vetropack

Integrated annual report 2024

GOOD TASTE
WITH A TWIST

Vetropack

Integrated annual report 2024

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End-of-year review

Challenges such as the generally difficult market situation and the closure of our production site in St-Prex were defining features of 2024. Against this background, customer centricity, our motto for this year, took on even greater importance. Customer centricity means that we do much more than merely producing high-quality glass containers. We collaborate with our partners to develop innovative and sustainable solutions, and strengthen brands. We make it possible for people to consume food and beverages safely, and we reduce our environmental footprint.

At Vetropack customer centricity goes far beyond producing and supplying high-quality glass packaging: it also means that we embark on a journey of continuous innovation and sustainability, hand in hand with our customers. Together, we develop customised solutions that meet every brand's individual requirements. We firmly believe that glass containers are more than just packaging for food and beverages. They express brand values; they embody a product's identity, and they play a critical part in our customers' success.

Carlsberg: innovation meets design

Vetropack and Carlsberg collaborated closely to develop the unique 1664 Blanc glass bottle – an outstanding example of a successful customer relationship with high recognition value. Inspired by the profile of the Eiffel Tower, this blue bottle attracts attention all over the world. But this collaboration goes beyond design: under the auspices of the 'Together Towards ZERO' sustainability programme, we are also working with the brewery group to reduce CO_2 emissions throughout the value chain. Thanks to our innovative glass packaging, we are helping Carlsberg to achieve its sustainability goals – and to do so with no compromises on quality or design.

Gösser: redefining sustainability

Another example of Vetropack's customer-centric innovation is our collaboration with Gösser, a brand of Brau Union Österreich. In March 2024, we marked a milestone for Austria's brewing industry with the launch of the new standard bottle. Impressive features of the thermally tempered 0.33-litre reusable bottle include its low weight, resilience and resource-saving production method.

International recognition and multiple awards

But innovation goes beyond the bottles as such: in collaboration with Brau Union Österreich, we have also tailored the related crates and pallets to meet the requirements for our new reusable bottle. Thanks to the skilful interplay of design and logistics, the bottle can be integrated seamlessly into the existing returnable cycle – making transport especially efficient. We were honoured to receive several prestigious prizes for this pioneering packaging solution in the reporting year: the 'WorldStar Award' from the World Packaging Organisation, the Austrian State Prize for Smart Packaging (1st place in the 'Packaging of the Future' category), and the Swiss Packaging Award (2nd place in the 'Reusable Packaging/Systems' category).

Click on the image to view our video, which showcases yet more important events from the reporting year.

At the end of **January**, we were able to commission a new furnace, two servo-driven glass-blowing machines and one additional glass-blowing machine at our Kyjov site in the Czech Republic. The modern furnace to produce coloured glass offers higher capacity than its predecessor, making it more energy-efficient and thus helping to reduce CO_2 emissions.

We are proud to welcome vistitors to our new website, which went live in **February**. Alongside insights into our employees' day-to-day work, the website features comprehensive reports on customer projects. Also: Vetrotime, our customer magazine, is now available to read online.

Closure of our production site at St-Prex

The most difficult decision of the year concerned the closure of glass production at St-Prex, which we had to announce in May. Following extensive analysis of all options, it became clear that the plant could not continue to operate economically in the long term. This was one of the most difficult steps Vetropack has ever had to take. We would like to express our appreciation for the work and loyalty of our employees at St-Prex. A comprehensive social plan has been put in place to provide the best possible support for those affected during the difficult transition phase.

New approach to interacting with customers

2024 was also a year when we set new standards for interaction with our customers. In **July**, for example, we held the first Vetropack Customer Talk at our production facility in Nemšová. Formats such as these offer scope for us to continue deepening our collaboration with our partners, as well as opportunities to gain insights into the customer's perspective and to improve ourselves.

CO_2 reduction targets validated

Another highlight of the year was the installation of new solar systems at our Kremsmünster plant. This project, which we were able to announce in **July**, marks another important step in our climate protection journey. The solar installations make a major contribution to the site's energy supply and are a visible sign of our commitment to a sustainable future.

August saw us reaching a milestone in terms of climate protection: validation of our climate targets by the Science Based Targets initiative (SBTi) signals our commitment to reducing greenhouse gas emissions in line with the latest scientific findings – our contribution to mitigating climate change. The SBTi targets include Vetropack's commitment to reducing absolute Scope 1 and Scope 2 emissions by 50.4 percent by 2032 – based on 2021 as the reference year.

At the end of **November**, we commissioned a state-of-the-art furnace and the associated glass-blowing machines at our Croatian site in Hum na Sutli. This strategic modernisation will allow us to increase production capacity, optimise energy efficiency, and reduce the plant's environmental footprint.

2024 was a year marked by exciting events and milestones – and the challenges will not become any smaller going forward. This makes it all the more important that we never lose sight of what matters most of all: our customers. Our mission is – and will remain – not merely to fulfil our customers' needs, but to surpass their expectations.

Letter from the Board of Directors

Dear Shareholders,

The 2024 fiscal year was one of the most difficult in our company's history. Its dominant features were the persistently tense market environment and a number of difficult decisions – including, in particular, the closure of our plant in St-Prex. Above all, continuing cautious consumer behaviour on the part of end users in our core markets had a negative impact on the development of the packaging industry in general, and our own market segment in particular. In spite of this difficult background, we succeeded in making full use of our capacities – especially in the second half of the year. The overall result for 2024 is significantly below the prior year's level due to the general decrease in sales prices, and it is also impacted by the closure costs for the plant at St-Prex. Net sales from goods and services reached CHF 842.1 million in 2024, representing a decline of 6.3 percent (after adjustments for currency effects: 4.2 percent). Adjusted EBIT decreased to CHF 58.6 million (prior

year: CHF 93.3 million). Consolidated profit amounted to CHF 13.7 million (prior year: CHF 63.3 million).

With this result, the Vetropack Group proves its resilience in a difficult environment. However, the downturn in net sales from goods and services reflects the persistently tense market situation. The result is due, on the one hand, to lower energy costs – which directly influence sales prices – and, on the other, to price pressure resulting from excess capacities in the market. This price pressure is also reflected in the Group's adjusted EBIT: at CHF 58.6 million, this figure is 37.2 percent down year-on-year. There was a corresponding decrease in the adjusted EBIT margin, from 10.4 percent in 2023 to 7.0 percent in the year currently under review. Cash flow in the last fiscal year was CHF 103.6 million; this represents a year-on-year reduction of CHF 26.5 million, equivalent to 20.4 percent. The cash flow margin shrank by 2.2 percent year-on-year, bringing the figure to 12.3 percent. Net profit is also impacted negatively by the one-off costs of CHF 24.3 million in connection with the closure of the St-Prex plant; at CHF 13.7 million, this figure is significantly below the prior year's level of CHF 63.3 million.

Overview of central results and key figures for the 2024 fiscal year:

		2024	2023	+/–
Net sales	CHF millions	842.1	898.8	– 6.3%
Adjusted EBIT	CHF millions	58.6	93.3	– 37.2%
Adjusted EBIT-margin	%	7.0	10.4	–
Cash flow[1]	CHF millions	103.6	130.1	– 20.4%
Cash flow-Margin	%	12.3	14.5	–
Consolidated profit	CHF millions	13.7	63.3	– 78.4%
Investments	CHF millions	90.3	238.0	– 62.1%
Total assets	CHF millions	1 237.7	1 263.8	– 2.1%
Shareholders' equity	CHF millions	758.2	750.7	1.0%
Gearing ratio	%	61.3	59.4	–
Employees	Headcount	3 585	3 772	– 5.0%

[1] operating cash flow before change of net working capital

Whereas the high investment costs in 2023 (CHF 238.0 million) were still influenced primarily by our new plant in Boffalora sopra Ticino, the investment total in the 2024 fiscal year returned to a level of CHF 90.3 million – which is appropriate for our industry. Thanks to a consistent focus on working capital, the Group achieved cash inflow after investments of CHF 46.4 million (2023: CHF –164.1 million). These resources were utilised to reduce debt by EUR 50 million. This led to a decrease in total assets and resulted in a gearing ratio of 61.3 percent, which is 1.9 percent higher than in the previous year. This shows that the Vetropack Group is generating capital even in difficult times, and is solidly positioned to face the future. The number of employees fell slightly, due mainly to the closure of the plant in St-Prex. As announced, moreover, we took a very cautious approach to creating new jobs and making new appointments to existing positions.

Closure of the plant in St-Prex

The most difficult decision for us in 2024 was the closure of our production site in St-Prex, Switzerland. Regardless of the tense situation on the market at present, a consultation process lasting almost two months – together with in-depth reviews – showed that the plant's future prospects remained negative in terms of economic viability and competitiveness, even in the event of multi-million investments. Profitable operation would not have been possible in the long term, so the closure of production was unavoidable.

Regrettably, a large number of the jobs at the site also had to be cut. A social plan was therefore drawn up for the affected employees, including features such as severance payments, bonuses,

and benefits for possible early retirement. In addition, we set up our own Job Centre to support our employees in their search for new positions.

As drastic as the closure of this last Swiss plant was for us as a Group, it certainly does not mean that we are withdrawing from our home market. Our Swiss customers are linked to us by good relationships that often go back decades – and we shall continue to maintain these relationships going forward. Bülach will remain as our company headquarters, and our commitment to glass collection in particular will continue undiminished.

Developments at our sites

From the Group perspective, one pleasing feature of the past fiscal year was the development of capacity utilisation in our plants. Despite our strict cost management, we were also able to complete important projects at many locations in 2024. Without exception, all of these were essential investments that also form the basis for innovation and for the Group's ongoing development.

Back in January, for instance, we already commissioned the rebuilt melting furnace for producing coloured glass at our Czech plant in Kyjov, as well as two state-of-the-art servo-driven NIS production machines and one AIS machine. Another major step followed in September: at Hum na Sutli (Croatia), one of the three furnaces and the related glass-blowing machines were modernised; they were commissioned in December, together with another NIS machine. Our new Italian plant in Boffalora sopra Ticino also picked up speed over the course of the year after some start-up difficulties. The new fully-automated warehouse was opened there in September.

Award-winning innovation

2024 also saw us adding another chapter to the success story of our lightweight bottles made of thermally tempered glass. They were showcased to a wider trade audience at BrauBeviale 2024, and they also caused a sensation beyond the industry: for the second time, we were nominated for the Swiss Packaging Award and we were also honoured with the 2024 Austrian State Prize for Smart Packaging.

The thermally tempered lightweight glass bottles developed by the Vetropack Group number among the most important product innovations of recent decades in our market. They express our understanding of our own identity, and our Strategy 2030+, with 'Drive innovation' and 'Clearly sustainable' as key cornerstones of our strategy.

In the coming months, the first plant for industrial production of lightweight glass bottles made of thermally tempered glass will go into operation at our Innovation Centre in Pöchlarn, Austria. This is a significant step because it will give us an even better ability to tap new markets and acquire new customers with our thermally tempered lightweight glass in the future.

Key sustainability milestones reached

In spite of our strict cost-cutting programme, we continued to drive our sustainability activities ahead across all our sites in 2024. Focal points in this context were reducing our CO_2 footprint – which also involves making use of renewable energies in our production – and stepping up our recycling activities.

We reached one outstanding milestone in August: the Science Based Targets initiative (SBTi) reviewed and validated the science-based emission reduction targets defined by Vetropack. By doing so, this global body confirms that the targets submitted in April of this year are in line with the SBTi's strict scientific criteria. Vetropack's plans to reduce Scope 1 and Scope 2 emissions were deemed to be compliant with the goal of limiting global warming to 1.5 degrees Celsius.

In the area of renewable energies, moreover, we installed and commissioned photovoltaic systems at our Austrian site in Kremsmünster and in Croatia during 2024. Also in Croatia, we launched a pilot project on digital recycling during 2024, together with the European Container Glass Federation (FEVE) and other partners. In particular, this project aims to achieve a higher collection and recycling rate in the Croatian glass recycling system.

Outlook for the 2025 fiscal year

We are currently witnessing the first signs of an easing – albeit not a normalisation – of the market situation. In 2025, we will still be operating in a world with enormous potential for crises. The last few years have clearly shown that our markets often react sensitively to small changes. Various imponderables still remain, including in particular the further progress of the war in Ukraine as well as the potential impact of the new US administration's economic policy on the global markets.

In this challenging environment, it is more important than ever to stay on the course we have set. In practical terms, this means reacting quickly and promptly to changes, pursuing a prudent investment and personnel policy, and ensuring proactive management of production capacities. Our aim is to create all the conditions that will enable us to act quickly and ramp up our production when the market situation improves and demand increases.

We expect a tentative recovery of the markets in the course of 2025 and below the line, therefore, we anticipate a slightly better operating result than in 2024. As the one-off costs incurred due to the plant closure in St-Prex will be eliminated in 2025, we expect net profit to be significantly higher. However, volatile energy costs continue to be an element of uncertainty whose impact on the Group's result cannot yet be foreseen.

Our CEO, Johann Reiter, will retire at the end of 2025. Succession planning is in progress, and the Board of Directors will provide information about this in due course.

Annual General Assembly of Vetropack Holding Ltd

The 56th ordinary Annual General Assembly of Vetropack Holding Ltd will take place on Wednesday 23 April 2025 at 3:30 pm in the Vetropack Hall, Im Guss, Schaffhauserstrasse 106, 8180 Bülach.

The Board of Directors will propose to the Annual General Assembly that dividends are paid out as follows: a gross dividend of CHF 1.00 per class A registered share (2023: CHF 1.00), and a gross dividend of CHF 0.20 per class B registered share (2023: CHF 0.20).

Sincerest thanks!

The Board of Directors thanks all our employees for their excellent collaboration and enormous dedication in the 2024 fiscal year. We also thank our customers, suppliers, business partners and shareholders for their trust and support.

Bülach, 17 March 2025

Claude R. Cornaz
Chairman of the Board of Directors

Johann Reiter
CEO

Management report

"We've shown what we're capable of achieving – even when the environment is difficult."

For the Vetropack Group, the dominant feature of the 2024 fiscal year was the persistently difficult and changeable market environment. The consequence of this was that earnings fell short of the level in 2023, which was already a difficult year. In this interview, CEO Johann Reiter explains which targets were achieved despite the challenges, and why he believes the Vetropack Group is well equipped to face the future.

Mr Reiter, the 2024 fiscal year is now closed. There's no doubt that it was a challenging year for the entire Group. How would you sum it up?

Of course, you can't be satisfied if you come to the end of what was – indeed – a very strenuous and challenging year, and yet the bottom line shows you only made a small profit year-on-year. And, although we did predict this to a certain extent, our aspiration is obviously very different – as it has to be, given that we are one of the market and technology leaders in our industry.

On the other hand, it has to be said that we performed well under the prevailing circumstances. And unlike others in our industry, we've been able to stand our ground very well in this complex environment. This is what makes me optimistic about the years to come: as a group of companies, we showed enormous commitment, team spirit and an extremely high level of motivation to perform in 2024, despite all the adversities. This produced a visible impact – especially in the second half of the year – and at least we saw some first signs that our business is normalising. We achieved a positive result, and we were able to utilise the capacity of our production facilities.

So have we already bottomed out, and are we going to see a stronger result again in 2025?

