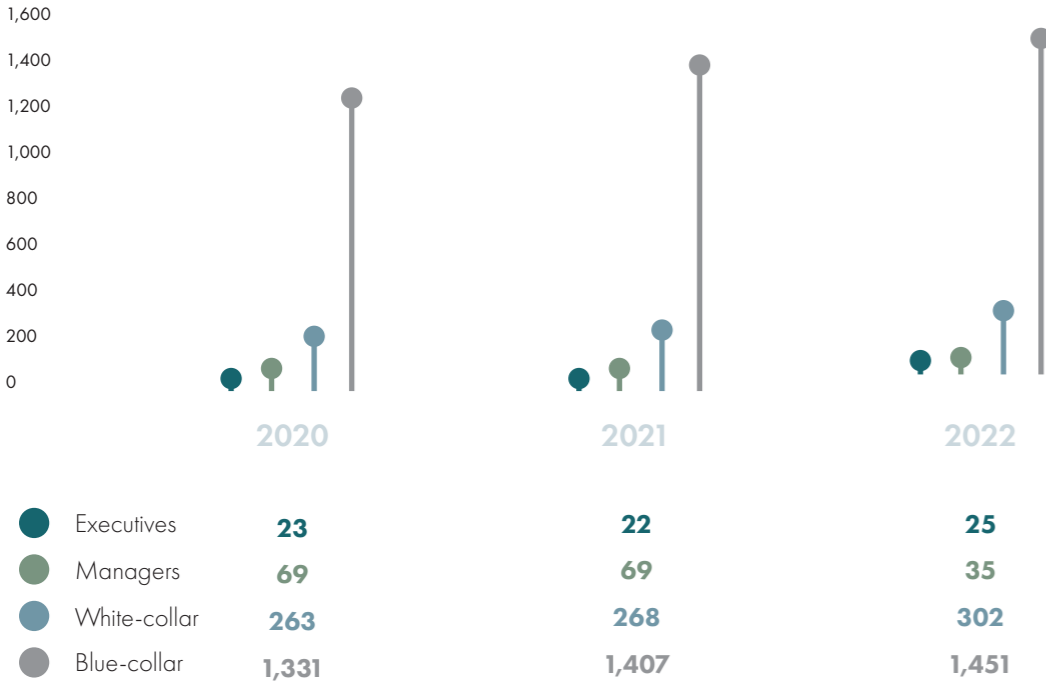
Workforce over the last 3 years by gender



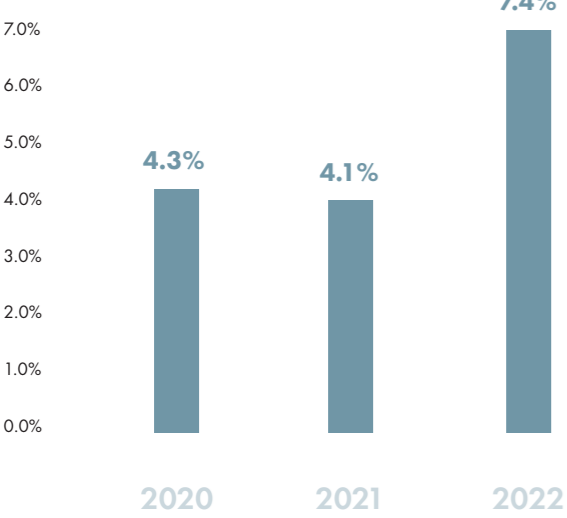
Workforce over the last 3 years by contract type



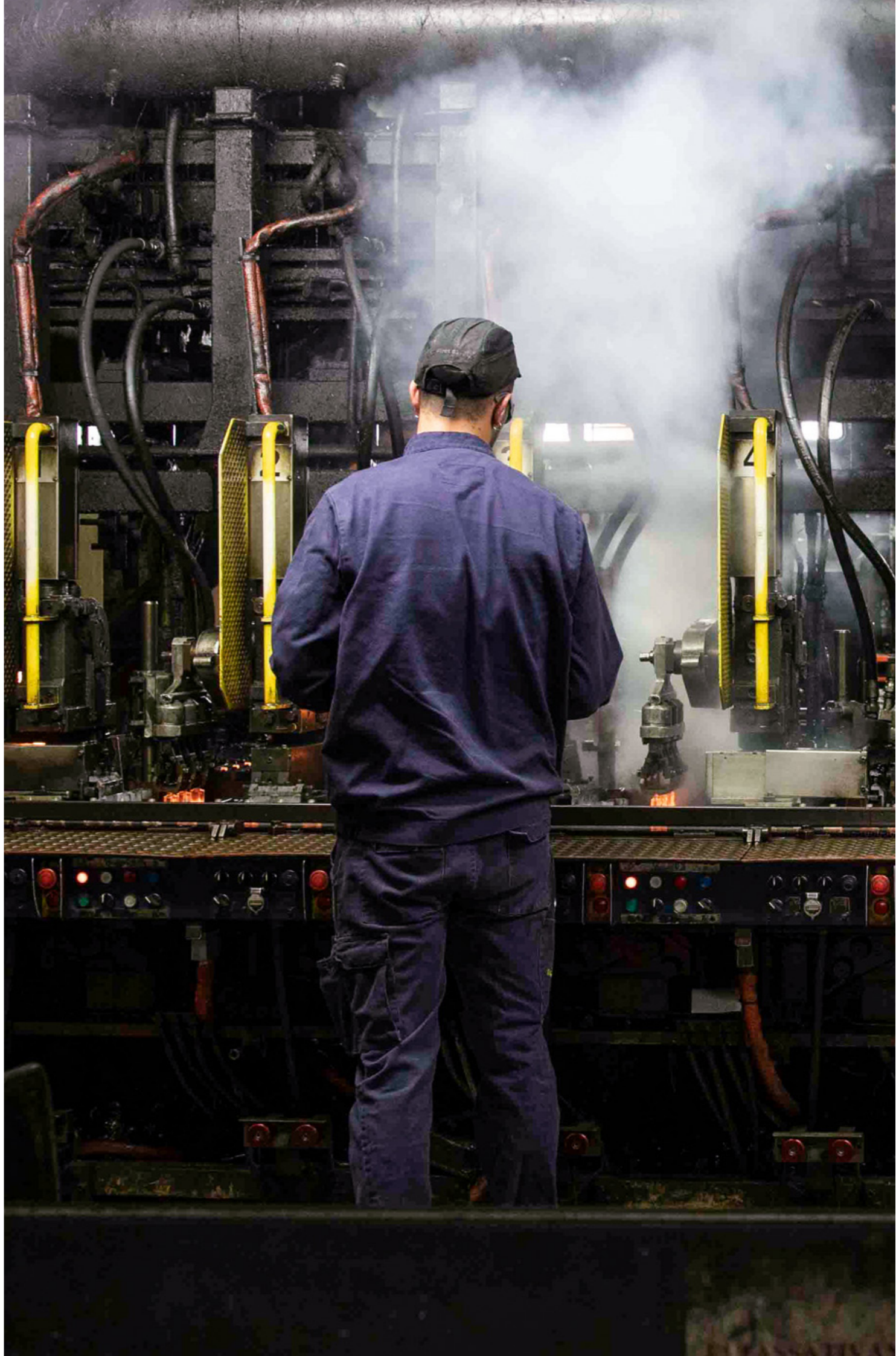
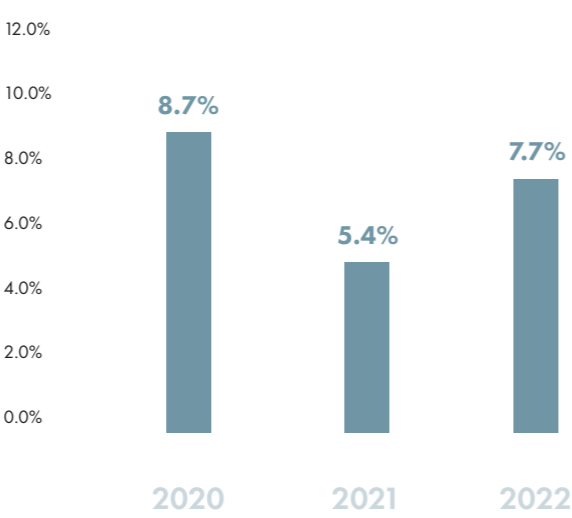
Workforce over the last 3 years by professional category



Outgoing turnover rate



Incoming turnover rate



Employment contracts

All the Group's employees are hired with a regular employment contract, in compliance with the regulations in force in the countries where the Group's production sites are located. Every Group company has established forms of collective bargaining with their workers, either national (for the Italian plants of Zignago Vetro and Vetro Revet) or corporate (for the Polish plants of Zignago Vetro Polska and the French plant of Zignago Vetro Brosse).

Current collective bargaining agreements provide for agreements regarding all of the following:

- Working conditions (e.g., pay, working hours, holiday allowances).
- Training and career management (e.g., training opportunities, rules on salary level transitions).
- Corporate Social Responsibility (respect for human rights, combatting discrimination and/or harassment, reducing the environmental impact of processes, protecting worker safety).
- Employability and balance.



The employment contract is the fundamental tool for governing employment activities, and is used to lay down the terms and conditions of an employee's employment and their responsibilities.

An employment contract is an agreement that is signed between employee and employer (or employment agency).

The employment contracts in place in the Zignago Vetro Group include, in accordance with national collective bargaining agreements, company contracts and in compliance with the law of each country where member companies are present, the following items:

- the type of work to be done, setting out exactly what is expected of the employee;
- the worker's data (personal and residential details and tax data);
- the location of the company and the place of work to which the employee will have to travel to perform his or her job (on site or remote working);
- remuneration and economic benefits (gross hourly or monthly amount, based on collective bargaining agreements supplemented by company agreements; any supplementary elements upon achievement of certain results; benefits and other perks);
- the terms and conditions of the employment relationship (start date and any end date; fixed-term or permanent contract; part-time or full-time; shift pattern or daily working hours; etc.);
- planned working time on a daily and weekly basis (daily start and end times, any planned breaks, 8 hours per day, 40 hours per week);
- vacation days, paid leave, and time off in lieu (counted in hours on a monthly basis in line with the national collective agreement supplemented by the company contracts).

Workers' contracts in the Zignago Group are drafted on the basis of the legislation of the relevant countries and with the participation of union representatives, and provide **proper protections and safeguards for both employer and employee** (especially by limiting the ability of the hirer to terminate the employment without notice).

For some positions, secrecy and non-competition agreements are included in the contracts, as a legal method of preventing former employees, especially from manufacturing, technical or commercial backgrounds, from competing directly with Group companies for a certain period of time following the end of employment, or from disclosing confidential information to competing companies.

Employment contract KPIs		2020	2021	2022	Δ% 22/21	Goal 2022	Goal 2023	Strategic goal 2030
% workforce covered by regular, formal collective bargaining agreements regarding working conditions	%	100%	100%	100%	0%	100%	100%	100%

# Corporate Welfare

With an eye to improving and developing human resources and increasing the sense of belonging among its employees, the Zignago Vetro Group:

- has undertaken actions aimed at developing and favouring a positive work/life balance;
- has introduced forms of welfare and insurance coverage for non-work situations;
- has introduced the opportunity for all worker categories to join supplementary health care funds on a voluntary or contract basis (Fasie);
- has launched a corporate welfare plan (CWP), in addition to the company’s supplementary agreement.

The initiative has been implemented at Zignago Vetro S.p.A.’s plants and is expected to be rolled out at additional plants in the coming years.

**Zignago Vetro’s Corporate Welfare Plan is Provided partly through the DayWelfare platform and enables access to different types and forms of benefits:**

- |  |                                    |
|--|------------------------------------|
| • Nurseries                                | • Supplementary pension plans      |
| • Schools                                  | • Cultural events and performances |
| • Summer camps and after-school activities | • News and magazines               |
| • University costs                         |                                    |
| • School books                             |                                    |
| • Purchases and shopping                   |                                    |
| • Sport and gym costs                      |                                    |
| • Trips                                    |                                    |
| • Training courses                         |                                    |
| • Health and well-being                    |                                    |
| • A healthcare fund                        |                                    |
| • Dentists                                 |                                    |

# Work-Life Balance

In order to guarantee equal gender opportunities, the Group promotes various work-life balance initiatives to facilitate working and living conditions according to individual needs, such as through part-time work, flexible hours and smartworking.

99.4% of the personnel were on a full-time contract, while the remaining 0.6% benefited from part-time working arrangements, with the aim of facilitating the management of a work-life balance.

In the extraordinary context of the pandemic COVID-19 emergency, during 2020 Zignago Vetro introduced smart working. This was extended for the whole of 2022 for all tasks where this was feasible, providing for smart working on a maximum of two days per week. Agile working has made it possible to further structurally improve work-life balance management for a large proportion of Group employees.



## Green Mobility Management

Including on the basis of Legislative Decree No. 179/21, the Zignago Vetro Group's ESG Committee recognises the vital importance of sustainable mobility activities, aware that they can contribute directly or indirectly to the reduction of emissions and can also be a valuable tool to improve corporate welfare.

Green Mobility activities are currently the responsibility of the ESG Committee, assisted by the Environment, Safety and Quality function and two Mobility Managers (one in Empoli and one in Fossalta di Portogruaro) appointed on December 28, 2021.

The appointment of two Mobility Managers in the two Italian glass production plants was formalised following the implementation in 2021 of a "Home-Work Travel Plan" (the "Plan" or "HWTP") targeted at identifying useful measures to direct employee commutes towards more sustainable forms of mobility.

The Mobility Manager therefore has a remit to decide on, plan, schedule, manage and promote optimal sustainable mobility solutions for the Group. The above Home-Work Travel Plan was preceded by an assessment with employees to accurately monitor and assess their mobility needs, in relation both to the location of the Group's main facilities and to the mobility options in the relevant regions.

The assessment therefore included a questionnaire which enabled mapping of employee logistics, the kilometres travelled in the commute and the means of transport used. The questionnaire also included a series of questions targeted at intercepting the needs, necessities and desires of employees towards alternative forms of mobility, capable of reducing the time and stress of commuting and potentially generating savings.

The HWTP, albeit with variations between facilities, showed that an extremely high number of employees use private transportation to get to work, primarily due to the distance of workplaces from public transportation stations.

Specifically, the figure for Fossalta was 92% and almost 93% for Empoli. At Fossalta, 60.4% of employees take less than 15 minutes to get to work, and approximately 85% less than 30 minutes. In Empoli, 85% of employees take less than 30 minutes to get to work, but the majority take more than 15 minutes. The choice of a private vehicle over the use of public mobility services is therefore essentially linked to greater flexibility and availability of public transport.

The calculation of the type of vehicles used, the average distance travelled per day for return journeys, and the average time taken, enabled an accurate assessment of CO<sub>2</sub> emissions, broken down according to the means of transport used.

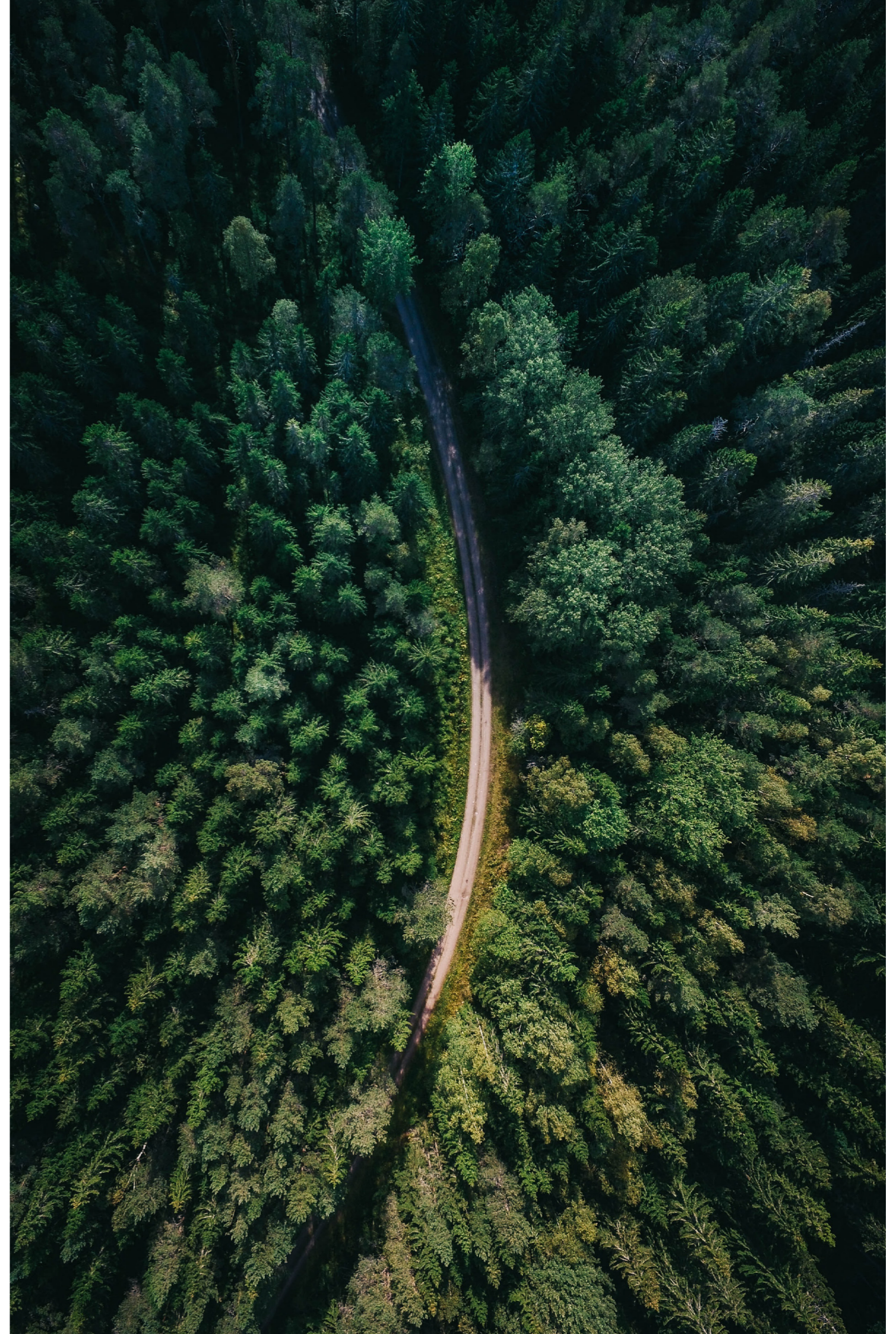
The Plan analysed the **propensity for change** toward more sustainable forms of mobility.

Among the measures considered:

- flexibility working hours;
- remote working;
- public transport or a shuttle service provided by the Company;
- carpooling/car sharing;
- micro-mobility (bicycles/scooters).

The Plan seeks to implement a series of measures to discourage the use of private cars and use alternative and significantly less polluting forms of mobility.

This has led to the provision of mobility vouchers, free parking for employees who choose to carpool, the introduction of a shuttle service to and from the nearest stations, agreements with public transport companies, company bicycles to be used by reservation, and charging stations for electric bikes and scooters. Finally, flexible working hours and remote working could become structural and not just temporary measures, in order to change mobility habits and reduce emissions.



Consistent with the HWTP, the company vehicle fleet transformation process continues.

Owned cars and vans will be gradually sold or decommissioned according to a pre-established plan, and replaced with electric or hybrid vehicles.

On December 16, 2022, the Home-Work Travel Plan for Fossalta di Portogruaro and Empoli was updated, with the goal of later being rolled out to all Group facilities.

Each employee gave his or her personal details and work performed, and again described in detail how he or she got to work, in addition to his or her willingness to make a change.

For both facilities, the Plan is a true **Impact Analysis or LCA** that makes it possible to estimate the CO<sub>2</sub> equivalent of kilometres travelled by all employees to and from work daily and also distinguishes emissions by pollutant type (CO, Nox, PM10 and CO<sub>2</sub>).

Amount of emissions in one year

Vehicle category	CO	NOx	PM10	CO <sub>2</sub>
Motor vehicles	158kg	82kg	8kg	4426kg
Motorcycles	9kg	0.3kg	0.1kg	285kg
Public transports	0	0	0	0

The **Empoli** plan review shows that, on average, employees travel 1,215 km daily between home and work, producing a total of 46,055 kg in CO<sub>2</sub> eq. emissions, corresponding to a ratio of 0.1723 kg CO<sub>2</sub>eq per km.

Willingness to participate in a car-pooling project is very high because, in addition to benefiting employees by reducing costs, it also contributes, from a statistical point of view, to reducing accident rates. As regards community benefits, car-pooling helps to reduce both pollution and local traffic.

Compared to the 2021 plan, there has been a decrease in numbers of employees using a private car (from 100% to 93%) in favour of a different mix of local transport. Bicycle use has increased slightly (0% to 2%). The Company has supplied an app to encourage car-pooling, has provided parking for bicycles and scooters, including electric ones, and has equipped its facility with lockers and showers for employees to encourage bicycle use.

The review of the Fossalta di Portogruaro plan shows that, on average, employees travel 2,188 km daily between home and work, producing a total of 82,986 kg in CO<sub>2</sub> eq. emissions, corresponding to a ratio of 0.1724 kg CO<sub>2</sub>eq. per km.

Compared to the 2021 plan, there has been a decrease in numbers of employees using a private car (from 93.3% to 92%) in favour of a different mix of local transport, including walking. Car-sharing nonetheless decreased compared to the 2021 plan. There was an increase in the use of company cars. In addition to various activities to encourage car-pooling, the company has provided covered parking spaces for bicycles and scooters, including electric ones, and provided company bikes and charge points. In addition, changing rooms with lockers and showers for employees have been provided at the Fossalta facility to encourage bicycle use.