We can't yet talk about a real turnaround in the trend. 2025 is going to be another demanding year, and there are many question marks – particularly as regards global politics. To take an example: if there are trade conflicts which then have an impact on raw material and energy prices, our business will also be affected. All of us, of course, have just recently experienced how nervously the markets – and the consumer sector in particular – react to developments of that sort.

But what I can say is that we, as a Group, have undertaken very great efforts over the last two years to put ourselves in a good – and, above all, stable – position to face such situations without losing our strategic direction. We have optimised our efficiency, cut costs, restricted investments to the bare essentials – and despite all that, we have successfully completed many projects that are important for us. This was only possible because we have two major strengths that will continue to help us in the future: the enormous commitment of our employees, and our close collaboration with our customers – which is based on trust. We can be proud of these assets: neither of them can be taken for granted, and both of them have to be earned.

2024 was also the year when the plant in St-Prex was closed. What's your assessment of that event?

Without doubt, the closure of St-Prex was one of the most difficult moments in recent years. It was a very painful decision – not only on account of this plant's historical significance for Vetropack, but also, and above all, because of the consequences it had for our on-site employees, many of whom had been with us for many years. Experiencing this was very distressing – for everyone involved, including those of us on the Management Board.

Nevertheless, I'm convinced that the decision was the right one: it was impossible to continue operating the site economically. We tried to do so for years, even with major investments – but in the end, even the consultation process showed that it simply wasn't possible.

That made it all the more important for us to make the process as transparent as possible. We ultimately succeeded in doing this with the social plan we drew up. We assembled a package for the workforce that is fair and good: most of the employees affected by the redundancies have since found new employment, or taken their well-earned retirement.

And what will now happen to the Swiss market and the customers in this country?

Of course, the closure of the last container glass plant in Switzerland also marks a watershed with implications that go beyond our Group. However, we made one thing clear from the outset: even though we're closing the plant in St-Prex, that does not mean we're withdrawing from our home market. On the contrary: Switzerland remains an important market for us, and we will continue to supply our customers there exactly as we did before. The same is true of our commitment to glass recycling, which we are maintaining with no changes: we continue to be a key partner for the collection of used glass in particular, and in this way we help to ensure that Switzerland's recycling rate will keep on increasing.

First and foremost, the closure actually presented a logistical challenge as far as we ourselves were concerned. But in fact, we succeeded in continuing to supply our Swiss customers reliably, as usual, without any restrictions or major interruptions. What made this possible was the collaboration within our Group, which functions excellently across all our locations. Relocation of production from St-Prex to the neighbouring sites in Austria and Italy was accomplished smoothly. This, too, is something that cannot be taken for granted, and it demonstrates the strength and cohesion within the Vetropack Group.

How are the other sites and markets developing?

As I mentioned, we're seeing the first signs of a modest recovery. And there's something else that's at least equally important: we're seeing that interest in us and our products remains at a high level. This is particularly true of our thermally tempered bottles made of lightweight glass – definitely the greatest innovation in our industry for years, if not decades. It's being noticed by customers beyond our pilot market of Austria, and it's being viewed very positively. This is

strengthening our position as a technology leader and, in coming years, it will help us to tap new markets and win new customers.

In fact, we even managed to increase our market share slightly in some of our core markets during 2024, despite the difficult market environment. Croatia and also Austria performed particularly well – both of them are markets where we manufacture a large percentage of products for local customers. We've also made good progress in terms of modernisation. We were able to put new, efficient furnaces and production lines into operation at our plants in the Czech Republic and also Croatia. So we are well equipped to face the future.

Then let's look ahead: what will the key issues be in 2025?

Generally speaking, what continues to be crucial is that we maintain our focus. Amid all the pressure of day-to-day business, we must not lose sight of our long-term strategic goals. Topics such as innovation and sustainability remain centrally important for us – in production and in product development as well. We will continue to stand firmly by these strategic cornerstones of our development.

The last few years have also shown the importance of flexibility, collaboration, and foresighted planning. The ability to respond rapidly to changing market conditions requires not only a high degree of agility in the organisation, but also the right tools. We are creating the basis for this with our investments in new IT systems – such as a Group-wide Manufacturing Execution System, and integrated planning software. Going forward, this will enable us to plan and produce even more efficiently, and guarantee our ability to deliver.

You've just mentioned the topic of Strategy 2030+. A major strategy review is scheduled to take place this year: will the existing priorities stay the same this time? Or does something need to change?

Without wanting to pre-empt the review: our five strategic initiatives will remain in place. However, we will certainly have to make further adjustments to the details. As regards our targets, for example, we may have to focus more on volume rather than sales revenue going forward, so as to offset the potential future impact of fluctuating energy costs.

The topic of sustainability keeps its position unchanged at the top of the agenda, with a focus on climate protection. We are continuing to drive important future projects ahead here: increased use of recycled glass, continuous modernisation of our plants towards emission- and resource-saving production, and the switch to electric forklifts – to name but a few.

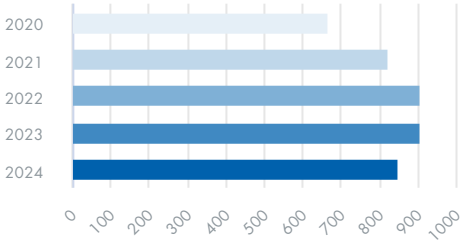
Johann Reiter, CEO, Vetropack Group

A personal question to finish our interview: this is your last year as Vetropack's CEO. What are your thoughts as you prepare for retirement?

We're not quite there yet – but, of course, this will play an increasingly important part for me personally over the next few months. When the time does come, it's certainly not going to be easy for me. I work side-by-side with many wonderful people here at Vetropack – people I really appreciate not only as professionals, but also at the personal level. But that's precisely why my focus during this final year as CEO will also be on doing everything I can to make sure our Group is in the best possible position for the future. This will also include ensuring that there is a smooth transition to – and for – my successor as soon as the Board of Directors has found him or her, as the case may be.

Key figures 2024

Consolidated net sales 2020–2024
CHF millions



Net sales
CHF millions

842.1

Change compared to previous year

–6.3%

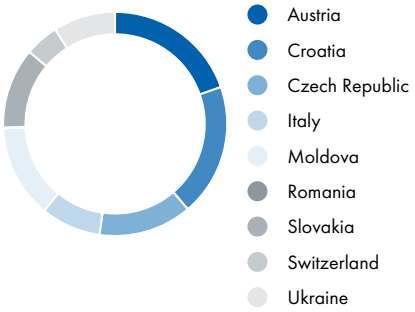
Employees
Headcount

3 585

Change compared to previous year

–5.0%

Employees
Headcount



Presence in Europe
Locations

12

Recycled glass used
in %

57

Change compared to previous year

+1%P

Foundations for success

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Foundations for success

Our Strategy 2030+, our business model, a forward-looking risk management, and interaction with our stakeholder: these cornerstones provide the central basis for our business success.

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

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

Thanks to systematic risk management and by taking account of climate-related risks and opportunities, we act with foresight and we are able to plan and implement the necessary measures.

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

Foundations for success

Business model

Our business model supports a sustainable circular economy: this is because glass is largely manufactured from natural raw materials, and it can be reused and recycled an infinite number of times. Our corporate purpose is to make it possible for everyone to enjoy food and beverages in the most elegant, safest and most responsible way.

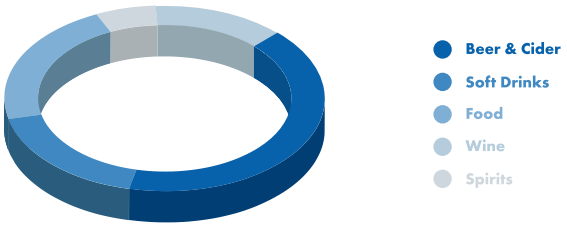
About Vetropack

Headquartered at Bülach in Switzerland, the Vetropack Group employs a workforce of 3,585 people and numbers among Europe's leading manufacturers of glass packaging for the food and beverage industry. We have eight glassworks, as well as sales and distribution locations in Switzerland, Austria, the Czech Republic, Croatia, Slovakia, Ukraine, Italy, the Republic of Moldova, and Romania.

31.12.2024

You can find detailed information about our organisation and locations on our website.

Our product portfolio comprises over 2,500 different glass containers in standard shapes as well as customised designs. We are active in Business-to-Business (B2B) commerce, and we supply around 1,700 customers in the food and beverage industry. The majority of our customers are located in Europe, within an average radius of 400 km from our glassworks. We produce approximately 5 billion glass containers each year. The breakdown of the various segments is as follows:



Development of process and product innovations and close collaboration with our customers are core success factors in our business model. In addition to standard products, for example, we develop personalised and distinctive glass packaging solutions. Our work always focuses on the quality and safety of our products.

1

RAW MATERIALS

The materials we use to manufacture our glass containers are recycled glass, quartz sand, soda, lime, dolomite and feldspar, as well as colouring agents and coatings.

2

MELT AND MOULD

We recognise the value of modern, energy-efficient production processes, and we manufacture our products in close proximity to our customers.

3

CHECK

Comprehensive testing and inspection processes ensure quality and safety.

5

FILL

We offer technical customer service solutions – for challenges in the filling/bottling process, for example.

7

ENJOY

We make it possible for everyone to enjoy food and beverages in the most elegant, safest and most responsible way.

Our value chain

Raw materials and suppliers

To manufacture our glass packaging, we use the following raw materials (among others):

- Recycled glass (cullet), quartz sand, soda, lime, dolomite, and feldspar
- Colouring agents such as iron, pyrite, chromite and selenium
- Coating materials

Important assets and commodities for our production include:

- Capital goods such as furnaces, glass-blowing machines, inspection machines and moulds
- Transport and distribution services
- Energy

We have around 5,000 direct suppliers and all of them are located in Europe. They include about 429 strategic suppliers. They provide products and services for our entire Group. We operate seven cullet processing plants of our own. Thanks to them, we are able to increase the availability of high-quality cullet and use it as a starting material for new products.

Glass production

We are committed to modern production processes, and we recognise the value of energy-efficient production in proximity to our customers. To manufacture glass, we melt the raw materials at temperatures of around 1,600°C. Shears cut the glass gobs, which are then moulded into the desired shape in the glass-blowing machines. The moulded products are slowly cooled and tempered to give them their strength. Before our glass containers are packaged and sold, they undergo extensive mechanical and manual quality controls. Management systems and certifications guarantee high product quality and product safety. We pack the finished products on pallets for transportation.

Products and services

As well as manufacturing our glass packaging for the food and beverage industry, we offer our customers a wide range of services as part of our Service plus+ approach. These include consulting and support in various areas: packaging analysis, filling/bottling and closure technology, glass finishing, and labelling. Our technical customer service provides support from the very start of the development process for new glass packaging. Our service team can also measure the forces acting on the glass bodies during filling, with the help of a sensor. Based on this informa-

tion, our customers can adjust their filling processes optimally so as to reduce the risk of glass breakage.

Our product portfolio comprises glass packaging for beers and ciders, wines, spirits, soft drinks and foods. Our wide-neck jars, for instance, are ideal for preserving fruit and vegetables. Other highlights of our portfolio include jars for spreadables such as jam, and honey, jars for meat and fish, bottles for vinegar and oil, bottles and containers for sauces and dairy products, as well as containers for baby food. Our customers can access all our glass packaging products in our online catalogue by searching for criteria such as filling volume, shape, colours or closure types.

One of our most important products is our thermally tempered lightweight glass bottle. The glass bottle produced with this innovative process is around 30 percent lighter than a standard bottle – but, at the same time, more resistant to abrasion. These lightweight yet robust glass bottles are already in use as reusable bottles, and they are set to become even more relevant as a result of the EU's Packaging and Packaging Waste Regulation (PPWR).

Customers and consumers

Glass packaging enables people to enjoy food and beverages in the most elegant, safest and most responsible way. We view glass as a sustainable packaging material – because it is reusable and recyclable. Glass is inert, and it is manufactured without substances that are harmful to health – so it provides optimal protection for the foods and ensures their shelf life. Another reason why glass packaging is gaining in popularity is that it does not impair the taste and quality of the beverages and foods it contains. We describe further health-related and environmental advantages of glass here.

Our customers range from multinational corporations to small manufacturers in the food and beverage industry. Our corporate website showcases various successful collaboration partnerships with our customers that have lasted many years.

Consumers can purchase food and beverages in our glass packaging from retailers and wholesalers, or enjoy them in catering trade outlets. We assume that the majority of consumers are located in Europe, but products such as wine bottles are also exported to other continents. For this reason, we do not have any more precise information on the geographical breakdown of our consumers.

End-of-life and recycling

The local glass collection infrastructure, legislation and consumer behaviour are factors that determine what happens to our glass containers after they have been used. In Europe – our largest sales market – glass collection rates vary sharply, as the study by the Close the Glass Loop initiative shows. As a member of the European Container Glass Federation (FEVE), we raise public awareness about the relevance of glass collection. Alongside factors such as cost, transport systems and export behaviour, the glass collection rate also influences the availability of cullet and, consequently, the mix of raw materials in new products.

Strategy 2030+

With our Strategy 2030+ – comprising five initiatives – we aim to shape and drive the development of our business. As well as supporting us with tapping potential for growth in our existing business, Strategy 2030+ helps us to develop new business segments.

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

Flexibility and stability

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

Five strategic initiatives – the basis for Strategy 2030

The following overview explains of our five strategic initiatives:

Clearly sustainable

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

Expand the core

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

Value growth

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

Drive innovation

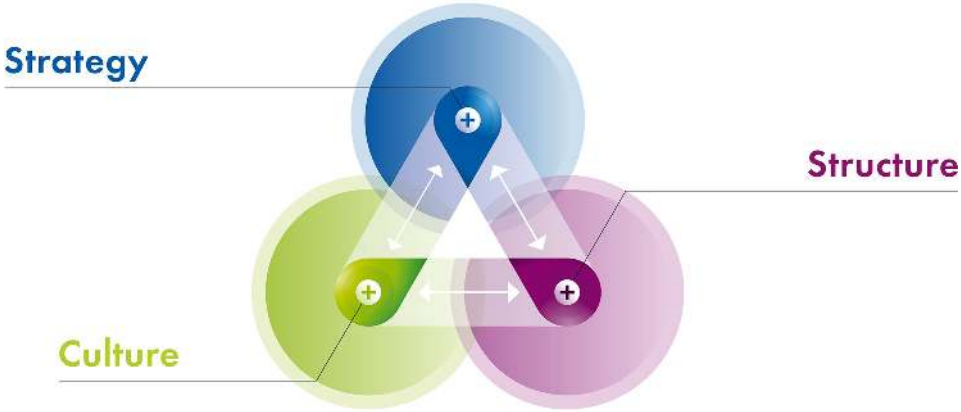
As part of the Drive innovation initiative, Vetropack is strengthening its position as a trendsetter in the glass industry and opening up new business areas with new product and market innovations

Leader in quality

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

Corporate purpose and values

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



This is our corporate purpose: 'We make it possible for everyone to enjoy food and beverages in the most elegant, safest and most responsible way.' We create unique, high-quality products and services.

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

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

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

Risk management

Our risk management identifies and evaluates the material risks for the Vetropack Group, and develops strategic risk reduction measures. We fully integrate ESG risks into our risk landscape.

Identifying and assessing risks

In order to identify the risks that are relevant for the Vetropack Group, we adopt a standardised approach that has undergone multiple internal validations.