Main relevant strategies

Discouraging the use of private cars

Encouraging car-pooling

Mobility vouchers and company shuttle service

Encouraging the use of public transport

Agreements with local public transport companies

Free or discounted memberships

Encouraging travel by bicycle

CCTV parking areas for bicycles and scooters

Purchase of company bicycles and charge points for electric bikes and scooters

Reducing the demand for travel

Increased smartworking

# 7.8 Suppliers

## Sustainable Supply Chain Management System

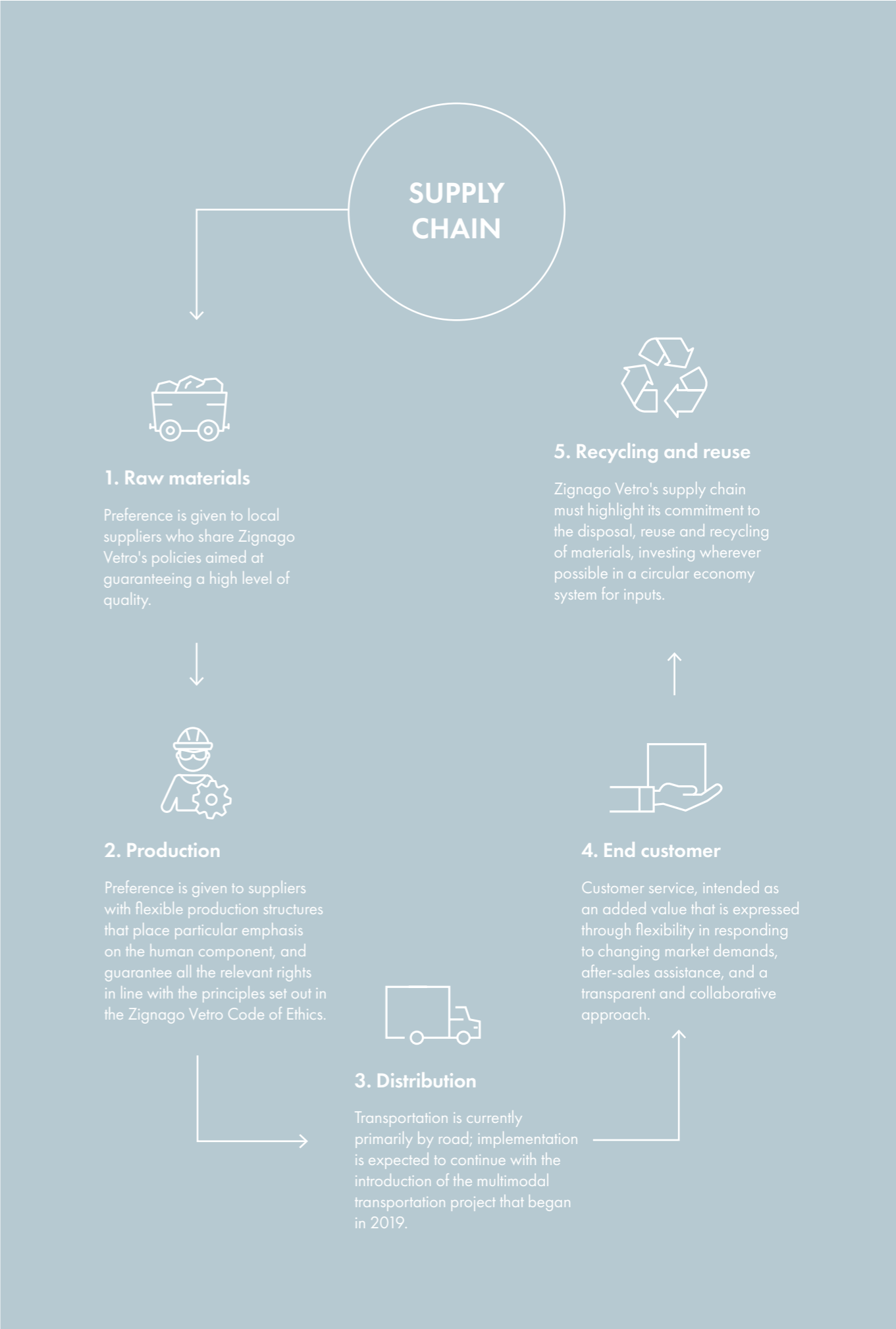
In 2022, Zignago Vetro, in line with the commitment highlighted in the ESG Policy, further strengthened the Stewardship process and engagement with its suppliers.

Zignago Vetro promotes a culture of sustainability throughout the entire supply chain, committing itself to pursuing the following specific objectives:

- **to hire suppliers who hold views that are in keeping with Zignago Vetro’s policy**, and with the principles of ethical, social and environmental responsibility promoted by the Company;
- **to guarantee a responsible supply chain selection and qualification process** by constantly monitoring supplier requirements;
- **to give greater consideration to local suppliers** in support of the development of local communities.

The Group favours the approach of close partnerships with suppliers, with the aim of creating relations with stakeholders of proven reliability, both in terms of quality and supply consistency and of respect for the principles of fair competition and related activities.

With regard to relations with suppliers, a formalised policy is in place indicating the principles of sustainability, while for the selection and qualification of suppliers, the Group adopts assessment practices targeted at preventing collaboration with partners who violate human rights, adopt practices that are contrary to fairness in the conduct of business (in particular with regard to corruption), carry out their activities through the exploitation of minors or do not adequately manage their environmental impact.



# Supplier code of conduct

In 2019, Zignago Vetro introduced a Supplier Code of Conduct that is based on the principles contained in the United Nations Universal Declaration of Human Rights, ILO conferences and the OECD Guidelines for Multinational Enterprises. Suppliers are also required to comply with the regulations and standards in force in the countries in which they operate.

In the event that local regulations are less stringent than the principles contained in the above-mentioned Supplier Code of Conduct, suppliers agree to take the necessary steps to comply with the principles contained in the Supplier Code of Conduct within a reasonable period of time.

By signing the document, suppliers agree to commit to a series of important social principles.

The key points of the Supplier Code of Conduct include:

- the specific commitment not to purchase minerals from areas of conflict (so-called Conflict Minerals). A declaration regarding the origin of materials (the Conflict Minerals Reporting Template - CMRT - as per the Responsible Minerals Initiative) will be requested from suppliers of materials that could potentially be affected (tin, tungsten, tantalum, gold and their derivatives);
- the commitment to pay a minimum wage;
- the commitment to guarantee a maximum limit of daily and weekly working hours;
- the commitment not to use any form of child labour;
- the commitment to eliminate all forms of discrimination and gender pay gaps of any kind;
- the supplier’s commitment not to engage, in turn, those suppliers who do not guarantee:
  - free participation in trade unions;
  - a minimum wage above subsistence levels and reasonable economic conditions;
  - the presence of minimum workplace safety measures;
  - a ban on child labour, except in cases explicitly provided for by law;
  - the prohibition of forced labour;
  - a policy that requires suppliers not to indirectly engage with other suppliers who might inflict corporal or illicit punishment on their employees.

Compliance with the Code is required of all Zignago Vetro employees. These persons are in turn required to communicate, share and explain to their employees, subcontractors, auxiliaries and their employees, the principles set out in the Code and to ensure and verify compliance with them.

The Zignago Vetro Group has decided to increasingly involve suppliers in its 2030 Agenda, in line with evolving legislation, the SDG principles and its stakeholder engagement policies.

The key indicators related to sharing the Supplier Code of Conduct are as follows:

KPIs on the code of conduct for suppliers and contractors		2020	2021	2022	Δ% 22/21	Goal 2022	Goal 2023	Strategic goal 2030
% of active suppliers subject to the Supplier Code of Conduct*	%	100%	100%	100%	0%	100%	100%	100%
% of contracts/purchase orders with ESG clauses*	%	100%	100%	100%	0%	100%	100%	100%

\*Each contract/purchase order shall include at least the adherence clause to the Supplier Code of Conduct, made available through a link. Some contracts may also contain other specific ESG-related clauses.



Supplier ESG assessment

A Group procedure has been in place since 2021 describing how relevant suppliers are selected and evaluated in terms of ESG, involving suppliers completing and returning a special questionnaire and accepting Zignago Vetro's sustainability and human rights principles.

The digital questionnaire includes a large number of KPIs, requiring suppliers to have and implement a sustainability plan, at the very least in part.

As well as producing a score to be used in the Group’s overall assessment process, the digital questionnaire also promotes an active innovation and modernisation process.

The questionnaire and resulting score allow Zignago Vetro to assess different suppliers, broken down by product and service type. At the same time, the questionnaire helps the provider to implement a self-assessment process, thus providing some of the tools it might need to subsequently produce an ESG action plan.

The Zignago Vetro online “Supplier Sustainability Assessment” questionnaire, first of all, asks for general data, product or service type, and a signature to affirm the truthfulness of the given answers.

The questionnaire is then divided into 73 questions, some of which qualitative and open-ended, and others quantitative, making it possible to rank the suppliers not only by turnover and employee numbers, but also by a sustainability score.

The questionnaire focuses on assessing environmental, social and governance aspects in detail, including:

- governance documents, such as the Code of Ethics and the Code of Conduct;
  - 231 Organisational Model;
  - ESG Policy;
  - description of any sustainability plan;
  - voluntary Sustainability Report or Non-Financial Statement;
  - privacy policy effectiveness;
  - energy manager, and relevant certifications (particularly: ISO 14001, SA8000, ISO 45001 (or OHSAS 18001), ISO 37001 and ISO 50001;
  - legal disputes, in any, and their description;
  - carbon footprint;
  - energy and water consumption, and saving and efficiency measures;
  - waste disposal methods and circular processes;
  - waste management assessment;
  - circularity in the production process or end-of-life of materials and products;
- protecting diversity;
  - defence of human rights, and relevant certification;
  - health and safety management;
  - safety management system;
  - ISO certifications and quality;
  - welfare;
  - disability;
  - labour management;
  - engagement with local communities;
  - work with suppliers;
  - internal auditing and compliance;

The questionnaire also contains some “red flag” compliance questions, which, if not answered correctly, lead to immediate suspension of the supplier and a request for corrective action.

As standard practice, the Group reserves the contractual right to adopt all appropriate measures (including contract terminations) in the event that any supplier, in carrying out activities in the name of or on behalf of the Company, violates any rule of legislation or Zignago Vetro’s requirements in terms of solidarity and ethical conduct.

In 2021, specific training was given to all Group buyers on the supplier ESG assessment procedure and methods.

The following are the main indicators for the supplier ESG assessment:

Supplier Assessment ESG KPIs		2020	2021	2022	Δ% 22/21	Goal 2022	Goal 2023	Strategic goal 2030
% of the Group’s expenditure covered by relevant suppliers assessed through ESG questionnaire	%	N/D	64.7%	75.9%	+17.3%	>75%	>75%	>75%
% response rate from suppliers assessed through ESG questionnaire	%	N/D	61.0%	80.4%	+31.8%	100%	100%	100%
% of suppliers suspended for non-compliance with ESG principles	%	N/D	0%	0%	0%	0%	0%	0%
% buyers trained on ESG topics in the last 2 years	%	100%	100%	100%	0%	100%	100%	100%

The data show an increase in inventory turnover from surveyed suppliers (+17.3%) and a significant improvement in their response rate (at 80.4%, an increase of +31.8% on the 2021 campaign), demonstrating the Group's commitment to engagement activities. Once again in 2022, no suppliers were suspended for non-compliance with ESG principles.

The ESG assessment of suppliers, in the manner described above, is integrated into their overall assessment carried out regularly by each of the Group companies, according to their own internal procedures. This makes it possible to verify and analyse all the main supplier selection and assessment indicators, from price through to service and supply quality, delivery times, process sustainability, and ethical and human and social rights compliance. The Group reserves the right to conduct unscheduled audits at the offices of suppliers regarded as "strategic." The annual tool used to assess these commitments is the Management Review.

In addition to enabling better mapping and strengthening its knowledge of its supply chain, the Zignago Vetro Group’s questionnaire and activity with suppliers form part of a broader stewardship and engagement process with its stakeholders.

In order to further develop this engagement process and make it even more productive, from 2023 the Group will include the most important ESG elements in the periodic audits performed at its suppliers to verify process management and quality.

As regards the supply chain, the Zignago Vetro Group considers compliance with sustainability principles synonymous with long-term reliability. Specifically, the Zignago Vetro Group’s Board has a goal of branching out externally, i.e. to each supplier’s supply chain, issues linked to consumption, recycling, reuse and disposal of materials, occupational health and safety, protection of human rights and respect for local communities, their culture and traditions, and diversity in all its forms.

To strengthen the management of supplier sustainability aspects, the Zignago Vetro Group has also published the Diversity Suppliers Policy and Conflict Mineral Policy on its website.

Conflict Minerals

As per its Conflict Minerals Policy, the Group verifies that products purchased from its suppliers do not contain conflict minerals. This is done by using the above described ESG assessment questionnaire to monitor suppliers at risk of using conflict minerals in their processes, with particular reference to the 3TG minerals, that is, those containing tin, tantalum, tungsten or gold. Should a supplier declare use of even one of these minerals in the digital questionnaire, the software flags an alert, triggering an in-depth analysis of their origin, in the interests of protecting Zignago Vetro. Accordingly, the Group’s stated goal is not to be involved, even indirectly, in any supplies from countries listed at risk by the United Nations. When flagged, the supplier must certify that the minerals do not come from conflict areas, preferably by providing a Conflict Minerals Reporting Template (CMRT), as per the Responsible Minerals Initiative (RMI). In case of any doubt, Zignago Vetro may subject the supplier to a further Due Diligence process.

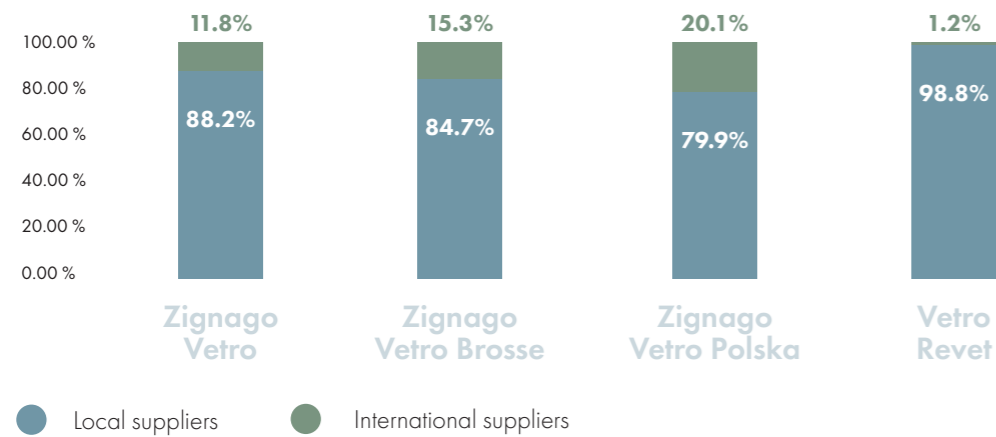
Conflict mineral KPIs		2020	2021	2022	Δ% 22/21	Goal 2022	Goal 2023	Strategic goal 2030
% of suppliers using 3TG minerals for which a CMRT (or other certificate of provenance) is available	%	100%	100%	100%	0%	100%	100%	100%

Origin of suppliers

All Group companies undertake to maintain a sufficient number of suppliers, not only to guarantee optimal economic conditions, but also to mitigate risks associated with the unavailability of materials essential for the performance of their activities.

We note that as the Group’s plants are located in the Eurozone (Italy, France and Poland), the purchase of raw materials takes place almost exclusively through suppliers located in areas near the Group’s production plants. 84.03% of purchases come from local suppliers. No suppliers are from conflict zones of any kind.

Origin of suppliers



# 7.9

## Safeguarding workplace health and safety

Occupational health and safety is a priority for the Zignago Vetro Group. The Group’s target in this regard is zero injuries.

The main measures to ensure compliance with applicable legislation and make sure the working environment is increasingly safe and healthy include:

- assessment of work risks, identification of risk mitigation measures, and the definition of safety procedures;
- supply of personal protective equipment to all workers;
- provision of training, information and safety training to all workers;
- use of machines, equipment and systems with the highest safety standards, and the necessary maintenance to uphold these standards over time;
- meetings involving all safety figures in order to optimise interventions;
- health monitoring to ensure personnel are always fit for work and that their work does not cause them any harm;
- analysis of injuries and risk situations (near misses), in order to prevent injuries from similar situations;

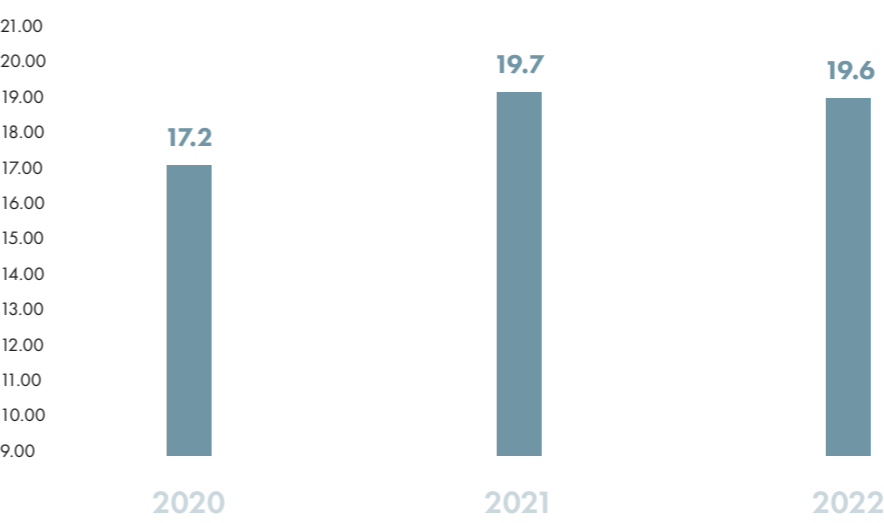
We note that to ensure compliance with legal obligations and make the working environment increasingly safer and healthier, a process has been undertaken to certify all Group sites to ISO 45001.

The process led to containing the number of injuries in 2022, compared to 2021, at 54. Though there were the same number of injuries in 2022 as 2021, the number grew at Zignago Vetro Brosse from 16 to 21, but was offset by a fall in the number at Italian plants, from 26 to 21.

The frequency index in 2022 was 19.6, slightly improving compared to 19.7 (-0.5%) in 2021, due to a slight increase in hours worked.

Safety at work KPIs		2020	2021	2022	Δ% 22/21	Goal 2022	Goal 2023	Strategic goal 2030
Injuries	No.	45	54	54	0%	0	0	0
Frequency index	$Nr_{inj}/hr_{worked} \cdot 10^6$	17.2	19.7	19.6	-0.5%	0	0	0

Injury frequency index

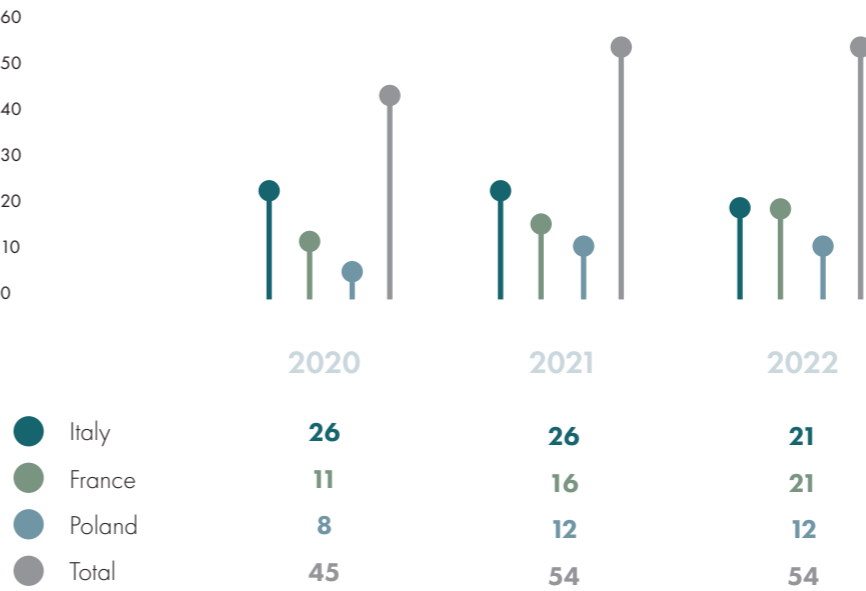


$$if=(No.injuries / No. hours worked) * 1000000$$

Injury rate by country

	2020	2021	2022
Italy	26	26	21
France	11	16	21
Poland	8	12	12
Total	45	54	54

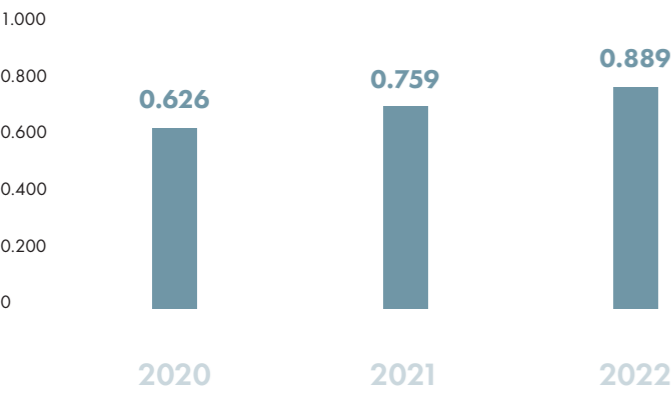
Injury rate by country



In terms of **severity**, days lost to injury increased by 363, from 2,085 days in 2021 to 2,448 in 2022 (+17.4%), causing the index to fall from 0.759 (2021) to 0.889 (2022). Accounting for the different hours worked, the index worsened between 2021 and 2022 by +17.1%.

Safety at work KPIs		2020	2021	2022	Δ% 22/21	Goal 2022	Goal 2023	Strategic goal 2030
Working days lost	No.	1,642	2,085	2,448	+17.4%	0	0	0
Severity index	$d_{lost}/hr_{worked} \cdot 10^3$	0.626	0.759	0.889	+17.1%	0	0	0

Injury severity index



$$Si = (No. \text{ days lost} / No. \text{ hours worked}) * 1,000$$

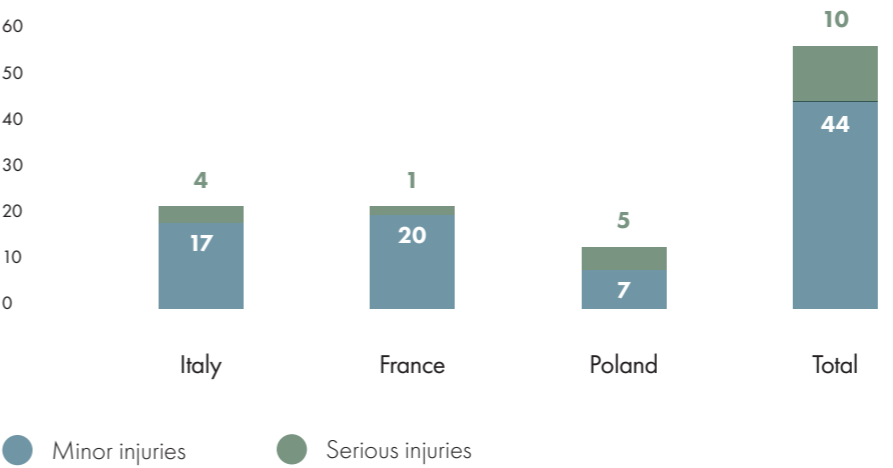
This worsening was mainly due to an increase in days lost at Italian facilities, though, overall, the days lost at Italian facilities were lower than those lost abroad.

Days lost by country	2020	2021	2022
Italy	604	301	696
France	691	937	945
Poland	347	847	807
Total	1,642	2,085	2,448

In 2022, **severe injuries**, those leading to 40 days lost, were 4 in Italy, 1 in France, and 5 in Poland. In Zignago Vetro Group companies, in 2022, as in all previous years, there were no **fatal injuries**.

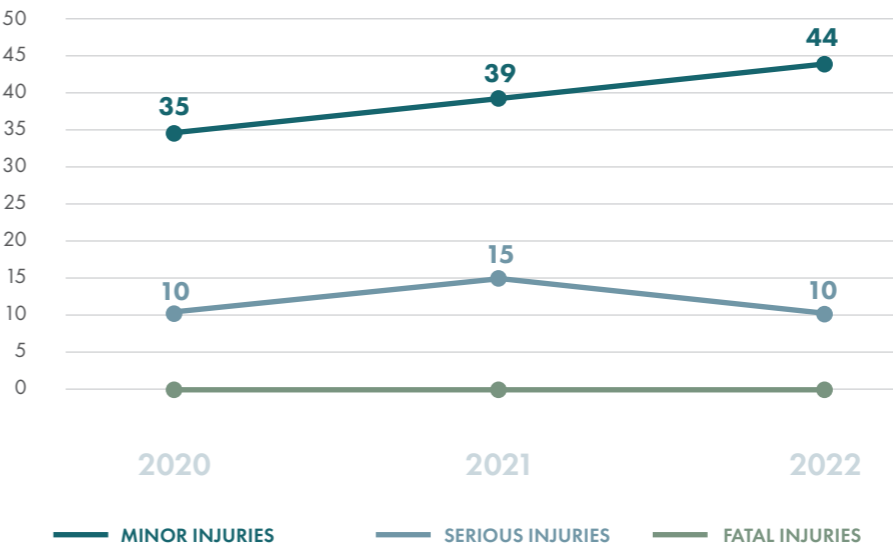
	Italy	France	Poland	Total
Minor injuries	17	20	7	44
Severe injuries	4	1	5	10
Fatal injuries	0	0	0	0
Total	21	21	12	54

Injuries 2022



Injury severity Index in the last 3 years	2020	2021	2022
Minor injuries	35	39	44
Severe injuries	10	15	10
Fatal injuries	0	0	0
Total	45	54	54

Injury severity index in the last 3 years



In 2022, regarding cases of **work-related ill health**, none were reported in Poland, 1 was reported in France, and another was reported in Italy, by the company Vetro Revet.

No Zignago Vetro Group companies have been judged **responsible** for any accidents.

Before being authorised to access Zignago Vetro facilities, **external companies** must demonstrate not only full compliance with local and national health and safety legislation, but also their commitment to health and safety, in line with the Zignago Vetro Group’s corporate policies and Supplier Code of Conduct. In this regard, a preference is afforded to companies that already have an ISO 45001 certified occupational health and safety system.

In terms of health and safety, Zignago Vetro Group, in fact, treats contractors and the employees of external companies working on its behalf at its sites just as its own employees. Contractors must comply with the Group’s Code of Ethics and Conduct, in addition to its Sustainability Policy. At the same time, they also have the right to work in an environment that puts safety first.

In terms of **injuries** of the personnel of **external companies** at Zignago Vetro Group facilities, 5 injuries were recorded in 2022 (of which 2 severe), all at Italian facilities, compared to 3 in 2021, equal to an increase of +66.7%. Despite the overall increase in the number of injuries, the frequency index fell sharply (-56.6%) due to the significant increase in hours worked by external companies at multiple temporary construction sites. In terms of severity, the index increased from 0.17 in 2021 to 0.28 in 2022, an increase of +64.7%.

The Zignago Vetro Group’s clearly stated target is to achieve zero work-related injuries, regarding both employees and contractors. To this end, monitoring and control procedures and tools have been strengthened. The ESG Committee, together with Group’s Board, assign primary importance to the goal of mitigating all kinds of injuries.

External worker safety KPIs		2020	2021	2022	Δ% 22/21	Goal 2022	Goal 2023	Strategic goals 2030
Injuries (external workers)	No.	N/D	3	5	+66.7%	0	0	0
Frequency index (external workers)	$Nr_{inf}/hr_{worked} \cdot 10^6$	N/D	9.33	4.05	-56.6%	0	0	0
Severity Index (external workers)	$d_{lost}/hr_{worked} \cdot 10^3$	N/D	0.17	0.28	+64.7%	0	0	0

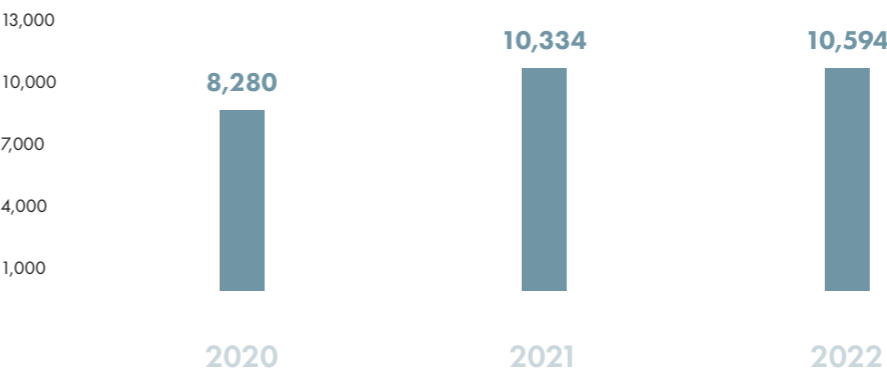
**Safety training** increased both in terms of the total number of hours administered (up +2.5%) and the number of hours of training per head (up +1.6%) due to the enhancement of both individual (role) and induction training plans for new recruits.

Where possible, e-learning and remote training were used, in order to make the training courses more flexible. Online training courses include both mandatory, regulated safety courses and personalised courses, prepared in collaboration with internal staff.



	2020	2021	2022	Δ% 22/21
Hours of training on workplace safety	8,280	10,334	10,594	+ 2.5%
Per capita hours of training on workplace safety	5.3	6.4	6.5	+1.6%

Hours of training on workplace safety



+2.5% TOTAL HOURS Increase in total hours provided for safety training

# 7.10

## Consumer health and safety

Zignago Vetro takes all possible measures to guarantee the production of the safest containers for end-customers and consumers. For this purpose:

- keeps HACCP risk assessments updated;
- carries out general prevention measures (e.g. cleaning, pest control);
- has identified, actively mitigates and monitors all aspects that might lead to critical defects for the consumer;
- carries out periodic audits to verify the proper functioning of the system;
- ensures compliance with Good Manufacturing Practices (GMP)<sup>7</sup>

Food safety activities are also certified by external certification bodies. The group is moving towards FSSC 22000<sup>8</sup> certification, as recognised globally by the GFSI. The status of certifications in the various plants is as follows:

- Zignago Vetro Fossalta: obtained FSSC 22000 certification at the end of 2022 and currently holds UNI EN 15593:2008 certification, which will expire in August 2023;
- Zignago Vetro Empoli: obtained FSSC 22000 certification in March 2021;
- Zignago Vetro Polska: holds UNI EN 15593:2008 certification and plans to obtain FSSC 22000 certification by the end of 2023;
- Zignago Vetro Brosse: while taking all necessary measures to guarantee consumer safety, considering its limited production numbers, the company currently has no specific certification plans;
- Vetro Revet: specific certification is not relevant for the activities carried out at this company.

As proof of this commitment, one of the indicators that the Group considers to be most indicative of the degree of safety with which it serves its customers is the number of product defects causing damage to consumer health and safety. This indicator has remained at zero since 2016.

The table below shows the number of consumer injuries where Zignago Vetro has been cited.

Consumer Injuries reported	2020	2021	2022
End User	-	-	-
Company/Wholesaler	-	-	-
Total	-	-	-



# 7.11

## Community initiatives

Zignago Vetro has always paid attention to the development of local communities, through continuous investments in the local area and support for social and humanitarian activities

to sustain society and the most disadvantaged social groups. Specifically, in 2022 the following main projects were financed:

### Support for social initiatives and inclusion policies:



**Distribution of funds to five institutes dedicated to the care of the weakest and sickest people and families in difficulty** in the areas near the Fossalta and Empoli plants;



**Fundraising to support disadvantaged families in Poland:** In 2022, Zignago Vetro Polska continued its fundraising activities for certified families in poverty;



**Internal fund-raising for the war in Ukraine:** Zignago Vetro organised a voluntary fund-raising campaign, engaging all Group employees, and pledging to double the amount raised. The proceeds were donated to the Polish humanitarian association Polska Akcja Humanitarna, which is committed to supporting Ukrainian refugees;



**Support for refugees of the war in Ukraine:** a number of Zignago Vetro Polska employees gave lodgings or rented out apartments to Ukrainian refugees. Donations were also made to the Polish Red Cross and the Polish Center for International Aid, which are committed to supporting Ukrainians;



**Adherence to the equal opportunities charter:** Zignago Vetro continues to adhere to the Charter for Equal Opportunities and Equality at Work, a project created at the instigation of the European Commission. The Group has always paid great attention to the protection of all its employees in the workplace, without any form of discrimination on the basis of gender, age, disability, ethnicity, religious beliefs or sexual orientation. The commitment signed is to introduce an inclusive human resource management program, with concrete actions and by monitoring progress. The work begins with top management and then involves every level of the organisation, through continuous monitoring to overcome gender stereotypes



**Zignago Vetro has donated an ultrasound to the Women's Centre at Empoli hospital,** dealing with treatment, support and prevention regarding women's cancers. The latest generation ultrasound will be a great aid in the day-to-day work of the department, as it speeds up and facilitates diagnoses;



**Support for disadvantaged children in Poland:** the company donated sports equipment to the Siennica orphanage. In addition, a playground was built in an area adjacent to a residential complex;



**Support for sports associations and other philanthropic activities;**  
  
**In addition, the Zignago Vetro contributed to the financing of other social activities by Zignago Holding;**

### Social inclusion projects:



Zignago Vetro Brosse has collaborated with small companies in an area with high unemployment rates since 2017, with the aim of promoting local industrial development;



In 2019, Zignago Vetro Polska started a project to recruit Ukrainian employees from war zones. The project has the dual purpose of training an adequate number of qualified employees and increasing the Company's social role through social diversity.



Since 2018, Zignago Vetro has collaborated with the Noncello cooperative to give people with disabilities work opportunities on the production line, involving them, since 2022, in re-sorting finished products, and carrying out the quality control of cullet destined for furnaces.

### Support for cultural initiatives:



**Financial support for the Maggio Musicale Fiorentino:** Zignago Vetro was a sponsor of the Maggio Musicale Fiorentino (Florentine Musical May), an annual artistic event linked to classical music, ballet and opera.



**Continuation of the special project "Zignago Vetro and Art"** to support artists and art in general. The project puts the spotlight on supporting and promoting artists from the areas in which it operates to bring art and business closer together in the interests of mutual increased value.

Zignago Vetro has adopted a precise system for defining the objectives and monitoring the impacts of its financing activities for projects of this type. On December 18, 2020 the Board of Directors of Zignago Vetro also decided to adopt a policy to allocate 0.25% of annual consolidated net profit to social, cultural and environmental initiatives.

## Art paths promoted by Zignago Vetro

In 2021, Zignago Vetro launched an art project to promote culture as a lever for enriching society and the world we live in, and inspiring new, shared emotions. The project provides support to organisations and artists seeking to develop all forms of expression in the artistic and cultural sphere. Every year, Zignago Vetro engages its personnel in promoting artistic and cultural activities, encouraging a virtuous exchange between the business and art worlds, and developing a project with shared artistic values.



## Zignago Vetro and Art

Having supported painting in 2021, in 2022, the chosen initiative was the Gambrinus Mazzotti Literary Prize, dedicated to the best writing on the themes of mountains, ecology, nature and the valorisation of the qualities of the local environment, themes that directly relate to Zignago Vetro's focus on sustainability.

In addition to supporting this literary award, in collaboration with the Treviso Comic Book Festival, Zignago Vetro has published a graphic novel dedicated to the theme of glass, combining art, writing and glass to promote knowledge on the origins and use of this incomparably precious material. The Company intends to further promote this work in the future.



SDGs	MATERIAL TOPIC
<div>16</div> <div>PEACE, JUSTICE AND STRONG INSTITUTIONS</div>	Governance structure
	Remuneration system
	Internal Control and Risk Management System and compliance
<div>8</div> <div>DECENT WORK AND ECONOMIC GROWTH</div>	Tax transparency and anti-corruption stance
<div>9</div> <div>INDUSTRY, INNOVATION AND INFRASTRUCTURE</div>	Security and Privacy
<div>16</div> <div>PEACE, JUSTICE AND STRONG INSTITUTIONS</div>	Policies
	Creation and distribution of economic value

# 8.0 Governance

## 8.1 Objectives

## 8.2 ESG Governance

## 8.3 Corporate Governance

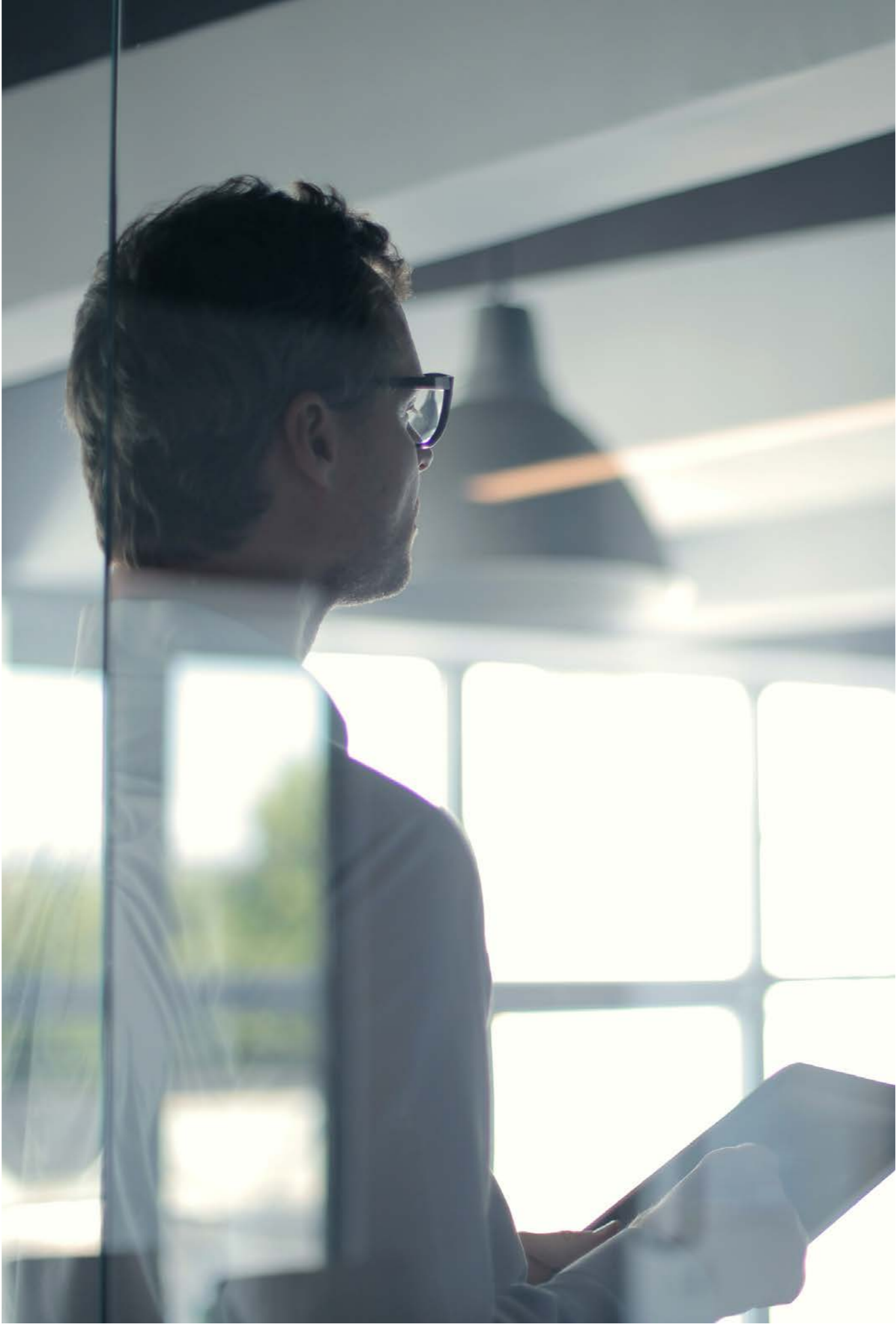
- 8.3.1 Governance structure
- 8.3.2 Remuneration system
- 8.3.3 Internal control and risk management system and compliance
- 8.3.4 Fiscal transparency and anti-corruption
- 8.3.5 IT security and protecting privacy

## 8.4 Policies

## 8.5 Creation and distribution of economic value

## 8.6 GRI 207

## 8.7 Taxonomy



# 8.1 Objectives

Zignago Vetro is committed to protecting the rights of minority shareholders and to continuously creating value through its statutory activities, in full compliance with applicable regulations in the respective countries where the Group operates.

Zignago Vetro wishes to:

- Create long-term economic value, and share it among personnel, partners, suppliers and all stakeholders of the company.
- Guarantee long-term business continuity, economic and employment stability, and the reinvestment of resources in the company.
- Pursue an ethical and responsible conduct of business that guarantees sustainability for all stakeholders.
- Increase performance-related remuneration for top managers, specifically that linked to the achievement of ESG objectives.
- Continuously improve the development of a system of policies and procedures on ESG topics, to be extended to all Group companies.

# 8.2 ESG Governance



From left to right

**Sergio Pregliasco**  
(Technical Director)

**Céline Riviere**  
(General Manager of Zignago Vetro Brosse)

**Roberto Cardini**  
(Chief Executive Officer)

**Michele Pezza**  
(Operations Director Italy and Group synergies)

**Roberto Celot**  
(Chief Financial Officer and Investor Relations)

**Paolo Zannier**  
(Safety and Environmental Quality Systems Manager and ESG Coordinator)

**Leonardo Gestri**  
(Director of Human Resources)

**Paolo Pacini**  
(General Manager of Zignago Vetro Polska)  
is also on the ESG Committee

# ESG policy, organisational structure, and governance

In order to correctly define the roles and responsibilities and reach ESG objectives, Zignago Vetro has drafted a dedicated ESG Policy and set up an ESG Structure and ESG Governance.

1 Policy ESG

2 ESG Organisational Structure

2.1 ESG Committee (ESG guide and responsibility)

2.2 ESG Coordinator

2.3 ESG Consultants

3 ESG Governance

3.1 ESG Strategy

3.2 Specific ESG Policies

3.3 System of ESG Objectives and Measurement of their Achievement

## 1 ESG policy

During a meeting held on March 12, 2021, the Zignago Vetro Board of Directors formally adopted a dedicated ESG Policy, giving formal validity to the ESG organisational structure and ESG governance that had been in place for some time.

## 2 ESG Organisational Structure

ESG Governance requires an explicit attribution of responsibility throughout the organisation and is structured as follows:

### 2.1 ESG Committee: provides guidance and oversees the Group’s ESG plan

In order to make sustainability an integral part of the organisation, the Group has constituted an internal Committee (named “ESG Committee”) consisting of some of the most important Group Executives, members of the Internal Executive Committee, so as to guarantee that all the main corporate functions are represented.

At its meeting of May 2, 2019, the Board of Directors of Zignago Vetro formally established this Committee, which meets at least once a month.

This organisational model is considered the most appropriate to ensure efficient and effective action with regard to ESG issues.

The ESG Committee is responsible for identifying the Group's ESG policies and strategy. It therefore defines the degree of importance of ESG factors that may have an impact on Zignago Vetro business, on its investments, and on its stakeholders, taking into account the reports drafted by the ESG Coordinator.

The ESG Committee is also assigned the function of monitoring, analysing and directing all processes, activities, results and initiatives that directly or indirectly concern sustainability issues in Group companies. The Committee deals with any potential updates of the list of stakeholders and the materiality matrix that contains the most important sustainability issues for the Group.

The Committee is also responsible for identifying and monitoring the corporate sustainability objectives formally assigned to each corporate function.

The ESG Committee reports to the Zignago Vetro Internal Executive Committee.

In order to further strengthen the centrality of sustainability in the company, on the proposal of the Independent Directors of Zignago Vetro S.p.A., and by motion of the Board of Directors, on December 14, 2022, the Control and Risks Committee was assigned responsibility for environmental, social and

governance (ESG) issues, in addition to, more generally, the supervision and coordination of sustainability issues. The Control and Risks Committee thus took on the name of the Control, Risks and Sustainability Committee (CRSC)

### 2.2 ESG Coordinator

Reports to the ESG Committee and is responsible for guaranteeing, supervising, and improving the implementation of the Zignago Vetro ESG policy within the organisation by collecting reports and information provided by the operating companies and subsidiaries and by the main company functions.

### 2.3 ESG Consultants

In order to better focus on the ESG issues and to effectively concentrate the efforts on the pursuit of the SDGs, Zignago Vetro cooperates with some external consultants with experience and multidisciplinary training. Collaboration with these specialists covers aspects related both to initiatives aimed at improving its effectiveness towards ESG issues and communication related to them.

Consultants have been involved or may be involved in the future on specific topics such as:

- policies and procedures for all ESG topics;
- health and safety training programmes;
- training on other ESG topics;
- internal and external audits on ESG topics;
- Diversity Programmes with the purpose of promoting various know-how and skills and reaching an increasingly integrated working environment that is sensitive to people.

## 3 ESG Governance

### 3.1 ESG Strategy

Zignago Vetro has adopted a formal system of strategic guidelines relating to the main ESG topics.

### 3.2 ESG Policies

On March 12, 2021, the Board of Directors of Zignago Vetro S.p.A. approved a new ESG policy.

Consistently with the descriptions above, the objective of Zignago Vetro ESG Policy is to affirm and clarify how said principles will be integrated into the industrial and operational process of all the businesses.

Through the integration and the introduction of these principles within the Corporate Governance and all the other company’s policies and procedures (ESG Objectives Policy, Human Resources Policy, Payment Policy, etc.) Zignago Vetro has set itself the objective of improving value creation for its own stakeholders, especially thanks to:

- the optimisation of all corporate activities and the creation and assessment of new business opportunities deriving

also from the correct management of sustainability issues over the long term, as well as from ESG opportunities in a broader sense, in order to attract investors and clients;

- reducing costs, increasing efficiencies and resource savings and limiting exposure to contingent liabilities;
- reducing economic, financial and reputational risks through a thorough understanding of all key non-financial metrics;
- the periodic ESG reporting system for stakeholders;
- an engagement and reporting commitment with the stakeholders in case of events with significant fall-out on ESG matters (ESG material events);
- collaboration with ESG consultants and external experts.

### 3.3 System for defining ESG objectives and measuring their achievement

The Zignago Vetro ESG Governance system has made it possible to adopt specific management methods of ESG issues for some time.

More specifically, a Roadmap defining objectives and the timing deemed necessary for implementing them is defined and updated annually.

Zignago Vetro operates with a corporate system of formalised annual objectives, assigned to each corporate function and approved by the Chief Executive Officer.

Specific ESG objectives are identified among these targets.

The achievement of these objectives is regularly monitored (reporting system) at least once a year.

For a good number of higher variability targets, monitoring is conducted monthly.

Since 2020, this system of ESG objectives is also associated with the incentive payment policies for Executives and managers. The aforementioned reporting system continues to evolve, with a view to constant improvement.

Specifically, in addition to ESG reporting for internal management purposes, and in addition to statutory reporting, it is evolving as follows::

- in favour of all stakeholders, press releases for the approval of quarterly interim management reports, half-yearly reports and financial statements, communicating the main sustainability and ESG improvements over the period, and in relation to the same period of the previous year;
- for all stakeholders, we are rebuilding the ESG section of the Corporate website, which is expected to present increased contents and details, including general principles, policies and documents, news and presentations;
- for trade unions, there will be periodic communications on topics such as numerosness, contractual categories and types, organisation of labour, workloads, welfare and contract management with external companies. Company trade union representatives are also regularly involved in choosing the destinations of funds with an environmental or social purpose.