As the baseline for determining our risks, we analyse megatrends that could impact our business model. Our analysis takes account of megatrends such as these: global climate targets, our industry's commitment to climate protection, environmental legislation, Industry 4.0 developments such as digitalisation and artificial intelligence, cyber crime, geopolitical conflicts, country-specific financial challenges, and the shortage of skilled staff.

We assign our risks to these categories:

- Strategic risks
- Operational risks
- Financial risks
- Organisational risks

We fully integrate ESG risks – and especially climate-related risks (see: TCFD reporting) – into the risk categories listed above.

Taking the Risk Manager's preliminary work as the basis, the Management Board updates our risk matrix each year and goes on to define strategies and measures to reduce risks. We assess material risks according to their financial impact and likelihood of occurrence, and we assign them to three risk levels. We set a specific risk level as our target for each of the identified risks. Our Board of Directors then reviews and approves the risk matrix and the measures.

The risks are assessed annually to determine their materiality, and the topics are redefined as necessary. Risks deemed to have insufficient relevance are removed from the risk matrix, while new risks identified as being material for the company are added to the risk matrix.

Material risks

The material risks for Vetropack in the reporting year are listed below:

Cyber risks/cyber attacks

Cyber attacks constitute a considerable strategic risk, given the large numbers of digitalised processes in the company and the dependence of value chains on IT systems and applications. Sensitive company data could also be impacted by such attacks. To counter these risks, we regularly assess the threats to which our networks are exposed and we maintain effective protection and monitoring systems. Our employees also receive ongoing training on dealing with cyber risks.

Compliance risks

Increasing compliance requirements present a growing challenge for companies that operate internationally. Particular challenges arise here in respect of antitrust law, prevention of corruption, data privacy/protection, and export control. To minimise the resultant risks, we maintain strict compliance programmes that include constant monitoring of the relevant regulations and work processes, together with continuous training of our employees on relevant compliance topics (also see the Compliance section).

Geopolitical risks

Local and global geopolitical conflicts as well as risks related to war (Ukraine and the Republic of Moldova) threaten global supply chains and impact energy prices. One or more such conflicts may trigger increases in the prices of oil and natural gas, in particular; this could confront the glass packaging industry with higher operating costs, causing it to lose competitive edge over other types of packaging. We are responding to these developments with various programmes to boost energy efficiency and decarbonise our plants and production processes, and also by maximising the utilisation of used glass in our production. This approach, moreover, is consistent with our Climate protection efforts.

Risks relating to strategic partnerships

Strategic partnerships constitute the backbone of our value chain and our sales processes. To protect these partnerships, we continuously maintain and update our supplier and customer portfolios, and we diversify them insofar as this is possible and economically viable. This approach is also consistent with our Customer satisfaction and Innovation activities.

Product risks

Faulty materials or processes in the value chain can lead to quality defects in our end products. If defective products reach the market, consumers may be put at risk. In such a case, our customers could be forced to recall the products concerned. For this reason, we maintain complex and certified quality management systems, and we continuously implement comprehensive quality controls (see also Product quality and product safety).

Climate-related risks

Climate-related transition risks and physical risks have now been added to the risk matrix as new elements. Climate-related risks result from new compliance obligations, customers' requirements, and rising raw material prices. We are addressing these risks with our transition plan and the decarbonisation roadmap so as to achieve the defined climate targets. We continuously monitor regulatory requirements, and implement them promptly where necessary. We analyse physical risks such as flooding, heat or limited water availability on an individual basis for each location. If necessary, we define short, medium and long-term measures. More about this topic can be found in our TCFD reporting, which treats the transition risks and physical risks in detail.

Stakeholders

We interact with our stakeholders at both local and global levels so as to determine their concerns regarding our business, and to improve ourselves. These exchanges also serve the purpose of identifying the positive and negative impacts of our business activities on the environment and on society. As an active member of (industry) associations, interest groups and research networks, we endeavour to advance the sustainable and innovative development of the glass packaging industry.

We define the stakeholders that are relevant for us on the basis of our business model and the value chain. We use various communication channels and modes of interaction to exchange ideas with our stakeholders and identify their concerns in respect of our company. Collaboration with a variety of stakeholders is a crucial factor in implementing our innovation strategy and achieving our sustainability goals. Accordingly, we expect our suppliers to be ready and willing to innovate and – in return – we offer them a platform for new products. Together with our customers, we develop customised glass containers that benefit their market positioning and enable consumers to enjoy food and beverages safely.

Below, we list the most important stakeholder categories for Vetropack, their concerns regarding our business, and our modes of interaction with them.

Stakeholders	Concern	Interaction modes
Shareholders	– Transparent information on financial and non-financial goals and targets, KPIs, risks – Definition of business activities and strategy	– Press releases – Financial and non-financial reporting – Media conferences, Annual General Assemblies – Trade magazine (Vetrotime) – Website, newsletters, social media
Employees	– Fair working conditions and secure jobs – Meaningful activities – Positive corporate culture – Opportunities for development	– Employee surveys – In–house communication channels such as the employee app, Intranet, employee magazine – Performance reviews – Staff events – Website, newsletters, social media
Suppliers	– Transparent and fair conditions – Reliable partnerships	– Audits – Risk assessments – Surveys on commitment to climate protection – Trade magazine (Vetrotime) – Website, newsletters, social media
Customers	– High-quality glass containers at fair market conditions – Glass containers that meet defined specifications – Product information – Reliable and punctual deliveries – Innovation, sustainability	– Customer surveys – Trade magazine (Vetrotime) – Customer Talks – (Strategic) Account Management – Customer service – Trade fairs – Website, newsletters, social media – Success Stories
Consumers	– Shelf-stable food and beverages whose flavour is not impaired by the packaging – Safe, sustainable packaging for foods and beverages	– Measures to raise awareness about the environmental and health advantages of glass (Friends of Glass) – Website, social media
Local communities, nearby residents	– Jobs – Local infrastructure – Low-emission glass production, environmental protection	– Direct interaction by site managers – Sponsorship of local activities – Website, newsletters, social media
Legislators	– Economic activities that comply with the financial and non–financial local and international legal provisions and requirements	– Financial and non-financial reporting – Comments and statements, for example in connection with our membership of FEVE (the European Container Glass Federation)
Trade unions and NGOs	– Transparent, safe, secure and fair conditions for employees – Environment-friendly production – Transparent information on sustainability engagement	– Interaction by the HR department – Financial and non-financial reporting – Website, newsletters, social media – Events, conferences
Associations	– Collaboration for an innovative and fit–for–future container glass industry	– Events, conferences, trade fairs – Joint (research) projects
Media	– Transparent information on financial and non-financial performance	– Press releases – Financial and non-financial reporting – Media conference, Annual General Assembly – Website, newsletters

Memberships and associations

We participate in associations and industry federations with the aims of representing the interests of the container glass industry, exchanging know-how, driving innovative processes and products ahead on the basis of cutting-edge technologies, and reducing the ecological impact of glass production.

In associations such as the European Container Glass Federation (FEVE) and through contact with universities, colleges and research programmes, we monitor current trends in science and technology, and participate in future-oriented projects. One of our key innovation partners is International Partners in Glass Research (IPGR), the research network that is chaired by Vetropack.

The Vetropack Group's memberships together with a description of our respective commitments can be found on our website.

TCFD report

In 2024, Vetropack assessed climate-related risks and opportunities based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). We identified packaging regulations as the most relevant transition risk. On the other hand, by developing innovative thermally tempered lightweight glass bottles for reusable systems, we are in a position to offer packaging that promotes the circular economy and is in line with the EU Packaging and Packaging Waste Regulation (PPWR). One crucial element of our transition plan consists of our greenhouse gas emission reduction targets, which were validated by the Science Based Targets initiative (SBTi) in the year under review.

A key milestone in our engagement for climate protection was the validation of our climate targets by the Science Based Targets initiative (SBTi) in August 2024. This validation demonstrates that our emission reduction pathway is in line with the Paris Agreement. To strengthen the systematic integration of climate-related aspects into our risk management and overall business processes, we began implementing the requirements of the Task Force on Climate-related Financial Disclosures (TCFD) in the year under review. To this end, we launched a multi-stage process to identify potential climate-related risks and opportunities, and to assess their impacts on our business model. This process involved Vetropack experts in various fields such as sustainability and risk management, as well as the company's entire Management Board. Our strategic actions to address the identified climate-related risks and opportunities, as well as the decarbonisation roadmap, are core elements of our transition plan towards a low-carbon economy.

Governance

Vetropack's organisational structure is based on a clear delineation of responsibilities and tasks. The **Board of Directors** takes ultimate responsibility for defining the company's strategy. They approve our risk matrix as well as the climate-related risks and opportunities, and they define the adaptation and mitigation measures. The Board of Directors also oversees our Clearly sustainable strategic pillar: our climate targets and the transition plan are key elements of this strategic thrust. Therefore, the Board of Directors supervises the company's progress in attaining the climate targets and successfully implementing the transition plan. At least once a year, the Group Sustainability Manager reports to the Board of Directors on behalf of the Sustainability Steering Committee regarding progress with our measures to reduce greenhouse gases. In addition, the Board of Directors approves the non-financial report, including the present climate-related reporting.

Our **Extended Management Board** is responsible for the annual update of the risk matrix, and thus for assessing and managing the climate-related risks and opportunities. The Extended Board defines risk mitigation measures as part of our transition plan. The **CFO**, as a member of the Management Board, participates in the annual update of the risk matrix. He also takes the lead in planning the financial resources required for our decarbonisation roadmap.

Vetropack's **Sustainability Steering Committee**, with the **CEO** as a member, develops and defines the Group's climate targets and the decarbonisation roadmap with the detailed emission reduction measures. This Committee's responsibilities also include monitoring implementation of the transition plan.

The **Group Sustainability Manager** develops and coordinates the Clearly sustainable strategic pillar, including the transition plan. His work also includes setting the climate-related targets, defining the KPIs, and monitoring target attainment. The Group Sustainability Manager and the **Risk Manager** collaborate closely to identify and assess the climate-related risks and opportunities.

The Risk Manager leads the risk management processes for the annual update of our risk matrix, including the climate-related risks and opportunities. He is also responsible for identifying and assessing risks and opportunities in collaboration with the Group Sustainability Manager.

Finally, our local **Managers** are responsible for realising climate protection measures and actions to adapt to climate change.

The ESG governance section provides further insights into Vetropack's responsibilities in the area of sustainability.

Strategy

Climate-related risks and opportunities

The TCFD recommendations specify a distinction between climate-related physical risks and transition risks as well as opportunities. Chronic physical risks arise from climate-related weather patterns (such as temperature change and water scarcity). Physical risks triggered by climate change can be event-driven (acute physical risks) such as floods, or may manifest as long-term shifts in climate patterns (chronic physical risks) – for instance, persistently higher temperatures. Physical risks may have financial implications for organisations such as direct damage to assets. They typically offer no opportunities but require protective measures and corresponding financial investments.

The transition to a lower-carbon economy may require changes relating to policy, legislation, technology, or the market economy. Depending on the nature and speed of these changes, transition risks may entail financial risks of varying levels for organisations. Conversely, effective implementation of climate protection measures and successful adaptation of our business strategy can yield climate-related opportunities which, in turn, offer competitive advantages.

The following table shows the identified climate-related transition risks, their impact on Vetropack's business model, and our actions to mitigate these risks. We have identified where in our value chain each of these risks occurs, and over which timeframe. The timeframe was assessed according to the criteria of the Science Based Targets initiative.

Climate-related transition risks

Transition risks	Impacts on Vetropack	Measures
Packaging regulation – Policy and legal risk – Value chain: own operations, downstream – Timeframe: near-term and long-term	– Minimisation of packaging and standardisation criteria in regulations may reduce demand for customised bottle design and new packaging – Financial impact: high	– Innovative lightweight glass packaging solutions for reusable systems – Rightweighting our packaging – Drive innovation as our strategic pillar to develop glass packaging in line with regulations
Energy price and carbon pricing – Policy and legal risk, also market risk – Value chain: own operations – Timeframe: near-term	– The glass industry is currently dependent on fossil fuels (natural gas, electricity). – Prices of fossil fuels increase and fluctuate. – Financial costs and decreasing competitiveness – Operational disruptions – Financial impact: high	– Implement the SBTi decarbonisation roadmap to reduce greenhouse gas emissions, and therefore costs due to carbon pricing – Use alternative and/or low–carbon energies – Produce renewable energy with solar panels – Increase recycled content to reduce energy demand in production
Customer and consumer preferences – Market risk – Value chain: downstream – Timeframe: long-term	– Alternative new packaging solutions with a smaller environmental footprint may adversely affect customers' and consumers' preference for glass – Financial impact: low	– Implementation of the SBTi decarbonisation roadmap – Participation in initiatives such as Friends of Glass to raise awareness of the health and environmental benefits of glass – Offering reusable, lightweight glass packaging in line with the circular economy

Climate-related physical risks

We carried out an analysis of climate-related physical risks with two different tools. One of these was the WWF Risk Filter Suite, which makes use of a water risk filter and a biodiversity risk filter. This first assessment was complemented by the ThinkHazard! tool, which is based on datasets from the Global Facility for Disaster Reduction and Recovery. This approach enabled us to determine the likelihood of various climate-related natural hazards, providing a starting point for identifying climate-related physical risks. The combination of the two tools delivered a picture of Vetropack's potential exposure to climate-related physical risks.

As the scope of both these tools is limited, we have supplemented the assessment of climate-related physical risks with direct experience from our sites. To validate the results of the first assessment based on the tools mentioned above, we took account of local geographical conditions and the occurrence of past impacts or damage due to climate-related physical risks. The climate-related physical risks relevant to the entire Vetropack Group are shown in the table.

Physical risks	Impacts on Vetropack	Measures
Water–related issues – Chronic physical risk – Value chain: own operations – Timeframe: near-term, increasing in the long–term	– Water quality (including water temperature) may become a challenge as Vetropack depends on water for cooling the machinery – Water scarcity may limit water supply in the near–term and trigger stricter regulations in the long term – Financial impact: low	– Comply with local water legislation – Measure water temperature and water quality before discharge into municipal systems – Use water mainly in closed loops
Rising temperatures and heat stress – Chronic and acute physical risk – Value chain: own operations – Timeframe: near-term, increasing in the long–term	– Rising temperatures and extreme heatwaves may impair employees' health and entail financial downsides due to restricted productivity – Financial impact: low	– Increase cooling capacity to ensure a healthy work environment for our employees – Provide fair working hours and regular breaks to safeguard employees' health
Natural hazards – Acute physical risk – Value chain: own operations – Timeframe: near-term	– Extreme weather events such as floods can disrupt operations and damage the company – Financial impact: low	– Insurance for property damage and business interruption – Protective measures, if not provided by the municipality

Our plants regularly measure water temperature and quality before discharging water into municipal systems. If necessary, cold water may be added so we can ensure that the water temperature does not exceed the level of 30 degrees that is often required. We minimise water consumption by using water mainly in closed loops.

Due to the effects of rising temperatures, we are currently increasing our cooling capacity and using air conditioning in offices and production sites to reduce our employees' exposure to heat stress. Because conditions in glass manufacturing are inherently hot, we support our employees by providing adequate supplies of fluids and regular breaks for cooling.

Although floods have affected some of our sites in the past, they did not interrupt our production. Due to the potential flooding risk in Pöchlarn (Austria), Hum na Sutli (Croatia) and Nemšová (Slovakia), protective measures have already been put in place by the local authorities.

Additionally, we have analysed any possible risks of wildfires and landslides, but the likelihood of these events occurring is presently rated as very low to non-existent.