### Risk Management and opportunities from an ESG Viewpoint

The Group companies have adopted a policy of continuous management of business risks concerning all company departments in order to closely monitor, identify and mitigate such risks with the aim of protecting the interests of shareholders and other stakeholders.

In particular, the Group companies have implemented a dedicated Internal Control and Risk Management System, which provides a set of rules, procedures and organisational structures for the identification, measurement, monitoring and management of all the main risks.

For the development of the entire framework, Zignago Vetro makes use of external consultants specialised in ESG and environmental issues and may continue to do so in the future.



# 8.3 Corporate Governance

## 8.3.1 Governance Structure

The corporate governance structure of Zignago Vetro is a traditional system comprising of a Board of Directors and a Board of Statutory Auditors; as per the law, an audit is undertaken by an independent leading Big-Four audit firm. The Company, as much as possible in line with the recent regulations introduced and with the principles contained in the Self-Governance Code, has adopted the following governance structure:

- Shareholders’ Meeting;
- Board of Directors;
- Control, Risks and Sustainability Committee;
- Appointments and Remuneration Committee;
- Related Party Transactions Committee;
- Lead Independent Director;
- Board of Statutory Auditors;
- Independent Audit Firm;
- Supervisory Board;
- Executive Officer for Financial Reporting;
- Internal Audit Manager;
- Director in charge of the Internal Control and Risk Management System.

In addition to the below, please refer to the Corporate Governance and Ownership Structure Report at December 31, 2022.

## Shareholders’ Meeting

The Shareholders’ Meeting represents all of the shareholders and is called in accordance with the provisions of law and regulations for companies with listed shares to pass motions reserved for them by law or by the Company By-Laws.

The capital structure at December 31, 2022 was as follows:

Shareholder	% of Share Capital
Zignago Holding S.p.A.	64.1%
Other Shareholders	35.9%

At the date of the present Report, all of the Company’s shares are nominative, freely transferable and indivisible and each - except where indicated below - has a right to one vote at the ordinary and extraordinary Shareholders’ Meeting of the Company, as well as other equity and other administrative rights, in accordance with law and the applicable By-Laws.

In 2015, the Shareholders’ Meeting of Zignago Vetro introduced multi-voting rights, as required and governed by Italian law, whereby against enrolment of the shareholder in the register kept by the Company in relation to a certain number of shares, and following the conclusion of the maintenance of these shares for a period of 24 months, the shareholder has double voting rights for all such shares. Subsequently, the company's Board of Directors approved the Regulations relating to the shares with multi-vote rights. In 2020 the company amended its By-Laws to bring them into line with legislative changes. Further details are available on the Company’s website.

The introduction of multi-vote rights is intended to allow all shareholders who permanently hold shares in the Company – and who therefore express a view regarding medium to long-term investment – to influence the decisions of the Shareholders' Meeting. Therefore, any minority shareholder who intends to avail themselves of said rights can do so upon request pursuant to the relevant procedure and following the uninterrupted maintenance of shares for two years.

At December 31, 2022, the number of voting rights amounted to 146,231,500, of which 114,560,000 were for shares that have already acquired multi-voting rights.

Board of directors

The central role in planning the strategy of the company is attributed to the Board of Directors which, in accordance with Article 15 of the By-Laws is composed of between 5 and 15 members. The Shareholders’ Meeting decides the number of members on the Board of Directors, their appointments within the above-mentioned limits and the duration of office, which cannot be more than three years. The offices held by the Directors appointed conclude on the date of the Shareholders’ Meeting called for the approval of the financial statements of the final year of office and they may be re-elected.

As per Italian law, the appointment of the Board of Directors occurs through the voting of slates, which allows the minority shareholders to elect at least one Director.

The minimum shareholding required for the presentation of the slate of candidates is 1% of the ordinary shares, or where otherwise established by Consob regulations, taking into consideration the capitalisation of the share float and of the share ownership of listed companies.

Each slate must indicate at least one independent candidate in possession of the necessary legal requisites, or two in the case of a Board of Directors which is composed of more than seven members.

The composition of the Board of Directors, elected on April 29, 2022, is shown below. Its mandate will end upon approval of the financial statements at December 31, 2024.

Name	Date of birth	<div>• Executive</div> <div>• Non-Exec.</div> <div>• Indep.</div> <div>• Minority Slate</div>	<div>Committee:</div> <div>• Control, Risks and Sustainability</div> <div>• Appointments and Remuneration</div> <div>• Related Parties</div>	Exerience in glass sector	Experience in finance sector	Member of BoD in 2022	Offices held in other listed companies
Nicolò Marzotto	28.09.68	NE	-	YES	YES	100%	-
Roberto Cardini	11.11.55	E	-	YES	YES	100%	-
Gaetano Marzotto	21.12.52	NE	-	YES	YES	100%	1
Stefano Marzotto	24.04.55	NE	ARC	YES	YES	100%	-
Luca Marzotto	09.01.71	NE	CRSC	YES	YES	100%	1
Ferdinando Businaro	26.02.65	NE	-	YES	YES	100%	-
Alessia Antonelli	22.05.71	NE, I	CRSC + RPC	-	-	100%	1
Roberta Benaglia	12.04.73	NE, I	RPC	YES	YES	50%	-
Giorgina Gallo	02.04.60	NE, I	CRSC	-	YES	100%	2
Daniela Manzoni	08.02.69	NE, I	ARC	-	-	100%	-
Franco Moschetti	09.10.51	NE, I	ARC	-	YES	100%	4
Barbara Ravera	21.01.75	NE, I, MS	RPC	-	-	100%	-

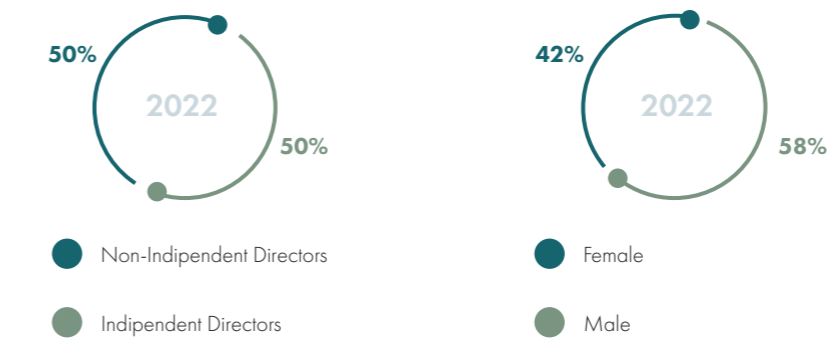
The members of the Board of Directors are called upon to discuss, analyse, support and make decisions ensuring the governance and sustainability of the company over time. It is therefore important and necessary that the members of the Board, with their diverse backgrounds and experiences, have the necessary skills, tools and time to actively contribute.

The concept of diversity is interpreted not only in terms of gender, but also in the diversity of experiences, knowledge of other markets, age and seniority on the board. The Board is increasingly becoming a working group of people with very different but complementary qualities, collectively suited to the roles they are called on to play.

The composition of Zignago Vetro’s Board of Directors, as appointed on April 28, 2022, far exceeds Consob requirements on the number of Board members of the under-represented gender and of independent members. Furthermore, the average age of Board members is decreasing, as is the average number of years on the Board.

In the Board of Directors, only the CEO is the Executive Director.

Composition of the Board of Directors



On March 12, 2021, the Board of Directors of Zignago Vetro S.p.A. approved the "Board of Directors and Internal Committees Regulation" adopted pursuant to Recommendations 11 and 18 of the Corporate Governance Code.

On March 11, 2022, Zignago Vetro’s Board of Directors approved the “Guidelines for the maximum number of offices of members of the Board of Directors”, in addition to the “Policy on qualitative and quantitative criteria for members of the Board of Directors”.

The Board of Directors of Zignago Vetro S.p.A. has carried out a process of self-assessment regarding its composition and functioning in accordance with the recommendations of the Borsa Italiana’s Self-Governance Code, to which the Company adheres. Reference is also made to the letter dated December 21, 2018 sent by the Chairperson of the Corporate Governance Committee to all issuing companies.

The aim of this process was to evaluate the adequate composition and correct functioning of the Board of Directors and its Committees, as these conditions constitute a guarantee with regard to Company balance and stability, as well as a guarantee factor for stakeholders. As such, they represent a key element for generating value for shareholders in the medium-to-long term.

The Board of Directors has therefore assessed its performance with the aim of identifying potential areas of improvement, aimed not only at increasing the efficiency of the management body and committees as a whole, but also at encouraging company development by leveraging skills and professionalism.

With this in mind, the self-assessment process involved the following actions:

- ensuring an assessment of the correct and effective functioning and adequate composition of the Company's Board of Directors and Committees;
- the updating of internal regulations, which oversee the functioning of the aforementioned corporate bodies, in order to ensure their suitability in light of any changes that may occur to business activities and the operating context;
- identification of areas for potential improvement in the Group’s governance bodies, promoting their discussion within the Board of Directors and its Committees;
- the strengthening of collaboration and trust between individual members and between the strategic supervision and management departments;
- the encouragement of the active participation of individual members and their contribution to debate among the Board, so that decisions taken by the Board may benefit from the contribution of the various professionals present within the body.

The Self-Assessment Process was carried out with the following methodology:

- preliminary phase: information and data collection via specific questionnaires;
- processing phase: analysis of responses and preparation of a summary report, including any suggestions;
- process results preparation phase: general assessment summary carried out to identify Group governance improvement areas, and taking into account the recommendations of the Borsa Italiana Corporate Governance Committee Chairperson in the aforementioned letter.

The Self-Assessment Process judged the following material topics adequately covered:

**The size and composition of the Board of Directors in relation to the Company’s organisational structure and operations.**

**The competence and time availability of Non-Executive Directors and Independent Directors.**

**The workings of the Board of Directors and the Committees.**

**The adequacy and completeness of documentation and information to support Board and Committee meetings.**

**The information provided by delegated bodies for assessing ongoing operations and foreseeable developments, particularly those of greatest economic, financial and capital importance, as well as the general scenario of the sector in which the Company operates.**

**The timeliness and effectiveness of the communication of information to support board meetings.**

**The organisational, administrative and accounting structure of the Company, particularly concerning the Internal Control and Risk Management System and the management of conflicts of interest and related party transactions.**

**The various competences of Directors in relation to the risks to which the Company is exposed.**

## Control, risks and sustainability committee

The Control, Risks and Sustainability Committee is composed of three Non-Executive Directors, with sufficient accounting, financial and risk management experience, of which two are independent and have the duty, among others, to identify and evaluate the business issues and risks and carry out the consultative and prepositional functions required by the Self-

Governance Code. The Committee will also oversee and coordinate sustainability issues.

For the composition of the Committee, refer to the previous table.

## Appointments and remuneration committee

The Appointments and Remuneration Committee is composed of three Non-Executive Directors (of which two independent) with adequate knowledge and experience of finance and remuneration policies, and has the duty to formulate proposals with regard to the remuneration of Chief Executive Officers and those who hold particular offices.

For the composition of the Committee, refer to the previous table.

## The related party transactions committee

In 2010, via a special Board of Directors motion, the Company established the Related Party Transactions Committee, which has a vital role in monitoring related party transactions and compliance with the aforementioned procedure. This Committee in fact has the duty to guarantee substantial correctness of the transactions with related parties, through the issue of an opinion on the interest of the company served through the specific transaction as well as the suitability and correctness of the conditions.

The Committee comprises Non-Executive Directors, all three of whom are considered independent in accordance with the Self-Governance Code.

On June 18, 2021, the Board of Directors of Zignago Vetro unanimously approved the “Related Party Transactions Policy”, which became effective on July 1, 2021.

## Lead Independent Director

As per Article 2 of the Self-Governance Code, the Company has designated a Lead Independent Director. The other Non-Executive Directors, and in particular the Independent Directors, report to the lead Independent Director, for a better contribution to the activities and the functioning of the Board of Directors.

## Board of statutory auditors

The Board of Statutory Auditors verifies, among other issues (i) compliance with law and the By-Laws, (ii) respect of the principles of correct administration and in particular on the adequacy of the organisational structure of the Company, of the internal control system as well as the administration and accounting structure and its ability to correctly represent the operational events and (iii) the method for establishing corporate governance regulations which the company declares it is in observance of.

The functions in accordance with law are reserved to the Statutory Auditors. In accordance with Article 20 of the By-Laws, the Board of Statutory Auditors consists of three Statutory Auditors and two Alternate Auditors, shareholders or non-shareholders. Each of the members of the Board of Statutory Auditors must possess the honourability and professionalism requisites and be independent in accordance with law.

The appointment of a Statutory Auditor and an Alternate Auditor, in accordance with the By-Laws (Article 20), is reserved for the minority slate of Shareholders with a minimum holding of at least 1% of ordinary shares or an alternative amount established by Consob, taking account of the capitalisation and Shareholder structure of listed companies.

The Statutory Auditor elected by the minority slate is elected the Chairperson of the Board of Statutory Auditors.

At December 31, 2022, the Board of Statutory Auditors was composed as follows

Name	Office
Alberta Gervasio	Chairperson
Andrea Manetti	Statutory Auditor
Carlo Pesce	Statutory Auditor
Roberta Tognin	Alternate Auditor
Cesare Conti	Alternate Auditor

## Independent auditors

The legally required audit is carried out by a leading independent audit firm in accordance with applicable regulations, appointed by the Shareholders’ Meeting on the reasoned proposal of the Board of Statutory Auditors.

The independent auditors who carry out the audit of Zignago Vetro also carry out the audit of the subsidiary companies.

## Supervisory board

The Supervisory Board (SB) is appointed by the Board of Directors and is responsible for ensuring the Organisation, Management and Control Models pursuant to Legislative Decree No. 231/2001 is adequate and efficient, effective and updated.

At December 31, 2022, the Supervisory Board was composed as follows:

Name	Office
Alessandro Bentsik	Chairperson SB
Massimiliano Agnetti	Member
Nicola Campana	Member

## Executive officer for financial reporting

The Executive Officer for Financial Reporting, among other matters, is responsible for implementing adequate administrative and accounting procedures for the preparation of the parent company accounts, the consolidated financial statements and all other financial documents, certifying, together with the appointed boards, the adequacy and application of these procedures and that the accounting information including interim reports correspond to the underlying accounting documents, records and accounting entries.

## Internal audit manager

The Internal Audit Manager is charged with, among other issues, establishing that the Internal Control and Risk Management System is functional and adequate, in addition to verifying the functionality and appropriateness of the Internal Control and Risk Management System.

# Director in charge of the Internal Control and Risk Management System

(previously called the Executive responsible for the Internal Control System)

The Director in charge of the Internal Control and Risk Management System ensures the correct functioning of the internal control system, and among other matters, proposes to the Board of Directors the appointment and revocation of the Internal Audit Manager position, identifying the principal company risks and implementing the guidelines outlined by the Board of Directors.

He/she may also request the Internal Audit Manager to carry out verifications on the specific operating areas and on compliance with the internal rules and procedures and reports promptly to the Control and Risks Committee (or the Board of Directors) in relation to problem issues emerging in the course of their activities or which they have however become aware of in carrying out their duties.



## 8.3.2 Remuneration system

- Performance-related pay
- Medium- to long-term performance-related pay
- Performance share (and similar) plans
- ESG performance-related pay

### Performance-related pay

A portion of the short-term performance-related pay for Directors with operating powers, Senior Executives, and other important figures has been linked to ESG goals since 2020. In 2022, 97% of objectives were achieved.

The Company's remuneration policy follows the criteria set out in the CFA and the Issuers' Regulation. In particular:

- contributes to the Company's strategy, since a considerable part of the remuneration of relevant company figures, and in particular Executives, is variable and linked to the achievement of specific annual targets (MBO), both in terms of the Company's financial performance and personal performance. This type of compensation represents between 30% and 40% of total remuneration. For Senior Executives, this MBO system is linked to Group performance targets, while for others it is based on the targets of the company in which they work. Economic-financial performance targets represent between 30% and 50% of the incentive pay for relevant Non-Executive figures (middle managers and office staff), and 80% for Executives, while, therefore, personal targets vary between 20% and 70%. This wide scale is justified by the need to more accurately align incentives with each role. This considers, above all, the ability of the role to directly affect the Company's financial-economic performance, prioritising this over other areas which, while important for corporate improvement, may not have an immediate effect on results. These targets are formally set at the beginning of each financial year and are regularly monitored and recorded at the end of the period, determining whether or not they have been achieved, and consequently their effect on variable remuneration. Of the aforementioned targets, those concerning the Company's economic-financial performance are specifically linked to turnover, EBIT and ROI; those of a personal nature, on the other hand, are determined on a case-by-case basis in relation to the specific role and/or position held by the individual; targets are also set for the improvement of company performance in sustainability areas. Zignago Vetro regularly draws up its strategic plan: the latest version was approved at the meeting of the Board of Directors held on 21 June 2022. The resulting remuneration policy for the aforementioned corporate figures is fully consistent with the targets set out in the aforementioned document;
- it contributes to the pursuit of long-term interests, since medium- to long-term strategic development plans play a role in determining subsequent annual budgets, which give rise to a significant portion of the company and personnel performance targets set annually. For Executive Directors and Senior Executives, moreover, a large portion of incentive remuneration is not paid annually, but is instead linked to the achievement of precise medium- to long-term targets, specifically linked to growth in the Group's results and the value generated for shareholders. In continuity with

the past, the Board of Directors meeting held on June 21, 2022 resolved to submit for approval to the Shareholders' Meeting called for July 28, 2022 a new medium-to-long term incentive plan, reserved for the Company's Chief Executive Officer, as well as for the Company's Senior Executives based on the free assignment of rights to receive shares of the Company called "2022-2024 Performance Shares Plan" subject to the achievement of specific economic and sustainability targets.

- This part of the remuneration policy, therefore, has been specifically designed and set out to ensure maximum possible focus on achieving the medium- to long-term targets set by the Board of Directors;
- it contributes to the Company's sustainability, since part of the incentive pay for key company figures is linked to improvement in production and other sustainability issues. For all Group Executives, a significant portion of incentive pay has been linked to the continuous improvement of the Group's sustainability profile. In this regard, part of the short and medium-long-term variable remuneration is subject to the achievement of specific targets represented by the formal sustainability assessments assigned to the Group by specific rating companies (e.g. Ecovadis, Sustainalytics, Gaja etc.).
- it is determined taking into account the remuneration and working conditions of the Company's employees. Specifically, it takes appropriate account of the responsibilities involved, the complexity of the tasks carried out and the degree of professionalism required to adequately perform the role.
- it stipulates that all Directors are entitled to remuneration determined upon their appointment by the Shareholders' Meeting. This establishes the gross amount due to each individual Director for the duration of the term of office. This gross annual remuneration is not based on the achievement of financial targets but on the commitment required of each Director in their respective roles;
- it stipulates that, in addition to the fixed compensation due to them as members of the Board of Directors and which is determined upon their appointment, Senior Directors are also entitled to further compensation comprising both fixed and variable components. These are appropriately balanced on the basis of the Company's strategic targets and the risk management policy, and take into account the sector in which the Issuer operates.
  - The **fixed component** of this remuneration (whose quantification criteria are proposed by the Appointments and Remuneration Committee) should sufficiently remunerate the beneficiary in line with the level of their professional service where the variable component is not paid because the performance targets indicated by the Board of Directors are not met.
  - The **variable component** is intended as an incentive, and consists of a payment based on the achievement of short-term and medium- to long-term financial and non-financial performance targets. The former include both quantitative economic and financial indicators concerning the Group, including turnover, EBIT and ROI, and other parameters, including non-quantitative ones

Specifically, the short-term variable component is structured as follows:

- approximately 80% linked to quantitative economic and financial Group indicators. This component is generally broken down as follows:
  - 30% upon achievement of budgeted revenue;
  - 35% upon achievement of budgeted EBIT;
  - 35% upon achievement of budgeted ROI;
- In case of results that are higher or lower than those set out in the Budget, a linear adjustment is made to the amount to be paid, rising to 150% of the base amount and potentially falling to zero.
  - approximately 20% is linked to other variables, including non-quantitative ones and individual economic, financial and ESG performance.
  - As regards short-term variable remuneration, the Appointments and

Remuneration Committee proposed the formulas for the calculation of the variable portion of remuneration (MBO), to be allocated to the Executive Directors, setting out the respective allocation ratios and verifying the correct application of these remuneration ratios with regards to the results achieved in 2021

As regards the medium- to long-term variable component, the **new 2022-2024 Performance Shares Plan** (of which the Chief Executive Officer is the beneficiary and which represents at target approximately 80% of his fixed gross annual remuneration, corresponding to a total maximum of 43,500 shares) provides that:

- the free allocation of shares is subject to the achievement at the end of the three-year vesting period of:
  - three targets related to Zignago Vetro's economic-financial performance in the medium to long term with a combined weighting of 75%
  - three targets related to ESG issues with a total weighting of 25%.

The performance targets operate independently of each other; this means that if even one of the performance targets is achieved, a portion of the rights to receive shares will be accrued regardless of the performance achieved on the other targets. If the performance target level is not achieved, there is no vesting of rights to receive shares, and thus no allocation of shares. Similarly, if the performance target level is exceeded, there is no provision for the vesting of additional rights over and above those granted, and therefore no allocation of additional shares.

- 20% of any shares allocated under the Plan at the end of the three-year vesting period will be subject to a two-year holding period during which they may not be transferred for any purpose, as follows: (i) 5% for a period of 6 months; (ii) 5% for a period of 12 months; (iii) 5% for a period of 18 months; (iv) 5% for a period of 24 months.

i. it stipulates that Senior Executives are entitled to compensation consisting of a fixed component and a variable component, as is the case for Senior Directors.

- The fixed component of this remuneration, whose quantification criteria are proposed by the Appointments and Remuneration Committee, should sufficiently remunerate the beneficiary in line with the level of their professional service where the variable component is not paid because the performance targets for Senior Executives indicated by the Chief Executive Officer are not met.
- The variable component is intended as an incentive, and consists of a payment based on the achievement of short-term performance targets (MBO) and medium- to long-term targets (2022-2024 Performance Shares Plan).
  - As regards variable short-term remuneration, targets are linked both to qualitative, economic-financial indicators concerning the Group - among which turnover, EBIT and ROI - and other, non-quantitative factors, such as improvements in industrial performance, commercial development of new areas and customers, streamlining organisational structure in general, successful implementation of new plants, continuous improvement in elements of company production, successful implementation of specific company projects of a strategic nature, and optimisation of the financial structure. For Senior Executives, the short-term, variable component of remuneration represents on average around 40% of total compensation.
  - The Appointments and Remuneration Committee proposed the formulas for the calculation of the variable portion of remuneration (MBO), to be allocated to Senior Executives, setting out the respective allocation ratios and verifying the correct application of these remuneration ratios with regards to the results achieved in 2021.
  - As regards medium- to long-term variable remuneration (which for Senior Executives represents at target approximately 60% of the fixed gross annual remuneration, totalling a maximum of 16,500 shares for each Executive), as previously outlined, Senior Executives are also included among the beneficiaries of the new 2022-2024 Performance Shares Plan with the same targets as described above in paragraph 3 (vi).

- With regard to the termination or cancellation of the employment of Executive Directors, no special treatment is provided for beyond that required by law. Indemnity of Directors and Executives in the case of dismissal and termination of employment following a public tender offer is not provided for. No indemnities are expressly provided for in the event of termination of the relationship for Executives, except as provided for in the applicable national collective bargaining agreements.

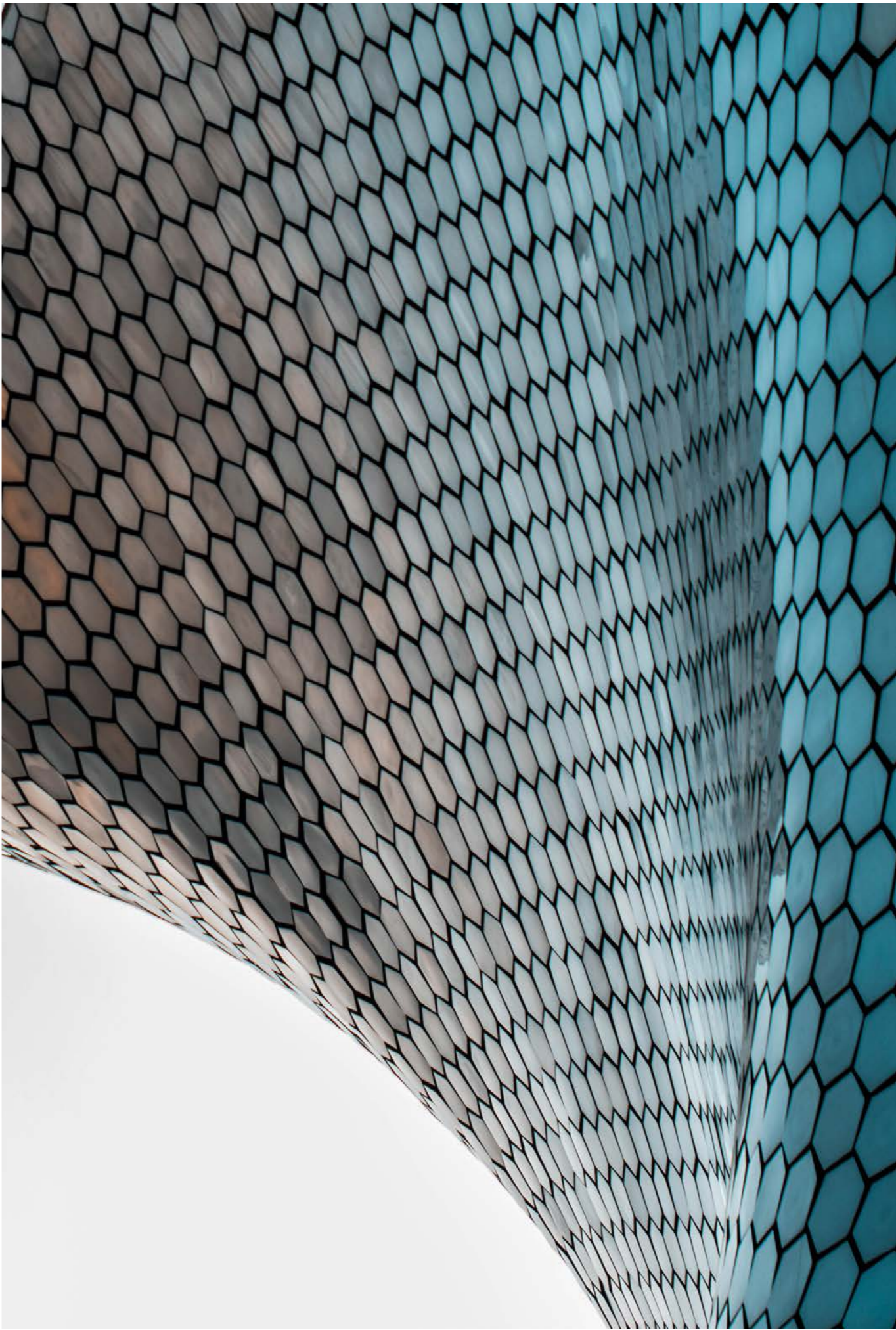
On this basis the Appointments and Remuneration Committee drew up the proposal for the structure of the remuneration of Directors and Senior Executives of the Company for the years 2022-2024.

## Medium- to long-term performance-related pay

In 2016, the Company introduced performance-related pay linked to the achievement of medium/long-term objectives in order to:

- adopt a motivation and engagement instrument, linking the remuneration of Top Management to the medium/long-term performance;
- align managerial goals with the interests of shareholders, in line with best practice for listed companies and the Self-Governance Code;
- introduce an ongoing remuneration package component which is currently absent, which is:
  - frequently used by the market and appreciated by stakeholders (investors, proxy advisors);
  - effective in terms of retention and attraction.

The incentive-based remuneration plans adopted to date have constituted an incentive and loyalty-building tool which, within the framework of Zignago Vetro's remuneration policy, has strongly contributed to the Group's results and have resulted in a contribution to the Beneficiaries following the positive results achieved.



Performance share plans

On June 21, 2022, the Board of Directors, upon conclusion of the 2019-2021 performance-related pay remuneration period, on the proposal of the Appointments and Remuneration Committee, and with the favourable opinion of the Board of Statutory Auditors, approved the proposal to the Shareholders’ Meeting of the long-term incentive plan called the “2022-2024 Performance Shares Plan” for the Chief Executive Officer and the Senior Executives.

The Plan is chiefly designed to incentivise and build loyalty amongst, including in the medium to long term, those individuals that play a key role in achieving the targets of the Company and the Group more generally, and to align the interests of the Company's key staff with those of the shareholders.

Specifically, the Plan is designed to (i) strengthen the involvement of the individuals who play a key role in the achievement of the Company's results, and (ii) align the interests of the Beneficiaries with those of the shareholders, with a view to the concrete pursuit of sustainable success for the Company.

The Plan provides for the grant to Beneficiaries of Rights to receive shares held in portfolio by the Company, free of charge, at the end of a three-year Vesting Period, subject to and on the basis of the level of achievement of the Performance Targets in accordance with the provisions of the Plan and its Regulation.

Rights are personal, named, non-transferable and not negotiable in any way or under any title.

The Shares allocated have full rights and, therefore, the attached rights devolve to each Beneficiary from the point at which they become holders of the Shares.

The Rights will vest after the Vesting Period ending December 31, 2024, and the relative Shares will vest in 2025. 20% of the allocated Shares will then be subject to a two-year Holding Period, during which they may not be subject to Transfer as follows

- 5% for a period of 6 months from the date of delivery of the Share Allocation Letter
- 5% for a period of 12 months from the date of delivery of the Share Allocation Letter
- 5% for a period of 18 months from the date of delivery of the Share Allocation Letter
- 5% for a period of 24 months from the date of delivery of the Share Allocation Letter

A maximum of 109,500 Shares will be allocated under the Plan, assuming that all Beneficiaries achieve the highest levels of performance.

Also assuming 100% achievement of the Performance Targets, there is provision to award:

- to the Chief Executive Officer, a maximum of 43,500 Shares;

- to the Senior Executives, a maximum of 66,000 Shares.

The Performance Targets consist of the following parameters:

- three targets related to the Zignago Vetro Group’s economic-financial performance in the medium to long term with a combined weighting of 75%;
- three targets related to ESG issues with a total weighting of 25% (understood as maintenance or improvement of current rating).

The Shares serving the plan will be shares already held in the Company's portfolio.

Participation in the Plan is subject to a continuing employment relationship with the Company. Should this relationship cease to exist, in the scenarios covered by the Plan, Shares are allocated according to the terms and conditions set out in the Plan Regulation.

The LTI Plan Regulation includes clawback clauses.

The Zignago Vetro Shareholders’ Meeting held on July 28, 2022 approved the aforementioned 2022-2024 Performance Shares Plan.

ESG Performance-Related Pay

Finally, from 2020, the Company has linked a significant component of performance-related pay remuneration to the achievement of specific sustainability objectives, drawn from the formalised system of ESG objectives adopted by Zignago Vetro.

The results achieved in 2022 met 97% of the objectives set.

Performance-related pay KPIs		2020	2021	2022	Δ% 22/21	Goal 2022	Goal 2023	Strategic goal 2030
% of Executives with bonuses linked to the achievement of ESG objectives	%	100%	100%	100%	0%	100%	100%	100%

### 8.3.3

## The internal control and risk management system and compliance

1 Code of Ethics

2 Adequacy of the organisational structure

3 Adequate system of powers and delegations

4 Adequacy of the system for setting objectives, budgeting, management control and reporting

5 Adequacy of the internal communications system

6 Adequacy of the system of corporate operating procedures

7 Adequacy of IT systems

8 Protection of personal data and privacy

9 Organisational Model 231/01

10 Adequacy of the Financial Reporting Accounting Control Model (as per Legislative Decree No. 262/2005)

11 Safety, Environment and Quality Management Model

12 System for the management and protection of privileged information and internal dealing

13 Director in charge of the Internal Control and Risk Management System

14 Internal Audit Manager

15 Related Party Transactions Policy

16 System for combating active and passive corruption

17 Whistleblowing

The Internal Control and Risk Management System concerns the set of rules, procedures and organisational structures which enable the identification, measurement, management and monitoring of the principal risks.

Zignago Vetro S.p.A. has adopted an Internal Control and Risk Management System (hereafter "ICRMS") which ensures an adequate management of the Company's risk exposure, not just ensuring correct management of the business, but also the achievement of the strategic objectives identified.

In particular the ICRMS, integrated into the more general organisational and corporate governance structures adopted by the Company, oversees the propriety of corporate transactions, promoting efficiency and efficacy of processes, the reliability of financial information, compliance with law and regulations, in addition to the By-Laws and the internal procedures, and guarantees and safeguards the capital base and the value generated by operations.

On the basis of these principles, the Board of Directors, also to incorporate the amendments introduced by the 2020 Corporate Governance Code (previously the Self-Governance Code) and to update its model to changing operating conditions and to the altered external environment, approved, with the support of the Control, Risks and Sustainability Committee and the Director in charge of the Internal Control and Risk Management System, the ICRMS Guidelines.

In relation to the various actors involved in the controls mechanism, the ICRMS guidelines describe in detail the respective duties and responsibilities.

In particular, the set of skills and relative functions is based on the profiling of the following bodies/parties:

- the Board of Directors, which directs and assesses of the System's adequacy;
- the Director in charge of the Internal Control and Risk Management System, who oversees the functioning and adequacy of the System, identifies and manages the principal corporate risks, and taking into account the characteristics of the activities carried out by the Company, implements the guidelines drawn up by the Board of Directors, overseeing the design, implementation and management of the ICRMS and verifying its adequacy and efficacy on an ongoing basis;
- the Control, Risks and Sustainability Committee, with the duty to support the assessments and the decisions of the Board of Directors concerning the Internal Control and Risk Management System;
- the Internal Audit Manager, appointed to verify that the Internal Control and Risk Management System is adequate and operational;
- the Board of Statutory Auditors, which oversees the efficacy of the Internal Control and Risk Management System;
- the Supervisory Board, which guarantees the adequacy of the Organisation and Management Model as per Legislative Decree No. 231/2001, oversees its observance, promotes initiatives for the formation and circulation of the model and periodically informs the Control and Risks Committee and the Board of Directors of any issues encountered, identifying the corrective actions to be undertaken.

In relation to the involvement of the boards and employees in the organisation of the ICRMS, duties and responsibilities are segregated among the separate organisational units or within them, with a distinct separation between the roles of risk management, allocated to the Risk Owners of the various departmental units, and those of risk controllers. Specifically, the monitoring of the correct and effective functioning of the internal control system and the follow up actions required is based on three levels of control:

- first level controls: directed to ensure the correct management of corporate processes. In this regard, the operating units identify and evaluate risks and define specific mitigation actions.
- second-level controls: directed to verify that the first level controls are operative and appropriate to prevent risks. In relation to these categories, the functions proposed

for the control of risks define methods and instruments for the management of risks (recording, assessment and monitoring of risks);

- third-level controls: comprise verifications carried out on the design and functioning of the Internal Control and Risk Management System and on the monitoring of the execution of the improvement plans drawn up by management. This category of controls was undertaken by an independent corporate function.

The ICRMS structure defined through these guidelines is structured on the major international models, in particular those established in accordance with Enterprise Risk Management (ERM) and according to a structured analysis and prioritisation of principal risks in the areas of greatest exposure, identified as the strategic, operative, financial and regulatory compliance level and seeks to ensure a unified approach and in line with the operating strategies.

This approach, which further identifies and evaluates risks, the control measures and the relative action plans, was undertaken on the basis of the professional experience developed over the years by individuals involved in corporate risk management and however considering the following aspects:

- the nature and level of risk compatible with the strategic objectives of the Company;
- the organisational structure in place;
- the mapping of the risk areas as per Legislative Decree No. 231/2001;
- the analysis of significant processes in relation to control risks and objectives related to administrative-financial disclosure in accordance with Law 262/2005.

In relation to the method to identify and measure risks, the process was developed considering the organisational structure and the businesses of the Company and classifying the risks relating to each, thereafter assessing them through combining the parameters concerning frequency/probability and the gravity of consequences.

The risk evaluation analysis and measurement was preliminarily focused on the potential exposure to risk in the absence of any mitigation action, and subsequently focused on the level of “residual” risk, considering the existing controls to subsequently draw up any improvement actions.

The principal elements upon which the internal control system of the Company is based are as follows

## 1 The Code of Ethics

In February 2008, the Company adopted a Code of Ethics, in line with best international practice, which sets out the principles and founding ethical values of the Company, as well as the conduct regulations and legislation. The Code of Ethics, which is an integral part of the Organisation, Management and Control Model as per Legislative Decree No. 231/01, is binding for the conduct of Directors, employees and all collaborators of the company. A specific procedure for the recording of potential violations of the Code of Ethics and 231 Model was set up. The new version of the Code of Ethics is dated July 2021 and incorporates the changes made to the 231 Model with the new version approved by the Board of Directors during the same period.

## 2 Organisational structure

The general organisational structure and the appointment of Executives and of their principal operating roles was drawn up by the Chief Executive Officer. The Board of Directors is systematically informed in relation to principal organisational amendments.

## 3 Powers and delegations

The Board of Directors on April 29, 2022 delegated powers to management. The principal conditions adopted for achieving the strategic and operational objectives, as well as the monitoring of the efficacy and efficiency of the activities and the safeguarding of the Company’s assets, are as follows:

## 4 Drawing up of objectives, budgets, reporting and management control

The Company operates a structured system for the definition of corporate objectives (strategic and operational), for the development of annual budgets, of their interim review, of the monitoring and analysis of the variance between objectives and performance, through a structured system of management control and reporting.

## 5 Internal communication

A system of internal communication which is structured to facilitate and promote the communication of significant information to specific parties within the Company and the Group is operational.

## 6 System of operational procedures

For the correct application of corporate directives and the reduction of risks related to the reaching of corporate objectives, the Company has put in place an ISO procedure which regulates internal processes, governing both the activities carried out within departments and relations with other entities.

## 7 Information Systems

Almost all of the corporate information processes, both operational and accounting and financial, are facilitated by an IT system, based on highly integrated software packages. Since the beginning of 2019, Zignago Vetro has used the SAP management system, with highly integrated modules that guarantee the maximum congruity, completeness and protection of company information and data. This management system has also been introduced in the other Group companies.

- The use of the systems is governed by internal procedures which guarantee security, privacy and correct utilisation by users.
- The availability of data when required is guaranteed by an abundant hardware and software infrastructure.

## 8 Data security and privacy

The confidentiality of data and information is primarily guaranteed through a segregation system based on user profiles and permissions.

Security is guaranteed by a hardware and software infrastructure designed with the necessary remit in mind and subject to constant maintenance and undergoing periodic tests.

The platforms and the applications utilised are integrated in order to minimise the introduction of multiple data sets and to render automatic the process flows. The services are supplied by outsourcers.

The Zignago Vetro Group has adopted all of the most cutting-edge safeguards to achieve conformity with law and applicable regulations (compliance) and for correct and transparent disclosure to the market. Monitoring and implementation is constant and ongoing.

## 9 Organisational model as per Legislative Decree No. 231/01

In March 2008 the Company approved the Organisational model in accordance with Legislative Decree No. 231/01, in order to avoid the possibility of the commission of significant offences under the Decree and consequently by the administrative of the Company. The Model adopted provides for an organisational structure, a system of procedures and delegations, general principles, rules of conduct, instruments of control and organisational procedure, as well as training activity and information and a disciplinary system, drawn up in order to ensure the prevention of the commission of offences. The areas to which the scope of the 231/2001 Organisation Model extends are, among others:

- managing workplace safety
- pollution, disaster, and environmental crime
- discharges of industrial waste water
- waste management
- temporary deposit of hazardous waste
- remediation of contaminated sites
- registers and forms of waste loading/unloading
- emission limits and air quality
- safeguarding of stratospheric ozone

We also declare that, although not required by the laws of Countries of reference, the ESG Committee is now studying the possibility of extending the logics and structures of the Zignago Vetro 231 Model also to the companies abroad.

The Board of Directors appointed a Supervisory Board, which was entrusted with the duties of monitoring the correct functioning of the Model and its development and reports to the Board of Directors and Board of Statutory Auditors on a half-yearly basis.

The model is continuously updated, with the latest version approved by the Board of Directors on July 29, 2021.

We also declare that, although not required by the laws of Countries of reference, the ESG Committee is now studying the possibility of extending the logics and structures of the Zignago Vetro 231 Model also to the companies abroad.

## 10 Model of accounting control as per Law 262/2005 in relation to financial disclosure

In compliance with the above-stated law on the protection of savings, the Company adopted a model for the management of administrative and accounting procedures, for the drawing up of financial and accounting control communications, as

well as management regulations, periodic verification and the declaration of adequacy of the model, attributing the responsibility within the organisation in particular to the Executive Officer for Financial Reporting. In particular, the model seeks to provide the reasonable certainty that accounting disclosure is provided to users with a true and correct representation of the facts, and corresponding to the documented results, the books and accounting entries and communications of the company provided to the market.

## 11 Security, environment and quality

The Company has adopted a system of organisational structures and procedures dedicated to the management of security of data (which also fulfils the privacy regulation), the protection of the environment, security of plants and personnel and the quality of service provided. The Evaluation Document of Risks is constantly monitored and updated.

## 12 Confidential information and insider dealing

The Company has adopted a procedural system for internal management and external communication of confidential information, consistent with the requirements introduced by the EU directive in relation to market abuse. For further information, refer to the section of the Corporate Governance and Ownership Structure Report at December 31, 2022.

Considering the activities carried out by the Control, Risks and Sustainability Committee, by the Supervisory Board, the contribution of the Board of Statutory Auditors, management, the Executive Director appointed to oversee the internal control system, the Internal Audit Manager and the Executive Officer for Financial Reporting, the Board of Directors considers the system of internal control adequate and effective.

## 13 Director in charge of the Internal Control and Risk Management System

In order to implement a rigorous internal control system, the Board of Directors, on the proposal of the Chairperson of the Control, Risks and Sustainability Committee, Ms. Antonelli, appointed Mr. Roberto Cardini as Executive Director to oversee the functioning of the control system. The Board of Directors has assigned functions indicated by the Corporate Governance Code to the Director in charge of the Internal Control and Risk Management System.

The Director in charge of the Internal Control and Risk Management System:

- identifies the main business risks, taking into account the characteristics of the activities undertaken by the Issuer and by its subsidiaries, and periodically presents them for

examination to the Board of Directors;

- implements the guidelines defined by the Board, and supervises the planning, realisation and management of the Internal Control and Risk Management System, constantly verifying its adequacy and efficiency;
- adapts the system to the operating conditions and the regulatory and legislative environment;
- requests that the Internal Audit Department undertake verifications on specific operational areas and on the compliance of internal procedures and rules in the execution of business operations, simultaneously communicating such to the Chairperson of the Board of Directors, the Chairperson of the Control, Risks and Sustainability Committee and the Chairperson of the Board of Statutory Auditors;
- reports promptly to the Control, Risks and Sustainability Committee (or to the Board of Directors) with regards to problems and critical issues emerging during the execution of their activities or of which they have become aware, so as to ensure that the Committee (or the Board) may take appropriate initiatives.

## 14 Internal Audit Manager

Since December 2014, the Internal Audit function has outsourced to Mr. Alessandro Bentsik, previously Chairperson of the Supervisory Board, the verification, on an ongoing basis and in relation to the specific requirements, the operational viability and suitability of the Internal Control and Risk Management System, through an audit plan, approved by the Board of Directors, with the prior approval of the Control, Risks and Sustainability Committee and the Board of Statutory Auditors.

The audit plan constitutes a defined though not rigid operating instrument, verifying that the Internal Control and Risk Management System of the Company is functional and adequate, in accordance with Article 6, Recommendation 36 of the Corporate Governance Code. Its flexibility guarantees the appropriateness of the Plan to quickly incorporate any amendments considered necessary during the year.

The appointment was made on the proposal of the Director in charge of the Internal Control and Risk Management System, with the prior approval of the Control, Risks and Sustainability Committee and the Board of Statutory Auditors.

The Internal Audit Manager reports to the Control, Risks and Sustainability Committee, to the Board of Statutory Auditors and to the Director in charge of the Internal Control and Risk Management System.

He is not responsible for any operational area of the Issuer. In carrying out his/her duties, he/she has direct access to all useful information for the discharge of office and reports exclusively to the Control, Risks and Sustainability Committee.

In 2021, the previously appointed Internal Audit Manager reported periodically on activities to the Control, Risks and Sustainability Committee, to the Chairperson of the Board of Statutory Auditors, to the Chairperson of the Board of Directors and to the Director in charge of the Internal Control and Risk Management System.

During the year, the Internal Audit Manager supported the activities of the Control, Risks and Sustainability Committee.

## 15 Related party transactions policy

The Company has adopted a specific procedure for the management of transactions with related parties, in compliance with the new regulatory provisions introduced by the Consob Commission.

The most significant aspects of the new procedure include:

“related party transactions” are classified as transactions of significant value (concerning transactions exceeding thresholds established by Consob), of insignificant value (those of a value which prima facie do not pose significant risk for investor interests and therefore excluded from the application of the new procedure) and those of intermediate value (a residual category comprising transactions with related parties not covered by the first two categories);

the transparency and market communication regulations are more stringent in relation to significant transactions, requiring publication of a prospectus;

the procedural regulations which establish the involvement of the Related Party Transactions Committee for the transaction approval procedure.

As required by the reference legislation, following approval by the Related Party Transactions Committee, in June 2021 the Company’s Board of Directors approved the new Regulation and the new Procedure for the Management of Transactions with Related Parties, verifying their compliance with the legislative provisions.

At the date of this Report, the Committee is composed of

- Alessia Antonelli (independent);
- Roberta Benaglia (independent);
- Barbara Ravera (independent).

Considering that no significant events or changes to the shareholder structure have taken place since adoption of the procedure which governs related party transactions, and that the procedure has been demonstrated as effective, no changes have been made by the Company to the procedure.