Our most relevant climate-related physical risks are also assessed on site by our property damage insurer during 'risk engineering visits'. Without global climate protection measures, we expect the effects of climate-related physical risks to become more severe in the long term. This leads us to view early planning of prevention and adaptation measures as all the more relevant.

Climate-related opportunities

The successful adaptation to climate change and implementation of mitigation measures can open up opportunities for organisations and positively impact their competitive ability. The extent of climate-related opportunities depends on the region, market, and industry in which an organisation operates. Vetropack has identified the following climate-related opportunities.

Opportunities	Impacts on Vetropack	Measures
Glass as a packaging solution in line with the circular economy – Products and services – Value chain: own operations, downstream – Timeframe: near–term and long–term	– Although regulations such as the PPWR define packaging reduction targets and ban single–use packaging, Vetropack benefits from these regulatory developments because glass is a material that is recyclable and reusable – Financial impact: medium	– Promote and advertise glass as a recyclable and reusable packaging in line with the circular economy – Manufacture innovative lightweight packaging solutions that can be used as a standard solution for reusable systems
Energy efficiency and renewable energies – Energy sources – Value chain: own operations, downstream – Timeframe: long-term	– By generating our own renewable energy, we become more independent and can cut costs – Using cullet as input material for new products reduces the energy demand in manufacturing – New energy-efficient technologies yield financial savings. – Financial impact: medium	– Install solar panels and optimise furnace technology – Make improvements to production performance and invest in new technologies – Rightweighting to reduce material and energy consumption without changing the purpose of the packaging – Increase cullet content to reduce energy demand in production – Source renewable energy (e.g. power purchase agreements)
Consumers' preferences for glass packaging – Products and services – Value chain: downstream – Timeframe: long-term	– Glass packaging can be reused and recycled in closed systems – Consumers prefer glass packaging because it is healthy, 'premium', and helps to reduce (plastic) waste – Financial impact: low	– Offer innovative lightweight packaging solutions that can be used as a standard solution for reusable systems

Our transition plan

According to the TCFD framework, the transition plan is an aspect of our overall business strategy: it includes targets and measures to support the transition to a low-carbon economy. The transition plan contains emission reduction measures, and describes how the identified risks and opportunities impact our business model. As a glass packaging company, we recognise that we be-

long to an emission-intensive industry – and this makes it particularly urgent to decarbonise our business activities.

Brand owners and packaging companies in Europe are faced with new regulations to minimise packaging, aimed at achieving a circular economy and protecting the climate. The most relevant and best-known of these is the EU Packaging and Packaging Waste Regulation (PPWR), which defines requirements for packaging design and packaging waste management: its goal is to reduce the negative environmental impacts caused by increasing quantities of packaging waste. The PPWR aims to promote reuse and recycling while reducing packaging waste at the same time. We have identified this packaging regulation as a transition risk for our business model and for our offering of customised glass packaging. On the other hand, the PPWR harbours opportunities, given that glass is a circular material that can be recycled indefinitely and reused. For example: our innovative lightweight glass can be used as a standard solution for reusable systems, helping us to gain competitive edge in the packaging industry. Bottles made of this glass are around one third lighter than conventional reusable bottles, and are more resistant to abrasion. Bottles produced with this innovative manufacturing process save resources and reduce emissions – so they offer an optimal solution in view of future packaging regulations, as well as supporting the transition to a low-carbon economy. A customer success story about this packaging solution is available to read here. In 2024, moreover, we made a start on developing an industrial production machine for this type of glass packaging. More information about this is available in the Innovation section.

Offering reusable, standardised glass packaging meets the future requirements of our customers as well as the needs of eco-conscious consumers. Vetropack agrees with FEVE, the European Container Glass Federation, that switching to glass packaging is an effective way to reduce waste and promote the circular economy. We view glass as the optimal packaging material for the journey towards a low-carbon economy. Furthermore, glass offers reliable protection for food, preserves it, and reduces food waste.

To lessen the amount of material used and, therefore, the environmental footprint of glass packaging, we collaborate with our customers and apply the rightweighting approach. By implementing the rightweighting concept, we minimise the amount of material used while maintaining performance criteria such as quality, strength and design. More on this can be found in the Customer satisfaction section.

As part of our journey towards a low-emission economy, we have defined climate targets. One milestone along this path was the validation of our greenhouse gas emission reduction targets by the Science Based Targets initiative (SBTi) in 2024. Vetropack commits to achieve a reduction of 50.4 percent in its absolute Scope 1 and 2 emissions by 2032, compared to 2021 as the base year. We also aim to reduce absolute Scope 3 GHG emissions from purchased goods and services, capital goods, fuel- and energy-related activities, and upstream transportation and distribution by 30 percent within the same timeframe. To reach these targets, we have developed a decarbonisation roadmap containing detailed actions. Our most effective emission reduction measure is the optimisation of our furnaces to make them more efficient, increase the share of electricity they utilise, and thus reduce the use of natural gas. When furnaces are rebuilt, we optimise the processes so their energy efficiency is improved by 10 to 15 percent. In 2024, for example, we modernised one of the three furnaces and the related glass forming machines in Hum na Sutli (Croatia).

By investing in low-carbon energy, installing photovoltaic systems and generating our own energy, we are less dependent on municipal systems and thus on fluctuating energy prices. At the same time, we are able to cut costs as a result of implementing these climate protection measures.

We also aim to achieve an average recycled content of 70 percent in our glass packaging by 2030. Increasing the recycled content in our products helps us to lower the energy demand in production and thus reduce our exposure to volatile energy prices. A recycled content of 10 percent achieves energy savings of around 2.5 percent and reduces CO_2 emissions by about 5 percent (source: FEVE). More insights into our ambition of increasing the recycled content can be found in the Resources and Supply chain management sections. As a further step in 2024, we initiated dialogue with our suppliers regarding their commitment to climate protection. This establishes an important foundation for achieving our Scope 3 emission reduction target.

Business resilience based on scenarios analysis

To gain a better understanding of how the identified risks and opportunities impact Vetropack's business strategy, we conducted a qualitative scenario analysis to assess the resilience of our strategic response to potential risks and opportunities. Scenario analysis can play a key role in strategic conversations about the future – about what might unfold differently from business-as-usual. Scenarios can also help identify indicators for assessing our external environment and recognising how the environment and society might evolve. Finally, scenarios assess the robustness of strategic responses to risk. Climate scenarios are hypothetical representations of possible future climate conditions based on different sets of assumptions about variables such as greenhouse gas emissions, socio-economic developments, technological advances and policy interventions.

When implementing the TCFD recommendations, Vetropack analysed several groups of climate scenarios and decided to follow the Shared Socio-economic Pathways (SSP) scenarios, as these are derived from the findings of the Intergovernmental Panel on Climate Change (IPCC) and are based on various Representative Concentration Pathways (RCPs), as they are known. At the same time, these scenarios also take socio-economic developments into account.

SSP1 The 1.5 °C pathway	**SSP2 Most likely scenario**	**SSP5 Fossil pathway**
Development of society and the environment – Greenhouse gas emissions are significantly reduced, global warming remains limited to less than 1.5°C – Global promotion of sustainable development – Global cooperation supports adaptation to climate change and implementation of mitigation measures – Planetary boundaries are respected – Low material consumption, low energy intensity, responsible use of natural resources, circular economy	Development of society and the environment – Greenhouse gas emissions will peak in 2040 and halve by 2100, global warming is likely to range between 2°C and 3°C – Environmental systems experience degradation, with some improvements – Inequality between countries – Slight decline in resource and energy consumption	Development of society and the environment – Greenhouse gas emissions keep rising until 2100, global warming exceeds 3°C or 4°C – Severe challenges for adaptation and climate protection measures – Environmental degradation due to exploitation of natural resources and intensive use of fossil energy
Impact on Vetropack – Strong cooperation (e.g. FEVE, IPGR) to implement measures for adapting to and mitigating climate change – European ESG regulations in force – Produce and use renewable energy – Technological innovations – Societal awareness of glass collection – Glass packaging as a key contributor to the circular economy – Physical risks decrease – Transition risks increase	Impact on Vetropack – More scope for brand identity, fewer standardisation requirements in focus – Rightweighting – Glass recycling and single–use packaging – Physical risks increase slightly and affect Vetropack's business success – Transition risks increase slightly	Impact on Vetropack – Very little political pressure regarding reusable packaging and climate protection – Low glass collection rates – Supply chain and operational disruptions due to physical risks – Investments in renewable energies and technologies do not translate into market advantage. – Physical risks increase – Transition risks decrease

We assume that in a 1.5°C scenario, single-use packaging and plastic packaging will be banned and lightweight reusable packaging solutions will become the standard, with customers and consumers preferring glass packaging and particularly innovative lightweight reusable solutions. We also expect that in a 1.5°C scenario, the development of innovative furnaces that favour low-emission technology will be rapid, helping the entire glass packaging industry to switch to low-emission glass manufacturing processes. Rising fossil fuel prices and high carbon taxes could expose us to financial risks in a 1.5 °C scenario. We are therefore reducing these risks by implementing our decarbonisation roadmap. On the other hand, the impact of physical risks will decrease sharply in the 1.5°C scenario.

However, if policymakers, society and economies do not implement effective climate protection measures, causing temperatures to rise worldwide, the impact of transition risks will decrease while the impact of physical risks will be severe. In the fossil fuel scenario, supply chain and operational disruptions would be the order of the day. Society would lack any interest in reusable

packaging and the glass collection rate would be low because the glass would be disposed of and incinerated.

Risk management

Vetropack's risk matrix is updated on a yearly basis. Our Risk Manager has primary responsibility for identifying the company's risks. Vetropack classifies its risks in four categories: financial risks, strategic risks, operational risks and organisational risks. Risks are assessed according to their impact and their probability, adding up to a risk level on a three-point scale.

As Vetropack integrates sustainability-related risks into the company's risk management, close collaboration is in place between the Risk Manager and the Group Sustainability Manager. The Extended Management Board validates the Risk Manager's preliminary work and finalises the risk matrix. Mitigation and adaptation measures for each risk are defined in conjunction with the risk assessment. Vetropack's Board of Directors ultimately approves the risk matrix.

In 2023, our Board of Directors approved the roadmap for the systematic integration of climate-related risks and opportunities into our risk management. Then in 2024, Vetropack undertook a comprehensive identification of potential climate-related risks and opportunities. The starting point was an in-depth analysis of the current risks regarding climate-related aspects. Several workshops were organised for this purpose, involving people from various departments such as Legal and Compliance and Sustainability. We conducted a benchmarking exercise with our peers, and taking the TCFD framework into account. After drawing up a list of potential risks and opportunities, we assessed them on the basis of our current risk classification scheme. Some of the potential risks were rated as very low, so they were not examined in more detail. At workshops attended by various Vetropack experts, we then established where risks and opportunities are most likely to arise in our value chain and determined the timeframes for their expected occurrence. We also assessed the financial and strategic impacts of the risks and opportunities on our strategy and planning.

Metrics and targets

Metrics

In our Climate protection material topic, we provide in-depth information on our decarbonisation roadmap, including current and planned greenhouse gas emission reduction measures aligned with the SBTi. The development of our climate-related metrics is also presented in that section.

Targets

Climate protection is an integral element of Vetropack's Clearly sustainable strategic pillar. We joined the Science Based Targets initiative (SBTi) in 2022 and submitted our climate targets to the SBTi at the beginning of 2024. The targets were validated in August 2024 and published on the official website in September 2024. The emission reduction targets are explained in detail in the transition plan contained in this report, and in the Climate protection section.

Sustainability

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Sustainability

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

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

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

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

- Climate protection: reduce absolute Scope 1 and 2 greenhouse gas emissions 50.4 percent by 2032 from a 2021 base year and reduce absolute Scope 3 greenhouse gas emissions (categories: purchased goods and services, capital goods, fuel- and energy-related activities, and upstream transportation and distribution) 30 percent by 2032 from a 2021 base year.
- Resources: 70 percent recycled content by 2030
- Water: targets to be set by 2025
- Occupational health and safety: Group-wide TRIR* of 2.0 by 2030
- Diversity, equity and inclusion: roadmap to be developed in 2025
- Sustainable supply chain to be ensured

* Total Recordable Injury Rate

ESG governance

Sustainability is integrated into our corporate strategy with our Clearly sustainable strategic pillar. This means that we integrate sustainability comprehensively into our day-to-day business, and assign relevant responsibilities across various levels of the hierarchy.

Thanks to our recyclable and reusable glass packaging, we promote sustainable consumption and production patterns that accord with the circular economy and the United Nations' SDG 12. In addition, our Strategy 2030+ sets out how we integrate sustainability into our day-to-day business. This is inherently linked to entrenched responsibility for sustainability aspects throughout the company.

Responsibility at various levels of the hierarchy

The Board of Directors of the Vetropack Group approves the company's strategic orientation as part of our strategy, and it monitors annual progress. The Board may delegate those duties which are not reserved for it by Article 716a of the Swiss Code of Obligations (CO) to the Management Board. In this context, the Management Board acts within the scope of the guidelines issued by the Board of Directors, and is responsible for the operational management of the Vetropack Group.

Likewise, the Board of Directors delegates operational implementation of the sustainability strategy to the CEO, who fulfils his responsibility for issues relevant to ESG as a member of the Sustainability Steering Committee. In addition to the CEO and the Group Sustainability Manager, this committee comprises the following management functions: Director Corporate Development and Integrated Management Systems, Chief Commercial Officer, Chief Technology Officer, Chief

Supply Chain Officer, and Chief Human Resources Officer. The committee meets three times each year.

The Sustainability Steering Committee defines Vetropack's overarching sustainability ambitions, and develops the action plans to realise them. Its remit also includes monitoring progress with target attainment.

The Group Sustainability Manager is responsible for proposing the sustainability targets and for developing specific measures. He reports to the Director Corporate Development and Integrated Management Systems. On behalf of the Sustainability Committee, the Group Sustainability Manager briefs the Board of Directors at least once each year on progress with implementing the sustainability initiatives. In accordance with the law, the Board of Directors approves the non-financial reporting and also, therefore, our sustainability targets. In the year under review, moreover, we submitted the material topics to the Board of Directors for approval; these topics were determined according to the requirements of the Corporate Sustainability Reporting Directive (CSRD). Also see Material topics and SDGs.

In 2024, we implemented the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and expanded our governance structures in respect of climate-related concerns. The relevant information can be consulted in the TCFD reporting section.

Sustainability as an element of performance assessment

The Board of Directors and the Management Board pursue a long-term strategy that is geared to sustainable business success. Sustainability aspects are not currently incorporated into the assessment of the Board of Directors' performance.

On the other hand, the performance of the Extended Management Board is not measured solely on the basis of key financial indicators. In addition to the financial and individual components, the variable remuneration of its members is also dependent on a non-financial component which integrates various sustainability aspects. As at the end of 2024, these included:

- 60 percent share of recycled content in our products
- Validation of climate targets by the Science Based Targets initiative (SBTi)
- Employee engagement: definition of focus areas and implementation of measures based on the employee survey
- Occupational health and safety: TRIR value of 2.2 (Total Recordable Incident Rate, or accident frequency rate)

Material topics and SDGs

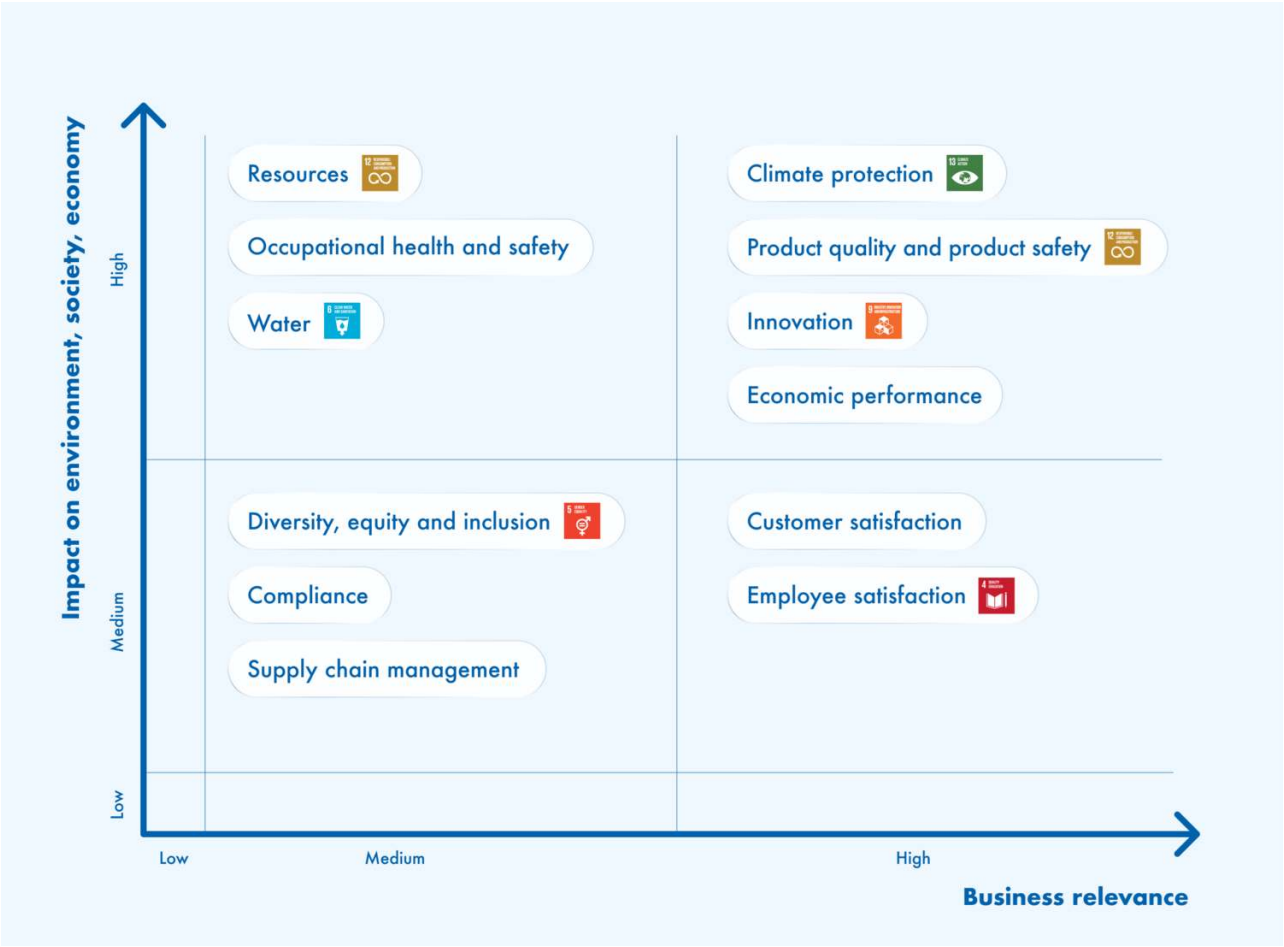
Our commitment to sustainability is based on the material topics and our greatest influence on attainment of the Sustainable Development Goals (SDGs). The basis for this year's non-financial reporting is the materiality assessment undertaken in 2023. We also carried out a double materiality assessment during 2024, in compliance with the requirements of the Corporate Sustainability Reporting Directive (CSRD). By doing so, we have laid the foundations for future reporting.

For the 2024 fiscal year, we are reporting in accordance with the GRI Standards and the requirements of the Swiss Code of Obligations (Articles 964a-c, CO). Our material topics provide the central basis for this purpose. We also align our strategic sustainability management with the material topics.

Identifying the material topics

We carried out a comprehensive reappraisal of the material topics in 2022. In this context, employees from different levels of the hierarchy and who perform various functions determined the 'Financial materiality' (risks and opportunities for our business) and the 'Impact materiality' (positive and negative impacts on the environment, society and the economy). For the 2023 reporting year, the Extended Management Board undertook a re-evaluation of the topics. The main focus here was on transparent reporting in accordance with the requirements of Swiss legislation. The CO reference table shows how our material topics are allocated to the non-financial matters stipulated by Swiss legislation (Article 964b, CO). These topics provide the foundation for this report.

Materiality matrix for the 2024 fiscal year



New material topics for the 2025 fiscal year

Vetropack carried out a materiality assessment in compliance with the requirements of the Corporate Sustainability Reporting Directive (CSRD) in the year under review. For this purpose, we involved large numbers of technical experts from various departments, and we conducted online surveys with the participation of around 120 stakeholders (shareholders, employees, suppliers, customers, consumers, legislators and associations). This double materiality assessment resulted in seven material topics. They will form the basis of our first reporting in accordance with the European Sustainability Reporting Standards (ESRS) for the 2025 fiscal year. To a large extent, the new material topics will be congruent with the existing topics. This confirms that our current sustainability management is focusing on the right key issues. In the Environment section, 'Pollution' will be added as a new topic. On the other hand, the ESRS do not recognise any economic topics. Going forward, therefore, we shall cover the relevant sustainability activities in other sections of the report.

Contribution to achieving the Sustainable Development Goals (SDGs)

The 17 Sustainable Development Goals (SDGs), adopted in 2015 by the 193 member states of the United Nations, define the sustainability goals that should be pursued by states and companies throughout the world. We have allocated our current material topics to the SDGs in order to set our positive and negative impacts on the environment, society and the economy in the global sustainability context. In this regard, Vetropack focuses on those SDGs which our company has the greatest ability to influence.

Promote basic and continuing education and training

By investing in our employees' development, we intend to position ourselves as an Employer of Choice. We have a comprehensive learning infrastructure in place to promote continuous learning and foster our employees' personal and professional development; through our positioning as a learning organisation, we contribute to the attainment of SDG 4.

Material topic:

Employee satisfaction

Create a diverse and inclusive workplace environment

We promote diversity, equity and inclusion at all levels of the hierarchy. We respond to our employees' needs, address inequalities, and pay fair salaries and wages. Transparent processes, together with policies and guidelines that apply throughout the Group, ensure non-discriminatory working conditions. This boosts our employees' motivation and engagement.

Material topic:

Diversity, equity and inclusion

Make responsible use of water resources

We adopt a responsible approach to water in our production processes, and we use water predominantly in closed loops. We systematically measure water withdrawal, water consumption and water discharge, and we implement local and global legal provisions.

Material topic:

Water

Promote the latest technologies and drive innovations ahead

We create innovations with a material that has a long tradition. We use modern infrastructure and new technologies to manufacture our glass products. Innovations play a key part in reducing greenhouse gas emissions from glass production. We deploy digital solutions to make our processes more efficient and increase product quality.

Material topic:

Innovation

Promote responsible consumption thanks to glass packaging suitable for the circular economy

Our glass containers can be recycled an infinite number of times and they are reusable. From the health perspective, glass packaging is popular because its inert structure enables it to provide optimal protection for food and beverages, and it does not impair their taste or quality. This makes glass the ideal material to promote responsible consumer behaviour.

By advocating a high percentage of recycled glass in new products, we conserve natural resources and promote the circular economy.

Material topics:

- Resources
- Product quality and product safety

Reduce greenhouse gas emissions by following a science-based mitigation pathway

Glass production is very energy-intensive. Greenhouse gases are emitted not only from the melting processes for the raw materials, but also from the extraction and production of these materials. At the same time, we make a significant contribution towards achieving SDG 13 by effective climate protection in order to implement our climate targets, which have been validated by the Science Based Targets initiative (SBTi).

Material topic:

Climate protection

Economic impact

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

Economic impact

In keeping with our strategic Leader in quality thrust, we meet our customers' expectations and boost our production efficiency – thereby securing competitive advantages. We build up long-lasting partnerships with our customers; we identify their needs by conducting surveys (Voice of Customer), and we develop products in collaboration with them. Our central focus is on guaranteeing the safety of the consumers. To achieve this, we conform to internal and external requirements, and we implement standardised production and quality assurance processes. Innovative technologies help us to reduce the ecological footprint of our manufacturing processes and our glass packaging products.

In this chapter

Economic performance
Innovation
Customer satisfaction
Product quality and product safety

Economic performance

We endeavour to achieve long-term development for the Vetropack Group on a self-financed basis. To be competitive in the glass packaging industry, we set ourselves operative return targets which, at the same time, promote sustainable growth. It goes without saying that we take account not only of the economic effects of our business activities, but also of their ecological and social impact.

Our Strategy 2030+ is geared to our company's the long-term development. It recognises the concerns of our stakeholders and takes account of economic, environmental and social impacts. If we are economically successful, we generate the funds needed for investments to maintain and expand our market position in the glass packaging industry. The profitability of our investments ensures that we have the appropriate capital at our disposal, and that we will develop profitably.

We finance our growth largely from our own resources. One key performance indicator here is Return on Operating Capital Employed (ROOCE). This should be 20 percent in the medium term. We ensure financing of the company's development by optimising the use of capital and generating a positive cash flow before deducting investments and dividend payments.

Concepts, policies and measures

Investments in sustainability

Sustainability criteria play a decisive part for us in the context of our investments. We attach increasing importance to the trade-off between anticipated future energy and CO_2 prices on the one hand, and potential energy and greenhouse gas savings on the other.

Our investments focus on technological innovations that promote the ecological efficiency of our processes. These include new furnaces, such as hybrid furnaces. Melting furnaces lose around one percent of their efficiency every year due to natural ageing. On average new furnaces deliver 10 percent better energy performance than predecessor models. For this reason, investments in various optimisation and refurbishment measures for our furnaces are crucial so we can produce more energy-efficiently in the future, and achieve our climate targets. This is also why such investments are at the core of our decarbonisation roadmap, which sets out the strategic direction for achieving our climate targets as validated by the Science Based Targets initiative. Elements of the decarbonisation roadmap include, for example, new solar systems (at Hum na Sutli and Kremsmünster in 2024, and at Boffalora in 2025) and new furnace concepts (at Kremsmünster from 2028 onwards). More information is available under Climate protection.

Cullet processing plants are another key aspect of investment to improve our economic and ecological efficiency. Thanks to our own cullet processing plants, we can use high-quality cullet as a raw material for new products. This reduces our energy demand, CO_2 emissions and, consequently, production costs. We explain our cullet sourcing strategy in the Resources and Supply chain management sections.

In terms of social sustainability, our investments are concentrated on training, workplace optimisations, and providing tools to facilitate collaboration within and among the plants.

Performance Improvement Program (PIP)

The Performance Improvement Program (PIP) empowers us to implement customers' requirements efficiently and respond to growing competition. We are implementing the PIP on a continuous basis in the individual Vetropack plants. The focus in the reporting year was on the plants at Boffalora (Italy) and Kyjov (Czech Republic).

The PIP helps our entire Group of companies to achieve economic and ecological efficiency thanks to strategic production planning, and it strengthens our economic performance capacity throughout the Group. Optimisation of existing production capacities is at the core of the PIP – because optimal utilisation of our furnaces' capacity enables us to achieve economically and ecologically efficient production.

The PIP comprises a process that recurs every year. By adopting a structured approach, the PIP leads to cost savings and improved performance in our company, and it supports the implementation of best practices in production. The PIP focuses on these improvements to production:

- Reducing greenhouse gas emissions by optimising the mix of raw materials: increasing the share of recycled glass and reducing the percentage of soda
- Efficient production and product lines: prioritisation of products with the greatest potential for acceleration; prioritising products with long production runtime
- Colour concepts: we reduce product scrap and produce more efficiently thanks to colour concepts and strategically planned colour changes
- Rightweighting: if possible, glass containers should only contain as much material as is necessary to meet quality criteria such as design and stability. This makes the glass thinner and lowers the weight, thus reducing environmental impact.

Progress and events in the reporting year

Resilience in Gostomel

In May 2023, we were already able to resume production of flint glass at our heavily war-damaged plant in Gostomel, Ukraine. The plant financed the repair measures from its own resources by selling cullet and stocks of products to other glass manufacturers. The plant's geographically favourable location enables customers to collect products directly from the site. This efficient circulation of goods and packaging substantially reduces logistics costs. However, energy security continues to present a risk, as it has in the past. In case of an emergency, we refuel generators directly on site so we can maintain production for several hours. In the reporting year, reconstruction work progressed so far that the second melting furnace should be able to resume operation in 2025, depending on market demand and the geopolitical situation. Our aim is to maintain our market share in Ukraine and, ideally, to gain new market share.

Development of the Italian market

Our new plant at Boffalora is one of the most modern facilities not only in our own Group, but anywhere in Europe. We are manufacturing products here that were not present in the portfolio of our old plant in Trezzano (Italy). As also described in the Customer satisfaction section, the commissioning of our Italian plant presented us with some challenges. On the one hand, these arose from the new processes we implemented while, on the other, we find ourselves facing a difficult combination of market conditions and consumer sentiment. To meet these challenges, the teams on the ground are aiming to make full use of the new plant's performance capacity. By expanding the product portfolio, we will also acquire new customers in Italy and strengthen our position there.

Making further use of machines and used glass from St-Prex

Following the closure of the St-Prex site, we are endeavouring to continue using of state-of-the-art machines from that plant elsewhere within the Group: this will allow us to replace less efficient or less powerful machines. We began the dismantling work and transferred the first machines during the year under review. In addition, we are transporting the used glass that is no longer utilised in St-Prex to other Vetropack sites, thus returning it to the glass loop.

Efficiency boost from restructuring information technology

To make our processes even more efficient, we made a start on standardising our information technology during the reporting year. To an increasing extent, we are replacing decentral structures with Group-wide, central ones. At the same time, we are stepping up our investment in our employees' digital expertise.

One key issue in the reporting year was the transformation of IT towards an IT/OT organisation. OT (Operational Technology) entails the use of machine computers, robots, sensor technology, and a wide range of IT applications in the production-related environment. This includes a focus on end-to-end digital mapping and automation of processes. Within the scope of our targeted digital transformation, we are expanding our business models through holistic digitalisation. Further insights into our digitalisation activities are offered in the Innovation section.

Performance indicators

GRI 201-1 Direct economic value generated and distributed

Key financial indicators can be consulted here.

Customer satisfaction

So we can safeguard our position as one of Europe's leading glass container manufacturers for the food and beverage industry, we depend on the satisfaction and loyalty of our customers. Their current and future needs go beyond high quality products and prompt deliveries. That is why we take account of sustainability aspects throughout our entire customer journey, and why we deploy professional customer relationship management to optimise interaction with our customers.

To support our customers with their sustainability ambitions, we need to make our processes and value chain as environment-friendly and socially responsible as possible. For this purpose, our strategic focus is on developing and expanding a readily available range of innovative products with a reduced environmental footprint (such as thermally tempered glass or reusable solutions). By the same token, good customer relationships – which create demand for our products – enable us to plan our production capacity and utilisation, leading in turn to more efficient use of energy and other resources.