16 Topics relating to combatting active and passive corruption

Zignago Vetro S.p.A. has formalised and adopted an Organisation, Management and Control Model pursuant to Legislative Decree No. 231/2001. The model analyses and identifies risk areas and control measures to prevent the commission of corruption offences, as per Articles 24 et seq. of Legislative Decree No. 231/21.

In compliance with legislation regarding the administrative responsibility of entities, the Organisational Model adopted by the Company establishes the specific commitment to respect the principles of Legislative Decree No. 231/2001 and of the Code of Ethics, which complies with the Organisational Model.

The Code of Ethics clearly defines a set of values that Zignago Vetro recognises and shares and which it considers essential for the proper conduct of business and Company activities, under the consideration that it can raise awareness and constitutes a guide for all parties that work for and with the company, as well as an integral part of the Organisation, Management and Control model, as envisaged by Article 6 of Legislative Decree No. 231/2001 concerning the administrative liability of legal persons.

Zignago Vetro, in its annual audit plan, provides for an analysis of the efficiency of the management and organisational mechanisms adopted to prevent conduct in violation of the regulatory provisions and to the detriment of the Company.

17 Whistleblowing

Zignago Vetro S.p.A. has adopted an organisational whistleblowing system aimed at reporting incidences of legal non-compliance and fraud against the interests of the Company. This system came into operation in 2019. Any alleged violation is reported to the Supervisory Board or the Board of Statutory Auditors. In 2021 the policy was updated on the basis of the changes made to the 231 Model and the Code of Ethics.

8.3.4 Fiscal transparency and anti-corruption

The Group operates according to the principles of utmost fiscal correctness.

None of the tax audits of Group companies gave rise to significant observations by the auditors.

Regarding relations between Group companies, Zignago Vetro has adopted a formalised protocol, as per current legislation, to regulate transactions between Group companies according to the principles of maximum objectivity and transparency.

Tax data are subject to double control by the independent audit firm and the tax consultants appointed by the Group companies.

During 2022, Zignago Vetro S.p.A. was not audited by any fiscal control entities.

Tax penalties

2020	2021	2022
None	None	None

Outstanding tax liabilities

2020	2021	2022
None	None	None

## 8.3.5

### IT security and protecting privacy

Zignago Vetro has continued the process of verifying and strengthening measures to maintain and improve IT security and both internal and external IT skills.

With a view to continuous improvement, the development of the IT Risk Management System, covering all cyber security issues, is intrinsically linked to other company processes managing specific risks, such as that of the management of access credentials and vulnerabilities in system code.

In this regard, in 2022, the company was committed to:

- protection from unwanted intrusions and threats to maintenance services from external third parties via VPN, in addition to verification of SAP access policies for consultants;
- periodic penetration testing at all offices;
- analysis of the dynamic behaviour of running software, to intercept and block any unauthorised access attempts, and updating of the firewall;
- preventing USB port use, to avoid the use of devices susceptible to viruses

In the process of preventing cyber attacks, a fundamental role is played by system users, whose behaviours can compromise the validity of adopted security policies and measures.

Therefore, in parallel with the planning of technical measures, Zignago Vetro continued to promote its IT security awareness campaign, focusing, in particular, on the use of individual user workstations, and the simulation of phishing attacks.

With the same commitment, Zignago Vetro undertakes to respect both personal and corporate data privacy.

As a principle, Zignago Vetro prohibits any form of investigation of the ideas, preferences, personal tastes or private lives of its employees or contractors.

Such information is acquired, processed and kept through specific procedures designed to ensure 1) that unauthorised individuals cannot gain access to it, and 2) full compliance with privacy rules.

Employees and collaborators are also required to keep in confidence information to which they gain access in the course of their duties, in accordance with the law, regulations and circumstances, and to treat the data in their possession with great care.

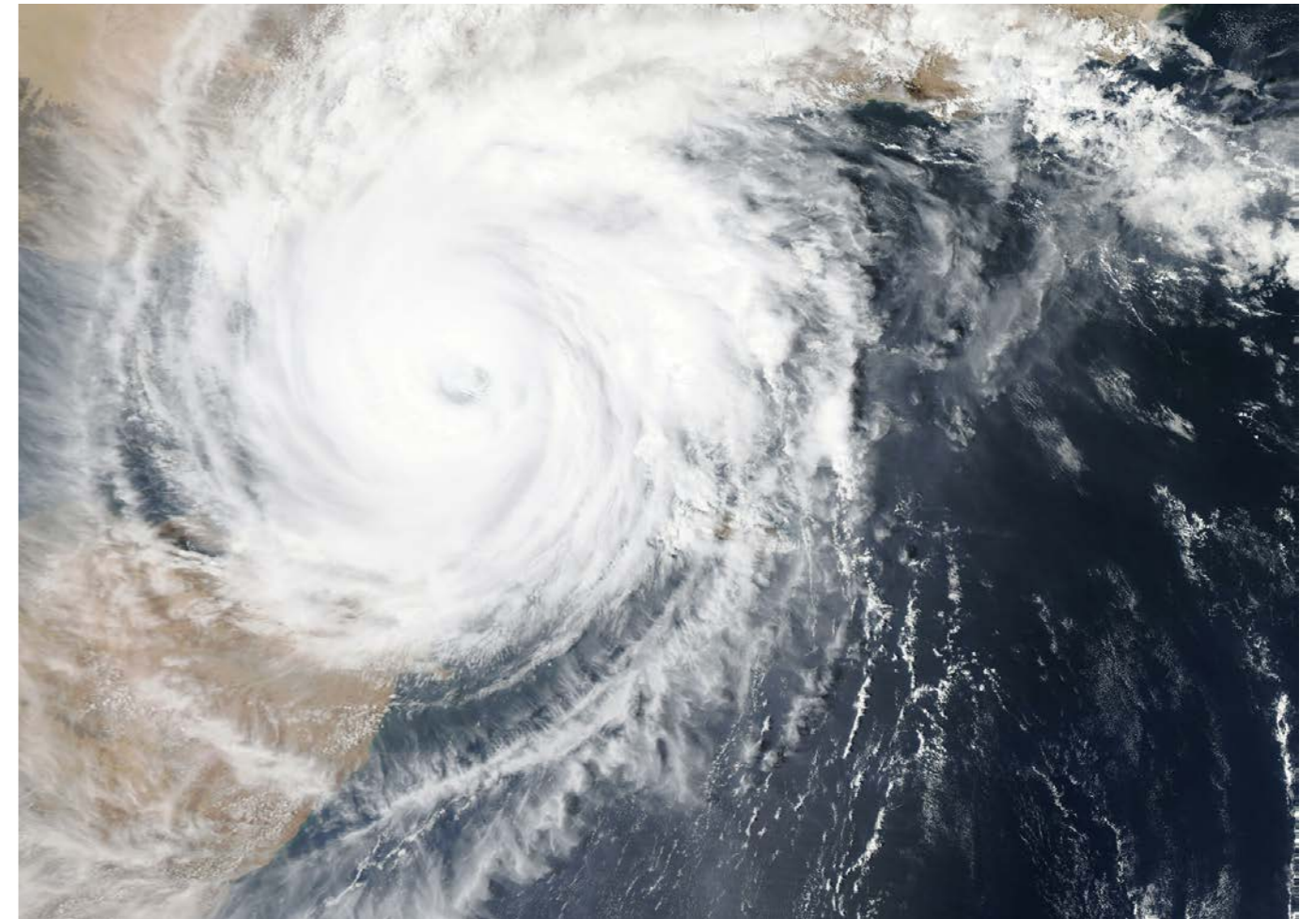
Zignago Vetro is committed to complying with applicable personal data protection laws and regulations in the countries in which it operates.

Specifically, Zignago Vetro refers to the EU GDPR 679/2016 (Regulation (EC) No. 679/2016 of the European Parliament and of the Council of April 27, 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC).

Regarding privacy, in 2022, measures were taken to verify the compliance of corporate procedures with EU Regulation 2016/679, which governs the protection of personal data.

In particular, various corporate roles and departments were assessed in terms of procedures and direct controls to guarantee the proper protection and processing of personal data, and to reduce any risks of non-compliance.

This activity was developed by analysing data processing across the vast and heterogeneous corporate information assets that are generated in the course of business processes.



The human resources, production and IT service departments were all involved in this analysis process, in order to assess compliance across different operating sectors.

Complementary to this, supervisory activities continued regarding the completeness and consistency of records of the nature, purposes, legal basis and retention requirements of the processed data.

Finally, the analysis was also carried out on agreements stipulated by Zignago Vetro Group with third party suppliers and related parties, to define, on the basis of the nature of agreements, clauses, data flows and assigned roles, respective responsibilities and tasks, particularly regarding the exercise of the rights of data subjects.

In particular, all situations of joint-processing and control were identified for the purposes of data protection obligations regarding tasks, roles and the correct qualification of all parties involved (e.g. Data Processors, Independent Data Controllers).

From the analyses carried out, no personal data confidentiality breaches were identified in 2022, nor in the two previous years.

## 8.4 Policies

On July 29, 2021, the Board of Directors of Zignago Vetro S.p.A. approved the new version of the 231 Model, which incorporates regulatory updates that were approved after the Model was last reviewed on July 19, 2019. The main issues that highlighted, analysed and recognised are:

- corruption and abuse of office;
- smuggling and anti-competitive practices;
- cyber security;
- new tax offences;
- attention to climate change and all major environmental challenges;
- the promotion of and respect for all universally recognised human rights;
- freedom of association for workers and recognition of the right to collective bargaining;
- absolute commitment to avoiding any injuries involving employees or external collaborators operating within the scope of the Company;
- commitment through compliance with the system of labour standards, regulations, and agreements targeted at ensuring a basic living wage that ensures acceptable living conditions for all workers and promotes opportunities for women and men, in order to achieve decent and productive work, in conditions of freedom, fairness, safety, and dignity;
- commitment to guarantee the right of workers' associations, collective and individual bargaining, respect for the maximum number of working hours per day, week and month;
- prohibition of child labour in all its forms;
- commitment to opposing all forms of discrimination;
- prohibition of corporal punishment and similar disciplinary practices;
- prohibition of forced labour in all its forms;
- promotion, insertion and integration into working life of people belonging to protected categories;
- prohibition of making contributions and/or grants to organisations with which there may be conflicting interests or to associations that carry out activities or play important roles in determining national and international policy.

The aforementioned changes made to the 231 Model necessitated an update to the Code of Ethics for all Group Companies on the same date, bringing it into line and making it compatible with the various national regulations.

In order to strengthen the Organisation, Management and Control Model, as per Legislative Decree No. 231/2001, and governance in general, Zignago Vetro Group's Board of Directors has made particular efforts to ensure that the Whistleblowing system is governed by a specific policy and programmes that are easily accessible to stakeholders who might potentially report any violations of the Code of Ethics.

For the Zignago Vetro Board, whistleblowing policies, procedures and programmes are essential to protect the Group, its reputation, its integrity and, above all, its sustainability over time.

To protect those who may wish to report any irregularities, whether on an anonymous basis or not, all legal measures have been taken, including the establishment of an independent Supervisory Board and a 24/7 reporting system.

The policy system is constantly monitored by the ESG Committee and the Control, Risks and Sustainability Committee.

Apart from urgent needs to revise or modify individual policies, every two years, the entire policy system is revised, and then considered for approval by the Board of Directors, in order to incorporate any changes to the regulatory systems of each country where the Group has a presence, and harmonise such changes across the entire Group.

In line with full inclusion of ESG principles in the Business Model and with the period review of Corporate Governance, in 2021 a decision was taken to add to, update or review the main policies concerning Zignago Vetro's relations and engagement with its main stakeholders. For many of these relationships it was simply a case of including in a document the natural and continual development of sustainability issues, particularly concerning the many relationships inside and outside the Group. Similarly, a new document was drafted which in some cases merely formalised internal practices, rules and structures already in existence, while in other cases the new document was drafted to formalise and institutionalise new types of practice.

The policies are:

- 1 ESG Policy;
- 2 Business Conduct Policy;
- 3 Supplier Code of Conduct;
- 4 Whistleblower Policy;
- 5 Human Rights Policy;
- 6 Supplier Diversity Policy;
- 7 Data Privacy and Security Policy;
- 8 Conflict Minerals Policy;
- 9 Green Procurement Policy

Also in 2021, all sustainability principles were integrated at all levels into the Group's Corporate Governance.

# 1 ESG Policy

Written at the start of 2020, this was approved by the ESG Committee and the Board of Directors in 2021, and was integrated into the policy on the variable performance-related pay system linked to specific, objective ESG parameters. The ESG Policy includes the system of rules, practices, obligations and roles that make up Zignago Vetro's ESG framework and its commitment towards all stakeholders.

## 2 Business Conduct Policy

The Zignago Vetro Group's corporate objective is to satisfy its customers and meet the expectations of all the stakeholders. It achieves these goals by creating products that satisfy all regulatory, legal, safety and standards requirements, and which are produced sustainably and in compliance with the ethical principles that the Company has adopted.

Specifically, through its various companies, the Zignago Vetro Group undertakes to:

- respect all applicable laws, corporate policies and guidelines, in addition to all those external regulations to which the Group subscribes;
- create a collaborative, inclusive and socially sustainable working environment that respects the international regulations and conventions regarding the recognition, promotion, development and exchange of professionalism and knowledge, whether individual or collective, through management that is based on the principles of fairness, merit, integrity, equal opportunities and respect, and which serves to promote and protect its employees;
- operate in respect of the global ethical principles that protect the interests and rights of all its stakeholders;
- guarantee the efficacy, efficiency and transparency of its management systems by implementing procedures, operational instructions, programmes and tools that enable the promotion and monitoring of those activities designed to help the Group achieve the goals it has identified;
- through periodic internal audits, risk and opportunity assessments and management reviews, constantly verify that the principles and specific objectives it has identified are achieved as planned, and that continuous improvement is pursued;
- circulate this Policy, ensure that it is understood and applied at every level and that it is available to all stakeholders.

## 3 Supplier Code of Conduct

This is the document that details the many relations and policies involving suppliers.

Zignago Vetro asks its suppliers to comply both directly and indirectly with the United Nations Universal Declaration of Human Rights and, in line with global best practice, to other

sources and guidelines that govern the principles of legality, sustainability, fairness, equality and transparency. The latest version was approved by the ESG Committee and the Board of Directors in 2021.

## 4 WhistleBlower Policy

Through the Whistleblower Policy, Zignago Vetro and the Group Companies, in line with international Best Practices, undertake to encourage and protect employees who disclose any cases of fraudulent behaviour discovered in the course of their work and professional activities.

The Group commits with its stakeholders to the highest integrity and fairness in business management, in order to cultivate a corporate culture in which all employees are able to report serious negligence or fraudulent behaviour without fear of repercussions.

All this comes in the awareness that employees who make correct use of the Whistleblowing procedure help the Group to better protect and manage its reputational risks and to preserve its long-term value.

It was approved by the ESG Committee and the Board of Directors in 2021.

## 5 Human Rights Policy

In line with the decision to accede to the United Nations Global Compact and convinced that all companies have a profound responsibility regarding respect for human rights, Zignago Vetro has adopted a Human Rights Policy.

Following the recommendations of the United Nations and within the international and national frame of reference, the aim of the Zignago Vetro's Human Rights Policy is to apply these principles to its business, all company activities, its stakeholders and subsidiaries.

The latest version was approved by the ESG Committee and the Board of Directors in 2021.

## 6 Supplier Diversity Policy

Through the Supplier Diversity Policy Zignago Vetro undertakes to promote and support a culture of equal opportunity.

The Supplier Diversity Policy is designed to promote a working environment that protects all types of diversity and, at the same time, to reject any form of direct or indirect discrimination.

Specifically, Zignago Vetro's Supplier Diversity Policy seeks to actively promote and support through professional relationships companies that are run by women, and those with excellent performance in terms of gender, disability, interculturality and the presence of different generations. Final approval by ESG Committee and Board of Directors in 2021.

## 7 Data Privacy e Security Policy

Aware of the importance and the critical nature of security and data protection, Zignago Vetro has decided to put in place a policy committing it to constantly improve the management of sensitive information.

In terms of methodology, Zignago Vetro has opted to manage data privacy and data security separately.

1. data privacy relates to the collection, management and storage of data;
2. data security focuses on protecting data from external and internal threats

This Policy is subject to continuous attention and revision to adapt it to the evolution of the risks over time: the most recent revision was made by the ESG Committee and the Board of Directors in late 2021.

## 8 Conflict Minerals Policy

The Conflict Minerals Policy was adopted by Zignago Vetro to bring its supply chain into line with Regulation (EU) 2017/821 and the US legislation banning the import of various types of minerals and raw materials from war zones and high-risk zones. Specifically, the policy focuses on tin, tantalum, tungsten and gold that, for both Zignago Vetro and its suppliers, must not come from conflict areas but solely from responsible sources. The latest version was approved by the ESG Committee and the Board of Directors in 2021.

## 9 Green Procurement Policy

With the approval of the ESG Committee and the Board of Directors, in 2021 Zignago Vetro adopted a Green Procurement Policy in view of its firm commitment to the need and responsibility to purchase products, materials and services that maximise environmental and health protection.

The Company intends to address the purchase of sustainable materials and services both internally and within the scope of the inputs used for its products and their packaging.

The objective of this Policy is three-fold: environmental, social and financial and, above all, seeks to be consistent with circular nature that is a feature of glass and its products.

The purpose of this Policy is:

- ensure commitment and willingness to purchasing products, materials, and services that protect the environment and health;
- integrate the relevant procedures into the Company's work and all business dealings;
- seek best practices in the purchase of sustainable raw materials.

# 8.5

## Creation and distribution of economic value

The Group's ability to produce and redistribute wealth extends beyond shareholders to employees, other stakeholders in general and the social context in which the Group operates.

The economic value generated by the Group from 2020 to 2022 is outlined below:

	2020	2021	2022
[€/000]			
ECONOMIC VALUE GENERATED BY THE GROUP	322,685	383,510	509,676
Revenues	306,713	362,437	468,851
Other income	0	0	0
Financial income	0	0	11,893
Impairments on financial assets	19,016	20,761	35,069
Doubtful debt provision	0	0	0
Exchange rate differences	(3,044)	312	(380)
Income/charges from sale of property, plant and equipment	0	0	0
Impairments on tangible & intangible assets	0	0	(5,757)
ECONOMIC VALUE DISTRIBUTED BY THE GROUP	271,984	311,664	409,446
Operating costs	168,715	197,508	290,211
Remuneration of collaborators	67,096	71,089	76,150
Paid to lenders	2,308	599	2,599
Remuneration of investors	37,005	31,569	35,497
Remuneration of the public sector	(3,390)	10,674	4,736
Charitable donations	250	225	253
ECONOMIC VALUE RETAINED BY THE GROUP	50,701	71,846	100,230

The table above highlights the calculation and distribution of the economic value directly generated and distributed by the Group as a whole.

Economic value represents the total wealth created by Zignago Vetro and subsequently distributed among its various stakeholders.

In particular:

- Euro 76.2 million was distributed to employees through the payment of wages and salaries, social security contributions, remuneration and benefit programmes;
- Euro 290.2 million was spent on operating costs (raw materials, costs for services, etc.).

We note that Zignago Vetro carried out various social and cultural initiatives during 2022 with regard to community investments.

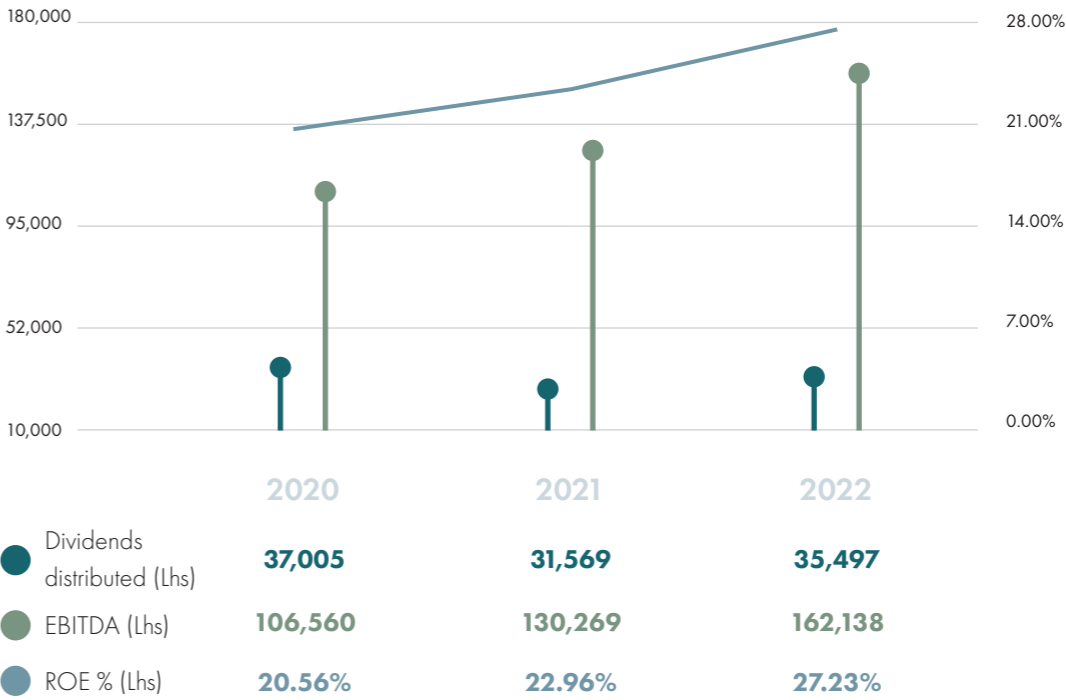
However, there are other indicators that help to measure the Group's ability to generate economic value, in particular:

- the Group's operating margin (EBITDA) and return on equity (ROE), inasmuch as they give an indication of the business' sustainability, of its current and future capacity to remunerate and hire human resources in the general social interest and of the degree of appreciation of its customers for the products it offers, their quality and the services associated with them;
- the distribution of dividends and the increase in Zignago Vetro's share value. The Company is listed in the Euronext STAR Milan segment of the Italian Stock Exchange. This means that, among the other shareholders, there are certain to be savers and general investors for whom the most immediate measure of value creation is the distribution of dividends and the appreciation of the company's market value.