Concepts, policies and measures

Customer care and retention, and interaction with customers

The customer journey starts even before the first contact is made: if we are to win new customers, they must be convinced of the advantages of glass as a packaging material. Under the umbrella of the Friends of Glass initiative, we support awareness-raising measures and campaigns that inform consumers and potential new customers about the health and environmental benefits of glass, based on scientific facts.

Dialogue with our customers focuses on commercial excellence, which is anchored in the Leader in quality strategic pillar in our Strategy 2030+. This is intended to ensure an optimal customer experience throughout the entire customer journey. Our aim is to understand our customers' requirements and respond to them with appropriate products and services. This means that we address our customers' needs in the best possible way, from initial contact and enquiry processing through to and then identifying a suitable product or desired service. We regard developing products jointly with our customers as a sign of successful trust-based collaboration. In line with our customer focus, we collect customer feedback and drive initiatives to improve collaboration on a continuous basis.

The illustration below shows the four golden rules of the customer centricity mindset. Responsiveness means that we answer customer enquiries promptly. Flexibility requires us to seek out solutions for customers' requests, even when they are challenging. Urgency means that we address our customers' concerns quickly, prioritising those of our key customers. We practice Proactive communication by providing our customers with news and identifying future opportunities.

Responsiveness

We use regular customer surveys to measure customer satisfaction – and, therefore, the way the customer experience is perceived. The Net Promoter Score (NPS) is the most important indicator for this purpose. It allows comparisons with our competitors. We assess these aspects in customer surveys:

- Willingness to recommend Vetropack to others
- Performance compared to direct market competitors
- Opportunities to develop new services
- Indications of future expenditure, measured by our share of wallet (SOW)

Alongside customer surveys, we rely on market and trend analyses to advance the strategic development of our business. We also utilise findings from market research, and aim to pursue a customer-oriented sales and marketing strategy.

Ultimately, direct interaction with our customers is essential so we can identify their concerns and respond to them immediately. This is why local managers at the Vetropack sites maintain direct dialogue with our customers. This makes it simpler to implement appropriate projects at speed.

We use a Customer Relationship Management (CRM) system throughout the company to manage customer interactions. CRM simplifies data acquisition, data management and reporting, so the sales team has more time available to interact directly with our customers. Going forward, CRM will also be enabled to record and process customer complaints on a systematic basis and provide better insights.

At present, we already analyse the reasons for every customer complaint and we reach out to customers with comprehensive answers. We assign complaints to four categories: product, packaging, logistics, and commercial process.

We have implemented a Strategic Account Management (SAM) programme to manage our customer relationships on a systematic basis. SAM identifies our strategic customers, and it also supports the tools and processes needed to address the concerns of our key customers. As another SAM activity, we maintain regular exchanges between employees of our company and their counterparts with the same function in the customer's company.

To organise our processes efficiently and systematically, we use SAP as our Enterprise Resource Planning (ERP) system for the entire order-to-cash process.

The environmental footprint of our products

There is growing interest in information about the ecological footprint. Eco-balance data helps to persuade potential new customers to opt for glass products, in view of their environmental footprint. We therefore offer comprehensive data on the environmental impact of the entire product life cycle, in accordance with the standards specified by the European Container Glass Federation (FEVE). For this purpose, we use a Life Cycle Analysis (LCA) tool that was developed jointly with FEVE. More information about our eco-balance calculator is available here.

3D printing laboratory

With our 3D-printing laboratory in Pöchlarn (Austria), we can offer our customers the opportunity to gain 'hands-on' knowledge of a packaging design prior to first production. Thanks to a special resin, we can accurately reproduce the geometry of the glass containers to be manufactured – so, even before production, our customers can get a sense of their look and feel. They can also assess the products with their stakeholders at an early stage, which makes the market launch simpler.

Sensor for optimal filling speed

One challenge for glass is the risk of filling line downtime due to breakage. This risk can influence the filling speed for foods and beverages. Bottlers and fillers who use glass packaging sometimes make a trade-off by lowering the filling speed to lessen the risk of breakage: this, in turn, reduces the filling rate and overall operating efficiency. In response to this challenge, we produce an exact replica of the glass container and use a sensor to perform load tests. With maximum precision, the sensor measures the forces acting on the glass container during filling. Thanks to this information, customers can adjust the filling speed optimally and implement targeted line improvements so as to increase throughput.

Joint product development

One of Vetropack's strategic focal points is continuous optimisation of the product mix. We are committed to joint product development so we can implement our customers' specific requirements. This is because customised products enable our customers to stand out from the competition in the market through design and functionality, and attract new consumers thanks to unique selling points. An account of a successful collaboration of this sort is available here.

Joint product development focuses increasingly on packaging reduction targets, in response to upcoming regulations and requirements for packaging such as the EU Packaging and Packaging Waste Regulation (PPWR). In this context, we are assisting our customers with implementing the rightweighting concept. This states that only as much material should be used as is needed for the packaging to fulfil its purpose. We are confident that our innovation of thermally tempered lightweight reusable glass will attract new customers – and in this way, we are responding to the preference for packaging with a smaller environmental footprint.

Online presence

Our customers can consult the online catalogue on the Vetropack website to find all our glass packaging products for beverages (including wines, spirits, beer, soft drinks and mineral water, etc.) as well as foods. Users of the online catalogue can access products based on a wide range of criteria such as filling volume, shape, colour, and closure type.

We publish Success Stories about satisfied customers on our corporate website or our LinkedIn channel. By posting these stories, we aim to motivate our employees, inspire our existing customers and attract new customers.

Progress and events in the reporting year

Voice of Customer survey

In 2023, we conducted a Voice of Customer survey of over 240 customers. The goal was to gain valuable knowledge on how to improve customer satisfaction and loyalty. As already disclosed in the 2023 Annual report, we attained an NPS of +41 and achieved significant improvements for our strategic accounts. The survey identified customer care, quality and reliability as our greatest strengths. Based on the results, we defined 122 measures and areas with potential for improvement. Some of these measures are to be implemented at Group level, while others will be put into practice locally.

The survey confirmed our customers' growing requirements regarding sustainability. This has prompted us to communicate strategically about this issue, and we have trained the entire sales team on the environmental impact of our products.

Before we conduct the next comprehensive customer survey in 2026, a 'pulse check' will take place in 2025 to measure the interim status and the success of the initiatives launched, and also to make any necessary adjustments.

Customer Talks

Customer focus – the customer centricity mindset – is crucial for our entire company if we are to offer the best customer experience. To heighten awareness of this requirement, we launched an online training programme in the reporting year: it has now been completed by over 900 employees. The content we teach in this programme includes our four golden rules of customer centricity. Another activity related to our customer focus was the series of 'Customer Talk' events we organised for the first time in 2024. For example, we invited one of our strategic accounts to participate in a 'Customer Talk' at Nemšová: we offered glimpses into production at one of our

glassworks and in return, our employees gained valuable insights into the customer's perspective. We also hosted two 'Customer Talks' at our Austrian plants in Pöchlarn and Kremsmünster, to which we invited local wineries. These events focussed on the introduction of a bottle with a special closure, the critical importance of reliable logistics, and the reduction in the weight of our bottles. We will be organising more events of this sort as a way of strengthening customer relationships and building trust.

Challenges for our customer relationships

In the middle of the year, we closed our site in St-Prex. As well as affecting our employees, the discontinuation of our Swiss production impacted the reputation of the Vetropack brand and, therefore, our customer relations. We have maintained constant dialogue with our customers, while optimising our stock levels and stepping up cooperation among our plants so we can ensure continuity of supply.

We also faced challenges in the Italian market. At the plant in Boffalora which opened in 2023, we expanded our product range and consolidated our market position during 2024. There is no denying the challenges that come with opening a new plant. Due to the implementation of new processes and procedures, it was not always possible to supply our customers with the products they required. We recognise the need to continue building our market offering in Italy so as to make full use of the plant's capacity, both for existing and new customers.

New online presence for Vetropack

Since February 2024, our corporate website has featured a new and modern design with bold visuals and a clear focus – making it much easier to use and understand in every respect. Among the new features are the five core promises that we use as tags accompanying all content posted on the website: #Sustainability, #Innovation, #Safety, #Teamwork and #Expertise. We implemented this structure for various reasons, including the results from the Voice of Customer survey. The increase in user numbers proves the success of this redesign.

Performance indicators

Besides the Net Promoter Score, another indicator we use to measure customer satisfaction is 'Customer complaints per 10 million units of glass packaging sold'. For competitivity reasons, however, we do not disclose this figure.

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

No significant incidents of non-compliance concerning product information labeling were notified in 2024. (2023: 0).

Innovation

If we are to remain competitive, we have to rethink glass production. That's why Drive innovation is one of the five strategic thrusts that advance our business development as part of our Strategy 2030+. For Vetropack, innovation means: making progress more efficient by digitalisation, developing fit-for-future products, and deploying the latest technologies to reduce greenhouse gas emissions from manufacturing processes.

We make use of innovations to continue developing our business model and to strengthening our market position. With activities that range from boosting efficiency in our production processes to developing new products with a smaller ecological footprint and optimising our operating processes by applying digital tools: at Vetropack, innovation knows no limits. However, innovations also entail financial risks, because not all innovation projects ultimately lead to success.

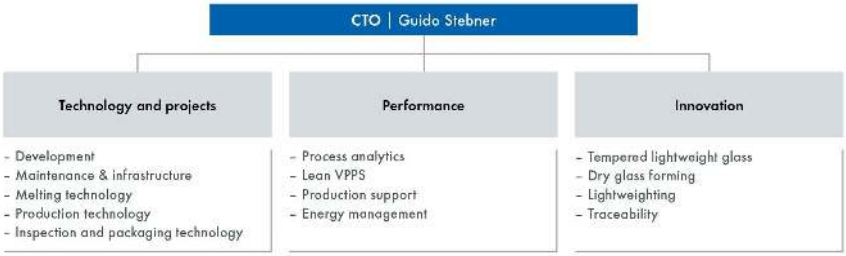
Concepts, policies and measures

Overarching responsibilities

Our CEO supports the innovation strategy as an element of Vetropack's overall corporate strategy. The CTO supports him in this regard. The Steering Committee Innovation controls and oversees the planning and realisation of innovations. The Technology and Production division is responsible for implementation. This division has responsibility for production in our plants, and also

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

- The Technology and Projects unit concentrates on technological developments. We examine new technologies to assess their suitability for Vetropack – and where appropriate, we introduce them into our company. The focus here is on digitalisation and sustainability.
- The Performance unit is responsible for our production processes. Attention focuses on analysing, standardising and consistently optimising processes and on benchmarking both within and outside the Group so as to improve operative performance. To achieve these goals, we make use of Lean and Six Sigma.
- The Innovation unit develops the processes and products of the future. It also includes the Innovation Centre at our Pöchlarn site in Austria. Research at the Innovation Centre focuses on process and product development, as well as exploration of digital technologies in production. This unit includes an Innovation Manager Process/Technology and an Innovation Manager Digital Factory; they were recently joined by an Innovation Manager Product/Material who concentrates on materials and substances for glass production.



An in-house Steering Committee is in place where we regularly review the success of innovation projects and align our innovation strategy accordingly.

Innovations as measures to protect the climate

One project of relevance to climate protection concerns storage and/or utilisation of CO_2 emissions from the glass production process in connection with carbon capture and recovery. In the process known as 'carbon mineralisation', carbon dioxide is converted into carbonates. Since the carbon dioxide does not return to the atmosphere, this project has the potential for substantially reducing future CO_2 emissions from glass production.

In the Zero CO_2 project, members of International Partners in Glass Research (IPGR) – the association chaired by Vetropack's CTO – are developing a prototype furnace that supports the decarbonisation of glass production. And under the auspices of the No Soda Trials, glass is being produced without soda – the main source of emissions.

Digitalisation and automation

We are digitalising processes throughout our value chain – because digital solutions help us to make our internal processes more efficient, meet customer needs, and strengthen our competitive edge. Digitalisation of business processes offers the opportunity to make data available at the right time, in the right place and in the right form, so decisions can be made rapidly and transparently. Automation concepts allow us to acquire and evaluate data from the production processes in real time at all our locations.

Responsibility for driving digitalisation and automation projects ahead is assigned to the Head of the Engineering and Production department in collaboration with the Head of Information Technology (IT&OT).

We create the right technical conditions and deploy suitable tools to ensure that digitalisation processes are user-friendly. We use SAP S/4HANA as our Group-wide ERP solution, together

with a Customer Relationship Management (CRM) system. More details are available in the Customer satisfaction section.

High-speed cameras are a valuable application in digitalisation, because they help us to monitor the glass forming process in real time so we can ensure product quality. On fast-running machines, the generated images allow precise detection of malfunctions and process anomalies for the purposes of preventive maintenance. An algorithm is used to classify the information about malfunctions and anomalies, which is made available immediately. This reduces periods of disruption and enables us to define preventive measures more accurately. A pilot run at our Pöchlarn plant has yielded some highly promising initial results.

Making use of Artificial Intelligence (AI)

To highlight the growing importance of data analytics and AI for our company, and to design and adapt our processes accordingly, we apply a Group-wide policy on using AI technologies safely and securely. Based on this policy, we offer training content that should prepare our employees to make productive and profitable use of these technologies.

We are stepping up the use of AI in our Digital Factory Innovation unit. This is an organisational unit that drives the digitalisation of production processes ahead with the help of technologies such as computer vision or machine learning. In this context, we are making more use of deep learning algorithms for quality control of our products. Other applications for AI include article counting to optimise inventory management and production processes.

We see huge potential for further expansion in the field of computer vision and cognitive services. Possible applications include support for wear and cleanness checks in mould workshops, continuous monitoring of the production environment for irregularities or outages to minimise downtime, and ongoing development of inventory management thanks to more accurate monitoring and automation.

Dry Glass Forming project

We are continuing to drive implementation of IPGR's Dry Glass Forming project ahead by setting up the industrial coating plant at our Pöchlarn facility. The aim of this project is to prevent the glass from adhering to the mould surface in future by selecting suitable coatings, thus avoiding manual or automated lubrication of the moulds. The focus here is on advancing the development of the coating materials so as to improve the durability of the coatings as well as the quality of the manufactured products.

Holistic Pallet and Pad Management (HPPM)

Around one million pallets and six million pallet pads are in circulation to ensure that our products are transported safely to our customers. HPPM was developed so that information about returns and the quality of pallets and pads is available across all our sites at all times. The HPPM system uses sensors to collate all information about reusable packaging in one location. This ensures that the pallets are clearly traceable, thus also making it easier to reuse them. Thanks to a cloud solution for the platform, customers and logistics providers can view and enter their data themselves.

Progress and events in the reporting year

Award, patent and industrial production machine for our innovative lightweight glass

At the start of 2024, the World Packaging Organisation honoured our innovative reusable lightweight glass bottles with a WorldStar Award in the 'Packaging Materials and Components' category. More information about the successful launch of our standard reusable lightweight glass bottles in Austria is available in the Resources section.

To safeguard our intellectual property rights, Vetropack has submitted a series of patent applications for our innovative glass packaging to various international patent offices. The initial reviews have been positive, and we expect the patents to be granted in 2025.

So that manufacturing of this innovative product can be scaled going forward, we focused on the development of an industrial production machine during the year under review. It will enable production of around 50 million bottles per year in the future. Construction of the production plant at Pöchlarn is scheduled to begin in 2025, so industrial production of the thermally tempered bottles can be started up in 2026.