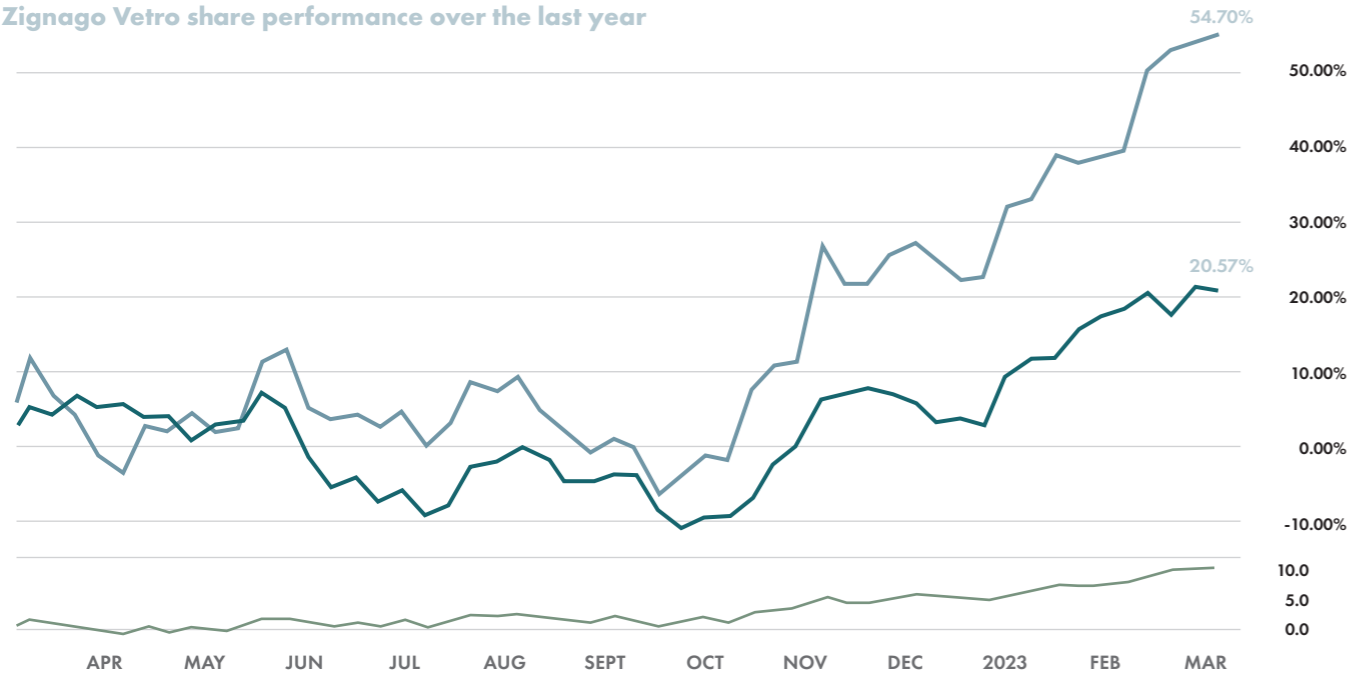
The tables and graphs below provide a measurement of the value creation indicators mentioned above.

In 2022, Euro 35.4 million was distributed to shareholders in the form of dividends.

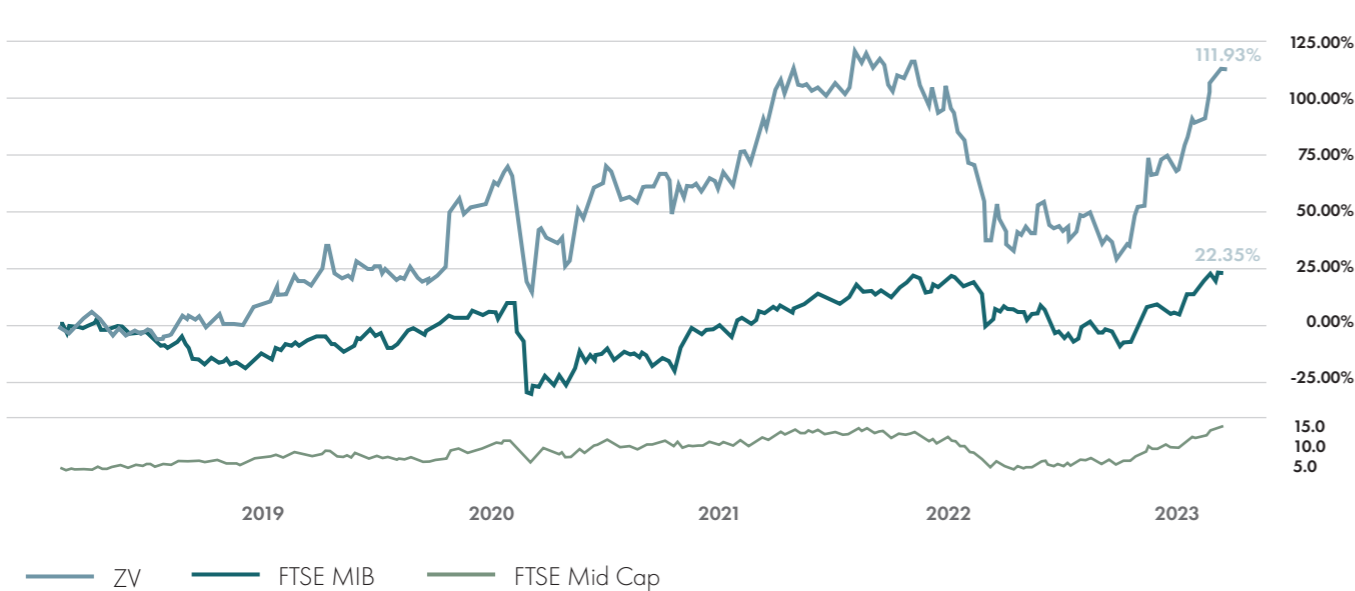
EBITDA and DIVIDENDS



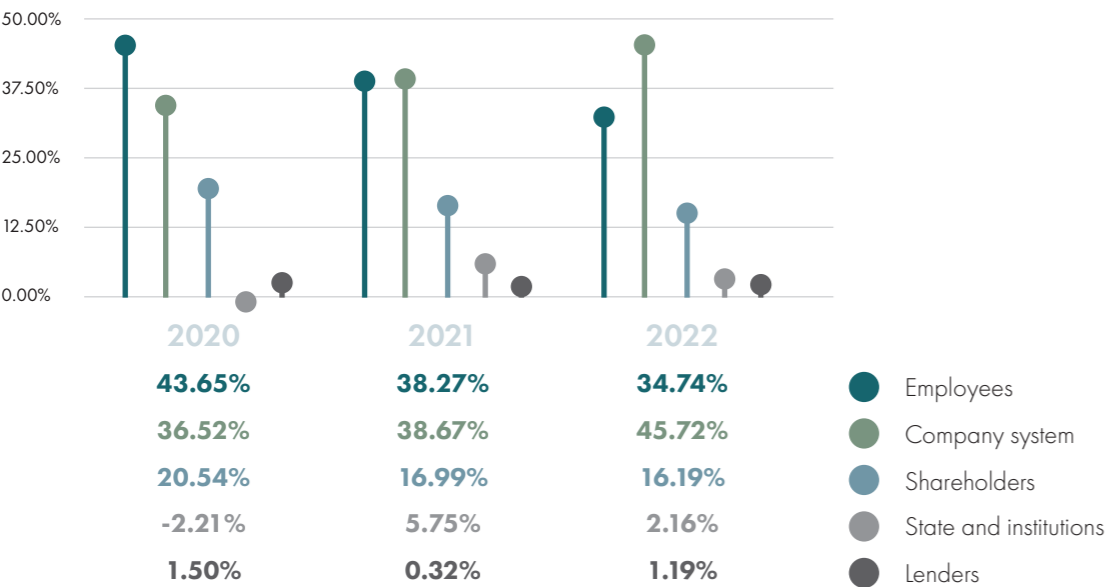
Zignago Vetro share performance over the last year



Zignago Vetro share price trend in the last 5 years



Zignago Vetro: distribution of economic value



In Euro thousands	31/12/20*	31/12/21 *	31/12/22*
Net Profit	45,556	60,019	86,596
Amortisation and Depreciation	51,722	53,722	60,790
CASH FLOW	97,278	113,741	147,386
Change in working capital excluding change in Payables to suppliers of fixed assets	(5,737)	9,931	(64,957)
Change in provisions to other non-current assets	(6,172)	(3,674)	4,950
OPERATING CASH FLOW	85,369	119,998	87,379
Net investments	(47,240)	(83,823)	(81,614)
Change in Payables to suppliers of fixed assets	(688)	12,431	(8,720)
Cash flow investments	(47,928)	(71,392)	(90,334)
FREE CASH FLOW	37,441	46,606	(2,955)
Dividends	(37,005)	(31,569)	(35,497)
IFRS 16	(5,735)	(10,529)	(5,665)
IFRS 2	1,049	1,046	796
Equity investments	-	(2,915)	(125)
Treasury shares	-	-	(1,727)
Stock Option subscription	-	-	6,922
Write down of fixed assets	-	-	2,752
Sale of Buildings	-	-	2,064
Other changes	(1,533)	2,103	(16)
CHANGE IN NET FINANCIAL POSITION	(5,783)	6,647	(33,451)

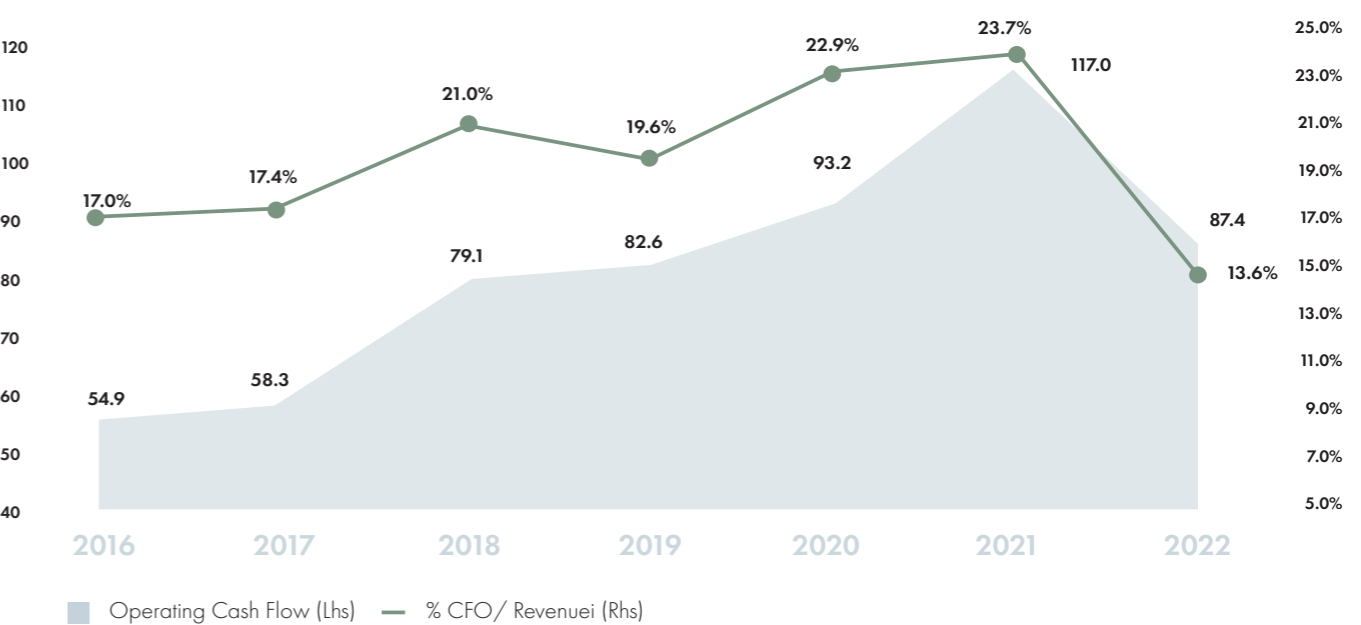
\*This figure is based on the Management View, which also includes Vetri Speciali, Vetreco and Julia Vitrum. For the definition of the management view and the reconciliation with the financial statements drawn up in accordance with IFRS, reference should be made to the Directors' Report at December 31, 2022

Over the years, the Group has generated an increasing flow of operating cash, which has been allocated to investment activities in order to ensure the Group's future growth.

That being said, thanks to a significant ability to generate cash flows, Zignago Vetro has continued to pay dividends to its shareholders, in amounts that have been growing constantly, thereby guaranteeing good financial stability.

The graph below illustrates the Zignago Vetro Group's operating cash generation over the last five years and its ratio to consolidated revenues. This cash flow is net of ordinary maintenance costs, and before investments in fixed assets and dividend distributions. The graph demonstrates that the Group is able to consistently generate a high and growing level of cash flow, such as to justify the investment programme undertaken.

Operating cash flow and cash conversation - Zignago Vetro Group



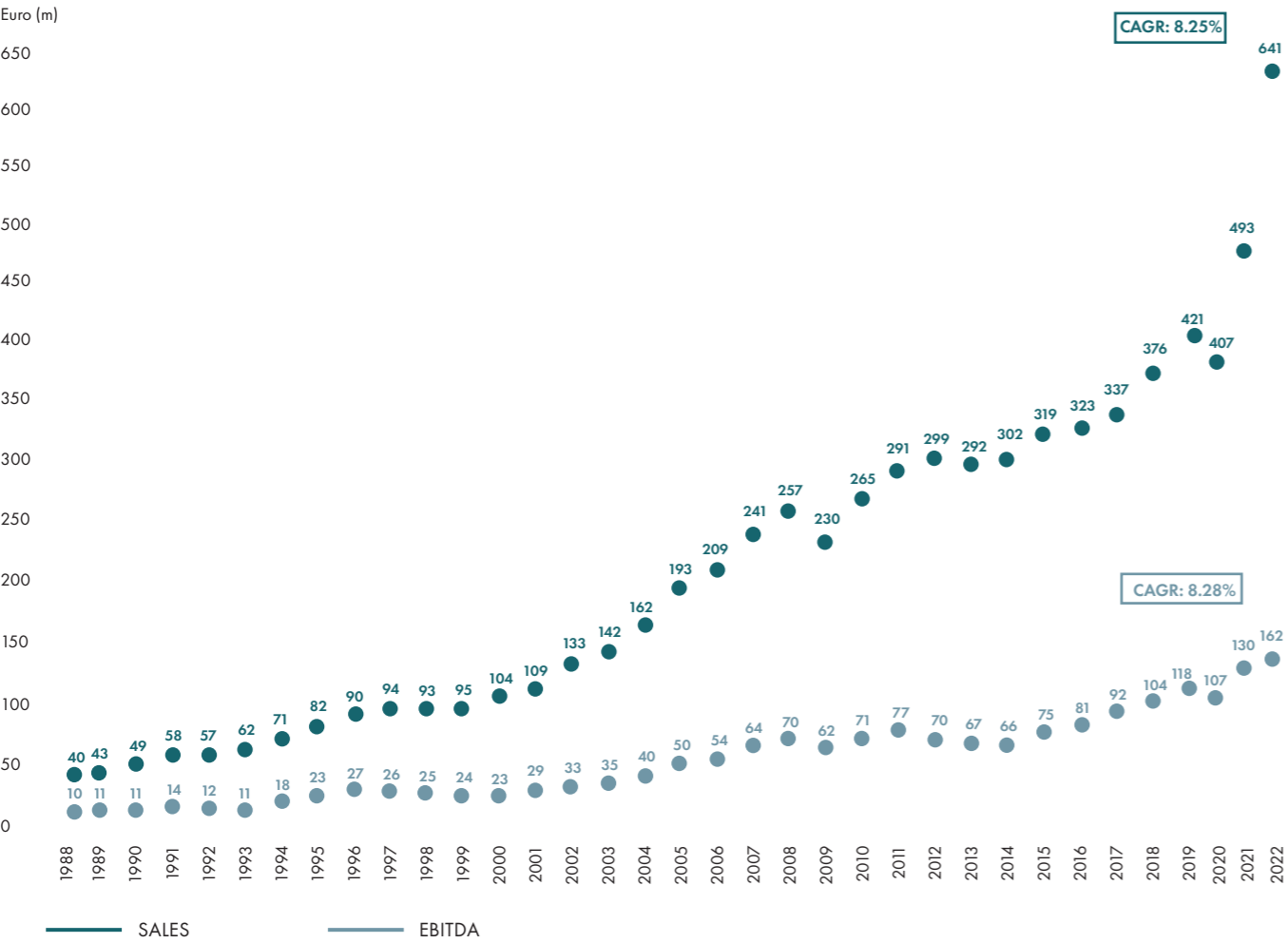
The historic growth and evolution of the Group goes together with a steady growth not only in turnover, but also in economic-financial results.

The Zignago Vetro Group in brief (2022)\*

SALES 2022	641
FACTORIES	12
Countries	4
Employees	2,778
Containers produced each year	approximately 3.0 billion

\*This figure is based on the **Management View**, which also includes Vetri Speciali, Vetreco and Julia Vitrum.

Sales and EBITDA (1988-2022)



8.6  
GRI 207

Zignago Vetro operates in the production and marketing of high-quality hollow glass containers.

The Group has production sites in 3 European countries (Italy, France and Poland) and has a commercial subsidiary on the American continent.

As a multinational Group, it contributes to the economies of the various countries in which it operates.

The Group’s global fiscal contribution includes various types of tax, falling within the following categories:

- income taxes, such as tax on company profits;
- property taxes, set on the basis of ownership or leasing of property;
- labour taxes, which include taxes collected and paid to the tax authorities on behalf of employees;
- indirect taxes collected on the production and consumption of goods and services, such as VAT, customs duties, etc.

In 2022 the Group reported an effective tax rate of +5.2% (+15.1% in 2021).

The Group’s tax rate depends on the geographical distribution of pre-tax results and the rules applicable in the various countries’ tax systems, but may also be affected by specific contingent situations. For 2022, the tax rate is due mainly to the normal imposition of taxes, as described above, but additionally there as a significant element due to the reporting of the tax benefit from the ‘Patent Box’, formally recognised by the tax authorities following the appropriate process and relating to the period 2015-2019.

The table below shows the amount of current and deferred income taxes reported in the consolidated income statement for the years ended December 31, 2022 and December 31, 2021:

Income taxes

	2021	2022
Current income taxes:		
Italian companies	8,295	4,307
Foreign entities	1,431	1,266
	9,726	5,573
Deferred tax charges active/passive:		
Italian companies	378	339
Foreign entities	491	(1,229)
	869	(890)
Consolidation adjustments	79	53
Total	10,674	4,736

Further details on income taxes are available in the 2022 Consolidated Financial Statements.

Fiscal Approach

The Zignago Vetro Group’s fiscal approach reflects the principles, objectives and commitments in the Code of Ethics and the sector-specific policies, approved by the Corporate Boards, laying down the standards and practices followed within the Group.

In the spirit of the above-mentioned Code and policies, the Group undertakes to act honestly and with integrity on all fiscal issues and aims to pursue a transparent, sustainable long-term fiscal strategy.

The Group has undertaken to comply with fiscal legislation in all the jurisdictions in which it operates, working closely with tax consultants, auditors and the tax authorities to make sure it pays the taxes due.

Fiscal planning: The Group strives to ensure that its tax affairs are managed as accurately as possible, in compliance with the applicable fiscal legislation.

A conservative approach is taken to fiscal planning, consistent with the principles laid down in the Codes and policies.

The Group does not pursue aggressive fiscal planning strategies and does not use artificial schemes without any economic foundation in order to make tax savings.

Governments often **put in place fiscal incentives to promote investment, employment and economic growth**: the Group seeks to obtain such benefits only when applicable to the activities already being carried out in the entities belonging to the Group.

Fiscal risk management

The Group has a low appetite for fiscal risk. In determining the tax treatment of a specific transaction or operation prudent, reasonable and substantiated fiscal choices and interpretations are made.

In light of the size and complexity of operations, risks may arise linked to the interpretation of complex fiscal legislation. Management involves identifying these risks and analysing them in full, if necessary using qualified tax consultants.

Relations with tax authorities

The Group seeks to build and maintain open, constructive relations with all the relevant tax authorities and to resolve any dispute in a spirit of collaboration.

Where there is particular uncertainty regarding the tax treatment applicable to significant issues, the appropriate tools are used to ascertain in advance the position of the relevant tax authority.

The Group acts transparently in all communications with the relevant tax authorities, including in the event of a tax audit involving any Group Entity or third party.

The Group seeks to provide responses to questions and requests from the tax authorities that are prompt, transparent and as full and well-substantiated as possible.

The Group has an internal control system that is a key element of Corporate Governance, and catalyses all the persons and functions that contribute to business activity, with the aim of adding the greatest possible sustainable value to it.

Within this Governance system the aim is to manage and prevent risks associated with the fiscal variable, and to provide support for tax audits. Furthermore, it consists of the need:

- to protect the interests of companies and their shareholders;
- to ensure transparency in the decisions made by management.

Specific fiscal risk categories include:

- transaction risk;
- day-to-day operational risk;
- tax returns risk;
- accounting risk

Fiscal risk management in the Zignago Vetro Group involves administration and control of areas of uncertainty to prevent disputes arising with the relevant tax authorities in the countries in which individual companies are based.

Fiscal risk within the Group is a routine activity, as it is considered on a daily basis.

Various individuals are involved in the fiscal risk function, both inside and outside the business. They include:

- Board of Directors;
- CEO and CFO;
- task manager and his team;
- independent audit firms, internal Board Committees, Internal Audit and Supervisory Board;
- tax authorities (and other authorities).

2022 TAX PERIOD	Zignago Vetro	Zignago Vetro Brosse SAS	Zignago Vetro Polska SA	Vetro Revet SRL
COUNTRY	ITALY	FRANCE	POLAND	ITALY
Activities	Production and sale of hollow glass containers	Production and sale of hollow glass bottles for luxury fragrances	Production and sale of hollow glass containers	Processing and sale of glass cullet
Number of employees	744	326	709	34
Revenue from sales to third parties	349,871	56,252	57,718	3,376
Revenue from inter-company transactions with other tax jurisdictions	6,520	1,457	16,484	-
Pre-tax profit/loss	67,159	(3,558)	6,141	646
Tangible assets other than cash and cash equivalents	267,910	18,574	44,006	7,698
Tax on company income paid on a cash basis	5,145	0	1,265	0
Tax on company income due on profits/losses;	4,783	(1,062)	1,199	43
Reasons for the difference between tax on company income due on profits/losses and tax due, if the tax rate specified in the law is applied to pre-tax profits/losses	n/a	n/a	n/a	n/a

## 8.7 Taxonomy

The Regulation of the European Parliament No. 2020/852 of June 18, 2020 introduces the requirement for non-financial companies to report the share of their turnover coming from products and services associated with economic activities considered environmentally sustainable in accordance with Articles 3 and 9 of the same Regulation, in addition to the share of their capital expenditure and their operating expenditure relating to assets or processes associated with economic activities considered environmentally sustainable in accordance with the aforementioned Articles.

Specifically, the aforementioned Regulation considers economic activities that can be considered environmentally sustainable as those that are able to pursue the following objectives:

- climate change mitigation;
- climate change adaptation;
- sustainable use and protection of water and marine resources;
- transition to a circular economy;
- pollution prevention and control;
- protection and restoration of biodiversity and ecosystems.



Regarding the above, Delegated Regulation (EU) 2021/2178 established that non-financial statements for the 2022 financial year, published from January 1, 2023, should include certain information on “taxonomy-aligned” and “taxonomy-non-aligned” activities meeting the taxonomy eligibility requirements and also complying with the specific technical screening criteria established by the European Commission and Delegated Regulation (EU) 2021/2139 for the first two environmental objectives, namely:

- climate change mitigation
- climate change adaptation

The economic activities carried out by Zignago Vetro Group are to be considered “eligible” whenever they can be traced back to the activities identified in the Taxonomy, particularly regarding activities referred to by Delegated Regulation (EU) 2021/2139.

The Group has therefore considered the aforementioned applicable legislation, in addition to the clarifications issued by the European Commission in the form of Q&As in the months of December 2021 and February 2022, and adopted a prudential approach to the assessments underpinning the disclosure.

On the basis of an analysis of economic activities, the indicator relating to turnover was calculated using the denominator of consolidated net turnover, in compliance with IAS 1. However, in the numerator, no sales of products or services currently considered eligible were identified. Indeed, considering their respective sectors, concerning hollow glass production, none of the activities of Zignago Group are currently included in the European Taxonomy regarding the two aforementioned environmental objectives.

For the calculation of the Capital Expenditure (CapEx) indicator, increases in property, plant and equipment and intangible fixed assets were considered in the denominator before depreciation, revaluations and write-downs for the year in question, excluding fair value variations. In the denominator, any acquisitions of property, plant and equipment (IAS 16), intangible assets (IAS 38), investment property (IAS 40) and rights-of-use assets (IFRS 16) were considered.

Regarding the numerator, increases in property, plant and equipment relating to the purchase of outputs from economic activities eligible for the Taxonomy and/or to measures to reduce atmospheric emissions were considered eligible, including energy efficiency investments, reductions in building and store energy consumption, the installation of electric vehicle charging stations, and the hybrid and/or electric renewal of the company vehicle fleet. Consequently, the remaining portion of increases in property, plant and equipment, intangible assets and rights of use included in the denominator were considered ineligible.

Regarding the Operating Expenditure indicator denominator calculation, the totality of non-capitalised direct costs associated with research and development, building renovations, short-term and variable leases and maintenance and repairs was taken into account, together with any other direct expenditure connected with the day-to-day maintenance of property, facilities and equipment necessary to ensure continuous and effective operation of these assets. Expenses relating to the day-to-day operation of property, plant and equipment such

as raw materials, the cost of labour using machinery, electricity and necessary fluid supplies were not included.

Regarding the numerator, the costs included in the denominator relating to the purchase of outputs from economic activities eligible for the Taxonomy and/or relating to measures to reduce atmospheric emissions were considered eligible, including costs relating to energy efficiency investments, reductions in building energy consumption, and short-term hybrid and/or electric contracts for the company vehicle fleet. Consequently, the remaining portion of the costs included in the denominator were considered ineligible.

We note that this disclosure is to be considered as indicative, and may be the subject of further subsequent investigations and revisions on occasion of the publication of the non-financial statements for the 2023 financial year, in line with the progressive development of Regulation (EU) 2020/852 and related Delegated Regulations and interpretations.

# 9.0 GRI Index



Declaration of use	The Zignago Vetro Group presented this report in accordance with the GRI Standards for the period from January 1, 2022 to December 31, 2022.
GRI 1 was used	GRI 1 - Core Principles - 2021 version
Relevant GRI industry standards	Not applicable

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	WHERE CITED	OMISSION			SECTOR GRI STANDARD NO.
			REQUIREMENTS OMITTED	REASON	EXPLANATION	
General Disclosures						
GRI 2 - General Disclosures 2021	2-1 Organizational details	P. 6				
	2-2 Entities included in the organization’s sustainability reporting	P. 6				
	2-3 Reporting period, frequency and contact point	P. 8				
	2-4 Restatements of information	P. 8				
	2-5 External assurance	P. 8/186				
	2-6 Activities, value chain and other business relationships	P. 12 - 31				
	2-7 Employees	P. 143 - 158				
	2-8 Workers who are not employees	P. 171 - 172				
	2-9 Governance structure and composition	P. 179 - 185 - 186				
	2-10 Nomination and selection of the highest governance body	P. 188 - 189 - 191 - 192				
	2-11 Chair of the highest governance body	P. 190				
	2-12 Role of the highest governance body in overseeing the management of impacts	P. 52 - 53 P. - 64 - 66				
	2-13 Delegation of responsibility for managing impacts	P. 64				
	2-14 Role of the highest governance body in sustainability reporting	P. 64				
	2-15 Conflicts of interest	P. 190 - 191 - 192				
	2-16 Communications of critical issues	P. 190 - 191 - 192				
	2-17 Collective knowledge of the highest governance body	P. 195 - 196 - 202				
	2-18 Evaluation of the performance of the highest governance body	P. 202 - 209				
	2-19 Remuneration policies	P. 194 - 195 - 202 - 203				
	2-20 Process to determine remuneration	P. 194 - 195 - 202 - 203				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	WHERE CITED	OMISSION			SECTOR GRI STANDARD NO.
			REQUIREMENTS OMITTED	REASON	EXPLANATION	
GRI 2 - General Disclosures 2021	2-21 Annual total compensation ratio	-	a. b. c. GRI 2 - 2-21	Confidentiality agreement		
	2-22 Statement on sustainable development strategy	P. 40 - 50				
	2-23 Policy commitments	P. 179				
	2-24 Embedding policy commitments	P. 212 - 213 - 216 - 217				
	2-25 Processes to remediate negative impacts	P. 64 - 66				
	2-26 Mechanisms for seeking advice and raising concerns	P. 216				
	2-27 Compliance with laws and regulations	-	a - b GRI 2 - 2-27	Not relevant	No cases of non-conformity with laws or regulations were identified during the reporting period.	
	2-28 Membership associations	-	a. GRI 2 - 2-28	Not relevant	The organisation does not hold any major roles in national or international trade associations or advocacy organisations.	
	2-29 Approach to stakeholder engagement	P. 50				
	2-30 Collective bargaining agreements	P. 152 - 153				
Material topics						
GRI 3 - Material topics - 2021	3-1 Process to determine material topics	P. 50				
	3-2 List of material topics	P. 52 - 53				
Sustainable business strategy and economic performance						
GRI 3 - Material topics - 2021	3-3 Management of material topics	P. 217 - 221				
GRI 201 – Economic performance - 2016	201-1 Direct economic value generated and distributed	P. 217 - 221				
Responsible procurement and consumption of materials						
GRI 3 - Material topics - 2021	3-3 Management of material topics	P. 159 - 160				
GRI 204 – Procurement practices - 2016	204-1 Proportion of spending on local suppliers	P. 165 - 166				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	WHERE CITED	OMISSION			SECTOR GRI STANDARD NO.
			REQUIREMENTS OMITTED	REASON	EXPLANATION	
Combating corruption						
GRI 3 - Material topics - 2021	3-3 Management of material topics	P. 209 - 210				
GRI 205 - Anti-corruption - 2016	205-2 Communication and training about anti-corruption policies and procedures	P. 202 - 203 - 211				
GRI 205 - Anti-corruption - 2016	205-3 Confirmed incidents of corruption and actions taken	-	a. b. c. d. GRI 205 - 205-3	Not relevant	The organisation identified no incidents of corruption in the reporting period.	
Fees						
GRI 3 - Material topics - 2021	3-3 Management of material topics	P. 223 - 225				
GRI 207 - Tax 2019 - 2021 version	207-1 - Approach to tax	P. 223 - 225				
	207-2 Tax governance, control, and risk management	P. 223 - 225				
	207-3 Stakeholder engagement and management of concerns related to tax	P. 223 - 225				
	207-4 Country-by-country reporting	P. 223 - 225				
Responsible sourcing and consumption of materials						
GRI 3 - Material topics - 2021	3-3 Management of material topics	P. 159 - 160				
GRI 301 - Materials - 2016	301-1 Materials used by weight or volume	P. 76				
	301-2 Recycled input materials used	P. 27 - 31 - P. 67 - 76 - 77				
	301-3 Reclaimed products and their packaging materials	P. 67 - 86				
Reduced energy consumption						
GRI 3 - Material topics - 2021	3-3 Management of material topics	P. 88 - 102				
GRI 302 - Energy - 2016	302-1 Energy consumption within the organization	P. 88 - 93				
	302-3 Energy intensity	P. 88 - 95				
	302-4 Reduction of energy consumption	P. 90 - 91				

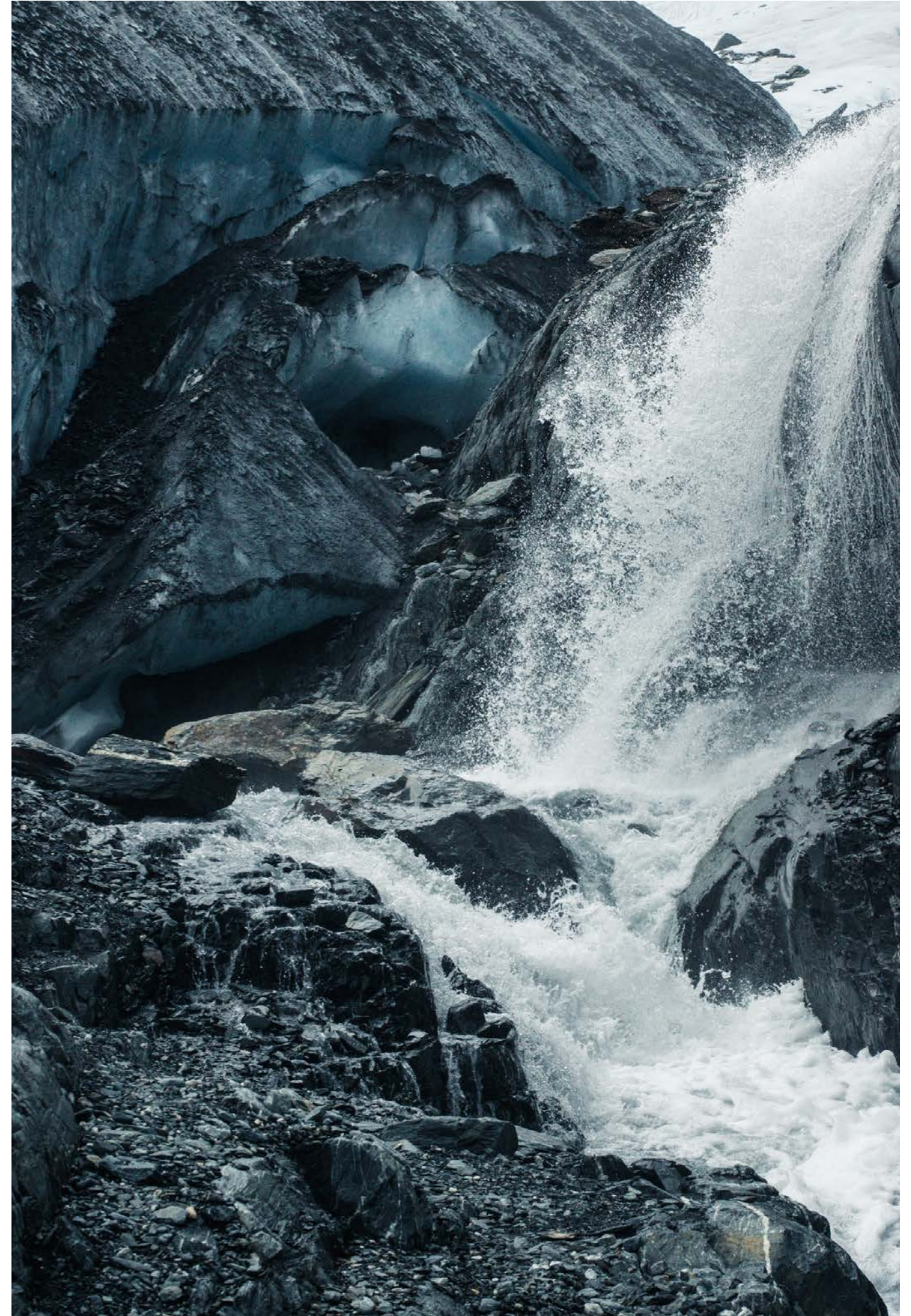
GRI STANDARD/ OTHER SOURCE	DISCLOSURE	WHERE CITED	OMISSION			SECTOR GRI STANDARD NO.
			REQUIREMENTS OMITTED	REASON	EXPLANATION	
Reduced water consumption and discharge monitoring						
GRI 3 - Material topics - 2021	3-3 Management of material topics	P.103 - 110				
GRI 303 - Water and effluents - 2018	303-1 Interactions with water as a shared resource	P. 103 - 110				
	303-2 Management of water discharge-related impacts	P. 106 - 110				
	303-3 Water withdrawal	P.106 - 110				
Reduced energy consumption and GHG emissions						
GRI 3 - Material topics - 2021	3-3 Management of material topics	P. 88 - 102				
GRI 305 - Emissions - 2016	305-1 Direct (Scope 1) GHG emissions	P. 97 - 99				
	305-2 Energy indirect (Scope 2) GHG emissions	P. 97 - 99				
	305-3 - Other indirect (Scope 3) GHG emissions	P. 99 - 102				
	305-4 GHG emissions intensity	P. 101 - 102				
	305-5 Reduction of GHG emissions	P. 99 - 103				
	305-6 Emissions of ozone-depleting substances (ODS)	P. 102 - 103				
Reduction of waste generated and use of responsible disposal methods						
GRI 3 - Material topics - 2021	3-3 Management of material topics	P. 113 - 121				
GRI 306 - Waste - 2020	306-1 Waste generation and significant waste-related impacts	P. 113 - 117				
	306-2 Management of significant waste-related impacts	P. 113 - 117				
	306-3 Waste generated	P. 113 - 115				
	306-4 Total waste directed to landfill	P. 113 - 115				
	306-5 Total waste directed to landfill	P. 113 - 115				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	WHERE CITED	OMISSION			SECTOR GRI STANDARD NO.
			REQUIREMENTS OMITTED	REASON	EXPLANATION	
Sustainable supply chain management						
GRI 3 - Material topics - 2021	3-3 Management of material topics	P. 158 - 160				
GRI 308 - Supplier environmental assessment - 2016	308-1 New suppliers that were screened using environmental criteria	P. 162 - 164				
	308-2 Negative environmental impacts in the supply chain and actions taken	P. 164				
Product management and innovation						
GRI 3 - Material topics - 2021	3-3 Management of material topics	P. 80 - 86				
Sustainable products and processes						
GRI 3 - Material topics - 2021	3-3 Management of material topics	P. 80 - 86				
Creation and protection of jobs						
GRI 3 - Material topics - 2021	3-3 Management of material topics	P. 153 - 158				
GRI 401 - Employment - 2016	401-1 New employee hires and employee turnover	P. 143 - 146				
Protection of worker health and safety						
GRI 3 - Material topics - 2021	3-3 Management of material topics	P. 166 - 172				
GRI 403 - Occupational health and safety - 2018	403-1 Occupational Health and Safety Management System	P. 166				
	403-2 - Hazard identification, risk assessment, and incident investigation	P. 166 - 172				
	403-3 Occupational health services	P. 143 - 158				
	403-5 Worker training on occupational health and safety	P. 172 - 173				
	403-6 Promotion of worker health	P. 153				
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	P. 166 - 172				
	403-9 Work-related injuries	P. 166 - 172				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	WHERE CITED	OMISSION			SECTOR GRI STANDARD NO.
			REQUIREMENTS OMITTED	REASON	EXPLANATION	
Training and skills development						
GRI 3 - Material topics - 2021	3-3 Management of material topics	P. 138 - 141				
GRI 404 - Training and education - 2016	404-1 Average hours of training per year per employee	P. 140				
Diversity, equal opportunity and non-discrimination						
GRI 3 - Material topics - 2021	3-3 Gestione dei temi materiali	P. 141 - 143				
GRI 405 - Diversity and equal opportunity - 2016	405-1 Diversity of governance bodies and employees	P. 141 - 143 P. 188 - 190				
Protecting human and workers’ rights						
GRI 3 - Material topics - 2021	3-3 Management of material topics	P. 41 - 143				
GRI 406 - Non- discrimination - 2016	406-1 Incidents of discrimination and corrective actions taken	-	a - b GRI 406-1	Not relevant	No incidents of discrimination were reported during the period.	
Data Security and Protection						
GRI 3 - Material topics - 2021	3-3 Management of material topics	P. 53				
Local communities						
GRI 413 - Local communities - 2016	3-3 Management of material topics	P. 174 - 176				
	413-1 Operations with local community engagement, impact assessments, and development programs	P. 174 - 176				
	413-2 Operations with significant actual and potential negative impacts on local communities	P. 174 - 176				
Supplier evaluation						
GRI 3 - Material topics - 2021	3-3 Management of material topics	P. 160-165				
GRI 414 - Supplier social assessment - 2016	414-1 New suppliers that were screened using social criteria	P. 164				
	414-2 Negative social impacts in the supply chain and actions taken	P.. 52 - 159				
Customer involvement, dialogue and satisfaction and service excellence						
GRI 3 - Material topics - 2021	3-3 Management of material topics	P. 173				
GRI 416 - Customer Health and Safety - 2016	416-1 Assessment of the health and safety impacts of product and service categories	P. 55				

# 10.0 Notes

1. <https://zignagovetro.com/documentazione-esg/>
2. Source: <https://feve.org/about-glass/facts-productdetails/>
3. FEVE data <https://feve.org/wp-content/uploads/2019/11/Introducing-FEVE-Close-the-GlassLoop-leaflet.pdf>, <https://closetheglassloop.eu/>
4. <https://support.ecovadis.com/hc/it/articles/115002531307-Cos-%C3%A8-EcoVadis->
5. <https://www.minambiente.it/pagina/carbondisclosure-project-cdp>
6. Excludes waste from extraordinary activities such as construction sites, furnace refurbishment, glass scrapping from furnace start-ups, etc.
7. Regulation (EC) No. 2023/2006
8. The FSSC 22000 (Food Safety System Certification 22000) scheme is recognised globally by the Global Food Safety Initiative (GFSI), the most authoritative interest group formed by agri-food companies, on a par with BRC and IFS. The requirements of this scheme are laid down by ISO 22000:2018; ISO/TS 22002-4:2013 - Food and feed packaging manufacturing I - Packaging materials (Glass and ceramics) and FSSC Additional requirements (Version 5.0: May 2019 and 5.1 November 2020)





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(This independent auditors' report has been translated into English solely for the convenience of international readers. Accordingly, only the original Italian version is authoritative.)

## Independent auditors' report on the consolidated non-financial statement pursuant to article 3.10 of Legislative decree no. 254 of 30 December 2016 and article 5 of the Consob Regulation adopted with Resolution no. 20267 of 18 January 2018

To the board of directors of  
Zignago Vetro S.p.A.

Pursuant to article 3.10 of Legislative decree no. 254 of 30 December 2016 (the "decree") and article 5 paragraph 1, letter g of the Consob (the Italian Commission for listed companies and the stock exchange) Regulation adopted with Resolution no. 20267 of 18 January 2018, we have been engaged to perform a limited assurance engagement on the 2021 consolidated non-financial statement of the Zignago Vetro Group (the "group") prepared in accordance with article 4 of the decree and approved by the board of directors on 15 March 2023 (the "NFS").

Our procedures did not cover the information set out in section "8.7 Taxonomy" of the NFS required by article 8 of Regulation (EU) 852 of 18 June 2020.

### Responsibilities of the directors and board of statutory auditors ("Collegio Sindacale") of Zignago Vetro S.p.A. (the "parent") for the NFS

The directors are responsible for the preparation of an NFS in accordance with articles 3 and 4 of the decree and the "Global Reporting Initiative Sustainability Reporting Standards" issued by GRI - Global Reporting Initiative (the "GRI Standards"), which they have identified as the reporting standards.

The directors are also responsible, within the terms established by the Italian law, for such internal control as they determine is necessary to enable the preparation of an NFS that is free from material misstatement, whether due to fraud or error.

Moreover, the directors are responsible for the identification of the content of the NFS, considering the aspects indicated in article 3.1 of the decree and the group's business and characteristics, to the extent necessary to enable an understanding of the group's business, performance, results and the impacts it generates.

The directors' responsibility also includes the design of an internal model for the management and organisation of the group's activities, as well as, with reference to the aspects identified and disclosed in the NFS, the group's policies and the identification and management of the risks generated or borne.

The Collegio Sindacale is responsible for overseeing, within the terms established by the Italian law, compliance with the decree's provisions.

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### Auditors' independence and quality control

We are independent in compliance with the independence and all other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards, the IESBA Code) issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. Our company applies International Standard on Quality Control 1 (ISQC Italia 1) and, accordingly, maintains a system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### Auditors' responsibility

Our responsibility is to express a conclusion, based on the procedures performed, about the compliance of the NFS with the requirements of the decree and the GRI Standards. We carried out our work in accordance with the criteria established by "International Standard on Assurance Engagements 3000 (revised) - Assurance Engagements other than Audits or Reviews of Historical Financial Information" ("ISAE 3000 revised"), issued by the International Auditing and Assurance Standards Board applicable to limited assurance engagements. This standard requires that we plan and perform the engagement to obtain limited assurance about whether the NFS is free from material misstatement. A limited assurance engagement is less in scope than a reasonable assurance engagement carried out in accordance with ISAE 3000 revised, and consequently does not enable us to obtain assurance that we would become aware of all significant matters and events that might be identified in a reasonable assurance engagement.

The procedures we performed on the NFS are based on our professional judgement and include inquiries, primarily of the parent's personnel responsible for the preparation of the information presented in the NFS, documental analyses, recalculations and other evidence gathering procedures, as appropriate.

Specifically, we carried out the following procedures:

1. Analysing the material aspects based on the group's business and characteristics disclosed in the NFS, in order to assess the reasonableness of the identification process adopted on the basis of the provisions of article 3 of the decree and taking into account the reporting standards applied.
2. Analysing and assessing the identification criteria for the reporting scope, in order to check their compliance with the decree.
3. Comparing the financial disclosures presented in the NFS with those included in the group's consolidated financial statements.
4. Gaining an understanding of the following:
  - the group's business management and organisational model, with reference to the management of the aspects set out in article 3 of the decree;
  - the entity's policies in connection with the aspects set out in article 3 of the decree, the achieved results and the related key performance indicators;
  - the main risks generated or borne in connection with the aspects set out in article 3 of the decree.

Moreover, we checked the above against the disclosures presented in the NFS and carried out the procedures described in point 5.a).

5. Understanding the processes underlying the generation, recording and management of the significant qualitative and quantitative information disclosed in the NFS.

Specifically, we held interviews and discussions with the parent's management personnel, personnel of Vetro Revet S.r.l. and personnel of Zignago Vetro Brosse S.A.S.. We also performed limited procedures on documentation to gather information on the processes and procedures used to gather, combine, process and transmit non-financial data and information to the office that prepares the NFS.

Furthermore, with respect to significant information, considering the group's business and characteristics:

- at parent level,
  - a) we held interviews and obtained supporting documentation to check the qualitative information presented in the NFS and, specifically, the business model, the policies applied and main risks for consistency with available evidence,
  - b) we carried out analytical and limited procedures to check, on a sample basis, the correct aggregation of data in the quantitative information;
- we visited the Fossalta di Portogruaro site, which we have selected on the basis of its business, contribution to the key performance indicators at consolidated level and location, to meet its management and obtain documentary evidence supporting the correct application of the procedures and methods used to calculate the indicators.

### **Conclusion**

Based on the procedures performed, nothing has come to our attention that causes us to believe that the 2022 consolidated non-financial statement of the Zignago Vetro Group has not been prepared, in all material respects, in accordance with the requirements of articles 3 and 4 of the decree and the GRI Standards.

Our conclusion does not extend to the information set out in section "8.7 Taxonomy" of the NFS required by article 8 of Regulation (EU) 852 of 18 June 2020.

Padua, 29 March 2023

KPMG S.p.A.

(signed on the original)

Gianluca Zaniboni  
Director of Audit



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