The market launch of thermally tempered lightweight glass is also advancing in parallel with these developments. A substantial number of pool bottles have already been placed in the Austrian market.

Data matrix ensures traceability

When it comes to Smart Factory innovation, we are currently introducing a robust traceability system that uses data matrix codes. Each bottle is given a unique identifier that captures and stores specific data throughout the entire production process. In this way, we are improving our quality control. For this purpose, a hot laser marks the products with a data matrix code that stores a vast amount of information. This makes it possible to identify products quickly in the event of a complaint. More information is available in the Product quality and product safety section. As another benefit, RFID (radio frequency identification) technology enables pallets to be identified in real time, so logistics are optimised.

Data Analytics Community of Practice

Given that innovations relate not only to technological advances but also to the application of existing best practices, we set up the Data Analytics Community of Practice in the reporting year. Headed by our Enterprise Architect, this community links data analysts from various areas of the company together in a network for the purposes of exchanging knowledge and advancing the standardisation of data reports and analytics.

Product quality and product safety

Glass packaging affords optimal protection for food and beverages. From the health perspective, glass packaging is popular because there are virtually no interactions between the contents and the packaging. Thanks to its inert properties, glass also provides a secure barrier against external influences. To ensure that our glass containers always meet the highest quality and safety requirements, extensive testing processes are essential elements of our certified quality and food safety management systems.

Thanks to its molecular structure, glass is a form of packaging for foods and beverages that is impermeable to air and moisture, thus extending the shelf life of the contents and reducing food waste. Consumers appreciate the fact that glass packaging does not impair the taste of foods and beverages. This is because – as opposed to other materials – glass is virtually inert: this means that it does not react with the food it contains, or reacts only to a negligible extent. Nevertheless, glass packaging also has disadvantages such as its weight and fragility. Product quality and safety are top priorities for Vetropack in order to reduce the risk of possible impact on consumers' health. For this reason, product quality is also enshrined in the Leader in quality pillar of our Strategy 2030+. Inadequate product quality and safety would adversely impact customers' trust in the Vetropack brand, leading to financial losses.

Concepts, policies and measures

Standardised processes and certified management systems

Within the scope of our certified quality management systems, we continuously standardise and improve our processes. This enables us to manufacture our glass containers in the defined quality and in compliance with our customers' specifications at all times. Responsibility for guaranteeing product quality is assigned to interdisciplinary teams comprising experts in technical performance, technology, purchasing, and quality.

A quality management system certified in accordance with the ISO 9001 quality management standard is in place at all our plants. Furthermore, all our plants have a food safety management system certified either to FSSC 22000 or to ISO 22000. The following sites are certified to FSSC 22000: Pöchlarn (Austria), Kremsmünster (Austria), Kyjov (Czech Republic), Hum na Sutli (Croatia), Boffalora (Italy), Nemšová (Slovakia), and Gostomel (Ukraine). The certificates for our sites can be accessed here.

FSSC 22000 includes the requirements of ISO 22000, the global standard for food safety management systems. FSSC 22000 is recognised by the Global Food Safety Initiative, so it enjoys a particularly high level of acceptance. Our Food contact material safety concept defines the procedure to be followed in order to identify and prevent risks relating to food safety (food safety, food defence, food fraud).

By defining requirements and workflows in our processes, we ensure high product quality so consumers can confidently enjoy foods from safe glass packaging. For the purposes of quality assurance and continuous improvement of our processes, we implement risk-based planning and we conduct internal audits. The production and quality assurance areas, for instance, are audited more frequently than areas more remote production. The local quality managers are responsible in this regard. Our customers also carry out audits during which we jointly identify potential for improvement.

Quality and food safety policy

Our Quality and food safety policy establishes the framework that is applicable for quality and product safety throughout the company. This policy sets out overarching intentions, and it defines our orientation in respect of quality so we can attain our strategic 'Leader in quality' goal. In addition, the policy includes our obligations to comply with regulatory requirements and customers' specifications.

Within the scope of our Quality and food safety policy, the Compliance monitoring policy (QM/FSM compliance monitoring) defines the specific performance indicators used to monitor compliance with the Quality and food safety policy.

Comprehensive quality inspections

Our objective is to guarantee the specified quality of our products. To monitor our quality standards and verify our processes, we determine the number of complaints per ten million units sold, as well as numbers of critical defects identified in-house. For competitiveness reasons, we do not publish these key indicators.

Based on customer requirements, the type of food or beverage for which the glass container will later be used is one of the aspects determined during product development. This information, together with other parameters, will then govern the test procedures to be applied. To guarantee consistently high quality (and therefore safety), all our glass products undergo fully automated inspections for product faults during the production process. The effectiveness of the inspection equipment is monitored on a regular basis. Additional laboratory tests are performed to measure

further quality parameters. In this context, we differentiate between destructive tests (such as internal pressure or thermal shock tests) and dimensional checks that are non-destructive.

Progress and events in the reporting year

Certifications for our new plant in Boffalora (Italy)

The quality management system at our plant in Boffalora was certified to ISO 9001 during the year under review. Likewise, the food safety management system in this plant was certified to FSSC 22000, which is a standard recognised by the Global Food Safety Initiative. These certifications confirm that the management system at our new plant guarantees the required quality and food safety standards, and consequently that the products manufactured there fulfil the strict industry requirements.

Traceability of products

We use RFID (radio frequency identification) chips to ensure the traceability of each pallet of glass at all our locations (except for the plants in Ukraine and the Republic of Moldova). In the reporting year, we extended the topic of traceability to the individual glass containers as part of a pilot project, in which the containers are given a unique identification in the form of data matrix codes. This product-specific labelling makes it easier to identify the products concerned in the event of complaints. To date, this technology has been introduced for a small number of product lines. More information about this subject can be found here.

Performance indicators

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

In 2024, Vetropack received 7 (2023: 8) critical complaints. In this context, critical means that these products posed a potential risk to the health and safety of consumers. However, the affected products were identified and separated so that no products had to be recalled.

Environmental impact

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

Environmental impact

Glass is a sustainable packaging material because it is manufactured from natural raw materials and can be fully recycled without limitations. Nevertheless, glass production involves greenhouse gas emissions. We reduce such emissions by optimising the processes for the repair of existing furnaces and the construction of new ones, and by using the highest possible shares of recycled glass and renewable energies.

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

We mainly use water in closed loops. Thanks to systematic monitoring we are able to take strategic action in response to changes in the availability of water.

In this chapter

Climate protection

Resources

Water

Climate protection

Climate protection presents challenges in our industry because large quantities of energy are required to manufacture glass packaging, and the process of melting the raw materials generates CO_2 emissions. We are addressing these challenges with our climate targets, which were validated by the Science Based Targets initiative (SBTi) in the reporting year. Vetropack's most important climate protection measures include technical optimisation and electrification of our furnaces, renewable electricity sourcing and own production, reducing the percentage of soda, and increasing the share of recycled glass in the mix of raw materials.

The glass packaging industry is very intensive in terms of energy and greenhouse gases. Temperatures of around 1,600°C are required to melt the raw materials, and large quantities of natural gas are currently used for this purpose. Greenhouse gases are also generated in the supply chain from the production and extraction of the raw materials (including soda as the largest source of emissions), and also by transport processes. On the other hand, Vetropack is increasingly confronted with climate-related transition risks and physical risks. Climate-related transition risks include regulatory changes such as the EU Packaging and Packaging Waste Regulation (PPWR), or market risks such as rising and fluctuating energy prices. The main physical risks we identify are the growing shortage of water and the increase in temperatures. Our TCFD report describes how climate-related risks and opportunities impact our business model, and how we are reducing climate risks and making strategic use of climate-related opportunities.

Concepts, policies and measures

Environmental policy and responsibilities

Vetropack's Health, safety and environmental policy governs the Group-wide approach to climate and environmental protection. This policy includes employee training aimed at promoting awareness of climate and environmental protection. Our Group Sustainability Manager develops Vetropack's climate targets and the Sustainability Steering Committee approves them. The TCFD report gives a detailed description of our climate-related responsibilities at the various hierarchical levels. It also explains how we integrate climate-related opportunities and risks into our risk management.

Science Based Targets initiative (SBTi) and decarbonisation roadmap

Climate protection is an integral element of our Clearly sustainable strategic thrust. We are committed to effective climate targets in keeping with the Paris Agreement on Climate Change, and we undertake to implement a science-based emission reduction pathway. The Science Based Targets initiative (SBTi) validated our climate targets in the year under review:

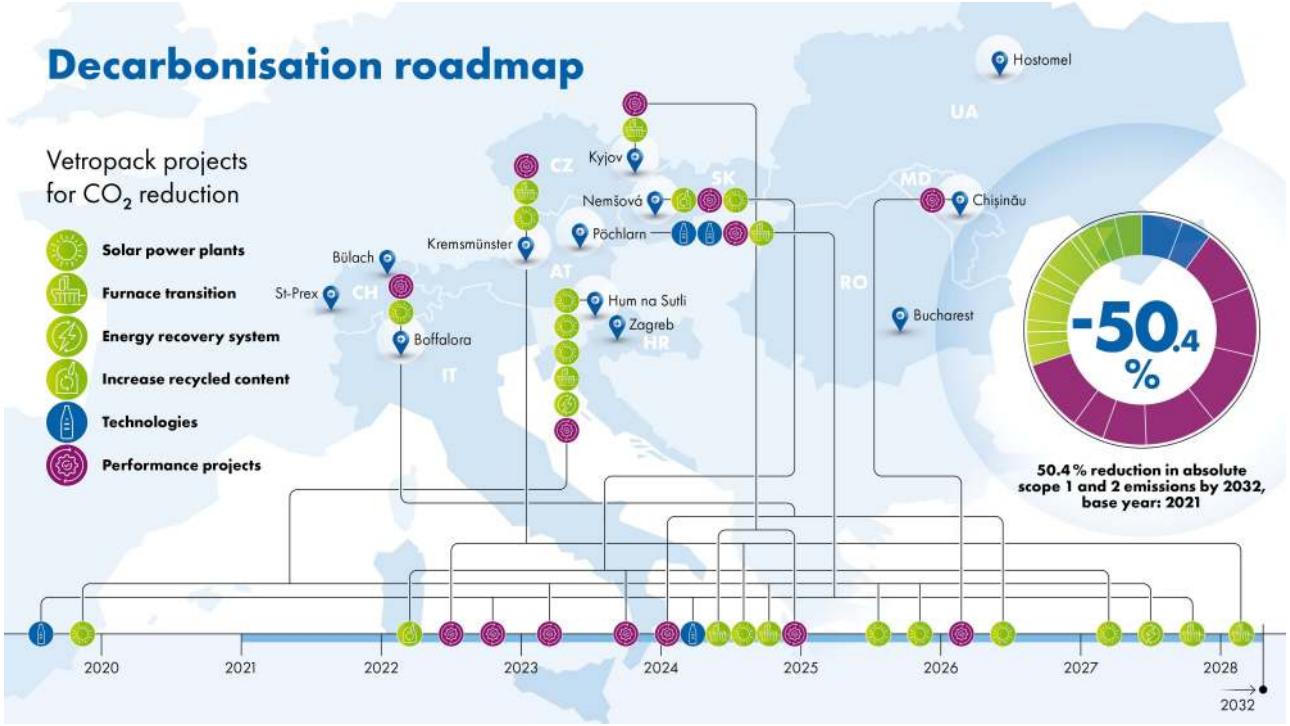
- 50.4 percent reduction of absolute Scope 1 and Scope 2 GHG emissions by 2032 as compared to a 2021 base year
- 30 percent reduction of absolute Scope 3 GHG emissions (categories purchased goods and services, capital goods, fuel- and energy-related activities, and upstream transportation and distribution) by 2032 as compared to a 2021 base year.
- Source 100 percent renewable electricity (throughout our entire operations) by 2032

To implement the targeted emission reduction pathway, we are putting these climate protection measures into practice:

- Furnace repairs and construction of new furnaces give us major leverage to make more efficient use of the natural gas required for the melting processes. This is because the refurbishment of furnaces can improve energy efficiency by 10 to 15 percent. Our scope for action here depends on the technology available on the market.
- Progressively electrifying our furnaces: increasing the share of electrical energy used to operate the furnaces. This is mostly possible with latest-generation furnaces.

- Using the highest possible share of renewable electricity (through sourcing, or from our own production)
- Participation in research projects under the auspices of International Partners in Glass Research (IPGR). Focal points here are optimising the composition of raw materials for glass production, and testing new furnace technologies.
- Using the highest possible share of recycled glass as a raw material for manufacturing new glass packaging. According to information from the European Container Glass Federation (FEVE), utilising 10 percent of used glass results in savings of about 2.5 percent on energy and 5 percent on CO_2 emissions as compared to glass production without the addition of cullet. More information on this aspect is available in the Resources section.
- New vehicles in our own vehicle fleet must be electric or hybrid.
- Switching to electrically-powered forklifts
- Performance Improvement Programme (PIP): planning optimal utilisation of melting furnace capacity for efficient energy usage, and reducing the quantity of soda required. More information is available in the Economic performance section.
- Rightweighting: our glass containers consist of only as much material – and weigh only as much – as is necessary to meet the customer's specifications and requirements without causing unnecessary environmental pollution due to excessive use of raw materials. More information is available in the Resources section.

We achieve our climate targets with the help of the decarbonisation roadmap shown here.



Decarbonisation roadmap

We are currently focusing on these projects:

- Modernisation of the furnace at Hum na Sutli (Croatia) in 2024
- Consolidation of two furnaces at Kremsmünster from 2028 onwards: by combining the two furnaces to create one large furnace, we will increase capacity and improve energy efficiency. The modernised furnace should largely be operated with electricity, so it could enable us to halve the CO_2 emissions from the furnace.

– Use of energy we produce ourselves thanks to the installation of photovoltaic systems on our roofs – for example at Kremsmünster (Austria) and at our Croatian plant, Vetropack Straža d.d.

Our suppliers' Scope 3 emissions and commitment to climate protection

Scope 3 accounts for more tha 50 percent of Vetropack's total emissions. The main categories involved are purchased goods and services, fuel- and energy-related activities, upstream transportation and distribution, downstream transportation and distribution and capital goods. We are taking several measures to reduce our Scope 3 emissions: we are minimising the soda content, collaborating with the manufacturers to recycle our moulds and fire-resistant materials, and we are also testing new packaging film made of recycled material. We can only reduce upstream Scope 3 emissions in collaboration with our suppliers. In view of this, our first step was to determine the status quo regarding our suppliers' commitment to climate protection. For this purpose, we conducted a survey and organised webinars. Our goals here were twofold: to communicate our commitment to climate protection, and to create awareness of this issue. The evaluation of this analysis is a key element of our future emission reduction strategy. More information on this aspect is available in the Supply chain management section.

Progress and events in the reporting year

Efficiency gains thanks to new furnace in Kyjov

We commissioned the new furnace at our Czech site in Kyjov at the start of 2024. The rebuilt furnace offers greater production capacity, so there is an impressive increase in the efficiency of its energy usage. In addition, two servo-driven NIS glass-blowing machines and an AIS glass blowing machine were commissioned. Servo technology not only results in exceptionally precise glass forming processes, but also delivers a convincing reduction in energy consumption and remarkable improvements in efficiency and performance. The NIS machine requires less human interaction, so it increases safety in production. Also see: Occupational health and safety.

Vetropack Straža d.d. implements modernisation measures to benefit climate protection

The flint furnace at our Croatian plant in Hum na Sutli was drained and then demolished in September 2024. After reconstruction, production was ramped up again in December. As part of this project, Vetropack Straža d.d. also introduced new glass-blowing machines. One of these is a servo-electrically driven NIS glass-blowing machine that features exceptionally efficient energy usage. Thanks to this modernisation, the plant achieves higher performance and optimises its production costs.

Photovoltaic systems in Kremsmünster

We are installing photovoltaic systems on the roofs of our Kremsmünster plant in a multi-stage project that will continue until 2026. To ensure that almost 100 percent of the generated electricity is channelled directly into production, the entire system is tailored to the plant's electricity consumer profile. The first stage of expansion began in 2023, and we completed the second stage in the reporting year. By the time the project is completed in 2026, the system will produce around eight megawatt hours of solar power, approximately equivalent to the annual consumption of 2,000 households. After the final expansion stage, this means we will save around 345 metric tons of CO_2 per year.

Photovoltaic systems in Hum na Sutli

Vetropack Straža d.d. has made a start on installing the third photovoltaic system. After completion of the project, we expect it will be possible to reduce CO_2 emissions from the plant by around 300 metric tons per year. The project is scheduled to take 11 months and is set to comprise around 4,483 photovoltaic modules.

Performance indicators

Energy consumption

	Change	2024	in %	2023	in %
Total energy consumption in GWh	0%	2 752		2 747	
Electricity	12%	486	18%	433	16%
Natural gas	– 2%	2 253	82%	2 299	84%
Other (Heating oil, diesel, petrol...)	– 6%	13	0%	14	0%
Specific energy consumption in MWh/t[1)]	– 4%	1.90		1.97	

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

Due to a higher 'boosting share' (the percentage of electricity used compared to natural gas) at our site in Boffalora, Vetropack's electricity consumption increased between 2023 and 2024. However, the Group's specific energy consumption decreased by 4 percent between 2023 and 2024: this reflects improved production efficiency at Boffalora (with efficiency gains of 23 percent between 2023 and 2024). On our sites in Kremsmünster, Pöchlarn, Kyjov and Gostomel have also achieved efficiency gains.

Greenhouse gas emissions Scope 1 and Scope 2

	Change	2024	in %	2023[4)]	in %
Scope 1 + 2 greenhouse gas emissions in tCO_2e[1)]	3%	680 271		662 508	
Scope 1 natural gas	– 2%	411 858	61%	421 510	64%
Scope 1 process emissions[4)]	– 1%	113 385	17%	114 863	17%
Scope 1 other fuels and refrigerant leakages	33%	3 478	1%	2 625	1%
Scope 2 electricity[2)]	23%	151 550	22%	123 511	19%
Specific greenhouse gas emissions in tCO_2e/t[3)]	– 0%	0.474		0.476	

[1)] Greenhouse gas inventory calculated in accordance with the Greenhouse Gas Protocol. Emission factors used for the calculations of Scope 1 are from DEFRA 2024 for 2024 and DEFRA 2023 for 2023. Emission factors used for Scope 2 location-based are from IEA 2024 for 2024 and IEA 2023 for 2023.

[2)] Emissions for 2024 and 2023 are calculated according to the market-based approach (using energy certificates where available: these represent approximately 86% (2024) and 92% (2023) of overall electricity consumption). Applying the location-based approach results in 133,320 tCO2e for 2024 and 106,540 tCO2e for 2023.

[3)] Specific greenhouse gas emissions were calculated on the basis of Scope 1 and 2 emissions per metric ton of glass produced that satisfies all quality and safety requirements, thus qualifying for sale.

[4)] The process emissions reported in 2023 were erroneous due to a misreported value for soda consumption at one of our sites. The value reported previously was 104,921 tCO2e

Vetropack's Scope 2 emissions increased between 2023 and 2024 due not only to higher electricity consumption, but also to an increase in market-based emission factors for purchased electricity in Austria and Italy.

Greenhouse gas emissions Scope 3

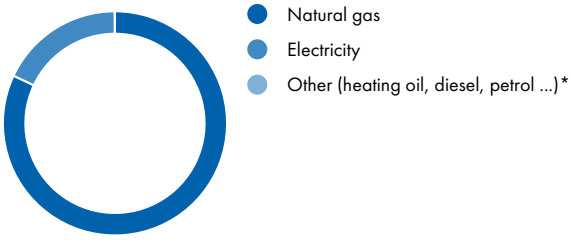
	2023	in %	2022[2]	in %
Scope 3 greenhouse gas emissions in tCO_2e[1]	712 260		500 578	
1. Purchased goods and services	266 712	37%	142 468	28%
2. Capital goods	102 869	14%	62 965	13%
3. Fuel- and energy-related activities	94 565	13%	116 986	23%
4. Upstream transportation and distribution	135 809	19%	94 995	19%
5. Waste generated in operations	11 594	2%	6 546	1%
6. Business travel	1 068	0%	1 521	0%
7. Employee commuting	3 910	1%	4 362	1%
8. Upstream leased assets	3 475	0%	1 069	0%
9. Downstream transportation and distribution	60 834	9%	30 512	6%
10. Processing of sold products	6 142	1%	7 911	2%
11. Use of sold products	-	0%	–	0%
12. End-of-life treatment of sold products	25 191	4%	31 043	6%
13. Downstream leased assets	89	0%	192	0%
14. Franchises	-	0%	–	0%
15. Investments	2	0%	8	0%

[1] Vetropack's reporting of Scope 3 greenhouse gas emissions is delayed by a year.

[2] Vetropack re-evaluated its Scope 3 emissions in 2024. This re-evaluation included changes in methodology: emission factors were updated and specified, input data for the calculation was refined. This means that the figures for 2022 and 2023 are not comparable.

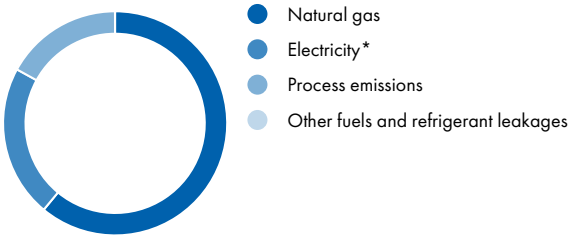
For the 2023 year, we used more accurate emission factors to calculate our Scope 3 emissions. This led to a significant increase compared to previous years and, as a result, direct comparability with past data is not possible. For this reason, the present report does not include a comparative graph.

Total energy consumption by source 2024
in %



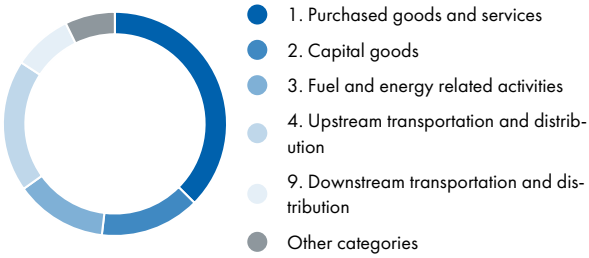
*less than 1% of the total energy consumption

Greenhouse gas emissions (Scope 1 + 2) by source 2024
in %

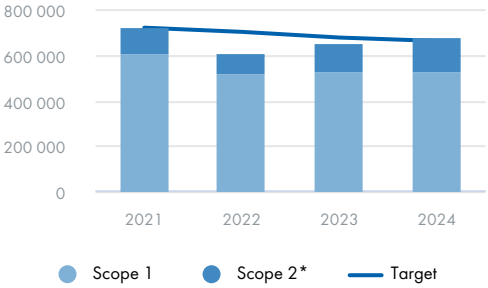


* market-based

Scope 3 emissions by category 2023
in tCO_2e



Greenhouse gas emissions Scope 1 + 2
in tCO_2e



* market-based

Resources

The most important resources for manufacturing our glass packaging are recycled glass and the raw materials: quartz sand, soda, lime, dolomite, feldspar, and colouring agents. The higher the proportion of recycled glass that is added, the lower the environmental impact of glass production will be. Glass is also a packaging material that is suitable for the circular economy, because it is reusable and can be recycled an infinite number of times. Due to packaging regulations and the requirements of our customers and consumers, growing importance is accorded to our reusable packaging, our lightweight glass packaging solutions, and a high recycled content.

The extraction and manufacture of the raw materials in the upstream supply chain for glass production entail environmental impacts. Regulatory provisions such as the EU Packaging and Packaging Waste Regulation (PPWR), together with customers' requirements and consumers' environmental awareness, are making it increasingly urgent to use resources efficiently and offer a wide range of packaging suitable for the circular economy. Demand for customised packaging could decline in the future on account of the PPWR. On the other hand, we anticipate competitive advantages in the packaging industry because glass can be recycled an infinite number of times with no loss of quality, so it is inherently suited to the circular economy. Another opportunity in the packaging market arises for Vetropack thanks to our innovative lightweight reusable bottles made of thermally tempered glass.

Concepts, policies and measures

Raw materials for glass production

We use the following materials to manufacture glass packaging for the food and beverage industry: recycled glass, quartz sand (silicon dioxide), soda (sodium carbonate), lime, dolomite and colouring components. Alongside recycled glass, quartz sand is the main component of glass. Soda reduces the melting point of the quartz sand. Lime and dolomite give the glass stability, hardness and lustre. For colouring, we use metal oxides such as iron or copper oxides. To reduce the environmental impact of glass production, we aim to use the highest possible recycled content. By 2030, this share should reach an average of 70 percent.

As well as the composition of the raw materials, the packaging design has a significant influence on the environmental impact. In keeping with the rightweighting approach, we gauge the weight of our glass products so they meet our customers' requirements for quality, design and functionality without the use of any additional material.

Diversified responsibilities

Given that Resources is a material topic with many diverse aspects, it also involves contributions from several different functions. The principal responsibility for sourcing recycled glass is assigned to the Supply Chain Management team. The Engineering and Production department calculates the optimum use of resources for new products. The Group Sustainability Manager measures goal attainment as part of his responsibility for the Clearly sustainable strategic pillar.

The Integrated Management Systems department is responsible for implementing legally compliant handling of waste. Furthermore, our Health, safety and environmental policy guarantees responsible waste management throughout the Group. The site managers are responsible for implementation.

Recycled glass as a starting material for new products

Vetropack is a member of the Close the Glass Loop initiative, which aims to attain a glass collection rate of 90 percent in Europe by 2030. Regional glass collection rates influence the amount of recycled glass that packaging manufacturers such as Vetropack can use to produce new glass containers. Glass collection rates differ widely across Europe. Among other reasons, this is related to the national glass collection infrastructure in each country. In our production countries of Ukraine, Slovakia and Croatia, for example, there are no glass containers that allow colour-separated collection. In the Republic of Moldova and Ukraine, it is also exceptionally difficult to source cullet of adequately high quality.

The goal of the glass packaging industry is complete recycling of glass products at the end of their life cycle for the manufacture of new products. Our cullet sourcing strategy paves the way towards this objective, and modern cullet processing plants ensure that high-quality cullet is available for the production of new glass containers. We operate cullet processing plants in Switzerland, Austria, the Czech Republic, Slovakia, Croatia and Ukraine. Further information on this topic is available in the Supply chain management section.

As described under Climate protection, the environmental impact of glass production is reduced if the highest possible share of used glass is utilised in production. This minimises the requirements for other raw materials such as sand, soda, feldspar and dolomite, and it also reduces the quantity of energy needed for the melting process. Studies by FEVE, the European Container Glass Federation (source: FEVE) state that a 10 percent increase in used glass results in energy savings of 2.5 percent and CO_2 savings of around 5 percent.

Active commitment to collecting glass packaging

As described above, the availability of cullet depends on many factors. Together with as the collection infrastructure and the transport systems, consumer behaviour plays a key part. As a member of FEVE, the industry association, we believe that we are responsible for actively drawing consumers' attention to the relevance of collecting glass, and for raising their awareness in this regard. To achieve this, we launch awareness-raising initiatives and campaigns in Austria, Croatia, Slovakia, the Czech Republic and Switzerland, and we also carry out online promotion. Friends of Glass is the name by which these activities are known. Moreover, they draw consumers' attention to the health-related and ecological advantages of glass packaging.

Innovative lightweight glass

As described in the Innovation section, Vetropack is proud of our innovative lightweight glass product. It is about 30 percent lighter in weight than conventional reusable bottles, but it also offers the outstanding advantages of higher stability, less abrasion and therefore more reusability than traditional glass products. The bottles are thermally tempered; thanks to their reduced weight, they minimise logistics effort and outlay, and – an impressive benefit – their CO_2 emissions are significantly lower than those from conventional reusable bottles.

Responsible production processes and waste handling

In Vetropack's view, the material topic of Resources means not only offering glass packaging in keeping with the circular economy, but also producing responsibly and conforming to the relevant environmental legislation. The central guideline in this context is our Group-wide Health, safety and environmental policy. This states that our approach to resources is based on awareness, and that we reduce environmental pollution. The Health, safety and environmental policy provides a guidance framework, requiring all employees to comply with the relevant statutory provisions and to behave responsibly in order to avoid and reduce waste. Vetropack also has a standardised waste management procedure which defines how the company manages waste, from generation through to reuse, recycling or disposal.

The majority of waste is generated during the processing of used glass. This consists of foreign substances that adhere to the glass or are wrongly thrown into the glass containers. They include food residues, ceramic, food packaging made of other materials, or glass that is not suitable for manufacturing new packaging for the food industry. Large quantities of refractory and metal waste are also generated when furnaces are refurbished or rebuilt. These materials are managed and recycled by external specialist companies.

Waste in the form of plastics or wood originates from the packaging of the raw materials. In this case, whenever possible, Vetropack opts for reusable solutions – for example, as part of our Holistic Pallet and Pad Management (HPPM) system.

Progress and events in the reporting year

Reusable bottles made of lightweight glass

In the reporting year, the 0.33-litre bottle produced with our thermally tempered lightweight glass technology reached the market as a new reusable solution for Brau Union Österreich. The bottle is about one third lighter in weight than conventional reusable bottles – but, thanks to its stability, it enables a circulation rate that is about 20 percent higher than for comparable products. The bottle's lower weight reduces logistics effort and outlay, thus lowering greenhouse gas emissions. The light but robust glass bottles are ideal for use as returnable containers, so they also contribute to attaining the refill quota which has been mandatory in Austria since 2024 and, going forward, they will play a key part in connection with the refill quota defined in the EU by the Packaging and Packaging Waste Regulation (PPWR). More information about this success story is available to read here.

Digital Recycling pilot project in Croatia

Vetropack Straža d.d. is collaborating with a food manufacturer and a municipal service provider on the Digital Recycling pilot project, under the supervision of the Group Sustainability Manager. Vetropack is providing financial support for the project and is taking on some of the organisational tasks. The Digital Recycling pilot project involves a campaign to educate and sensitise consumers with the aim of increasing the quality of the glass collection and recycling rate throughout the country. On the basis of an online survey, this project investigated the low collection rate for glass packaging that is not covered by the Deposit Return Scheme (DRS). The campaign analysed the types of messages or images that have the greatest impact on consumers' glass collection behaviour. Based on the survey results, appropriate messages were distributed in the form of campaign images – for example, to make it easier for consumers to find glass collection containers. The project will run until spring 2025.

Performance indicators

Material consumption: share of recycled content

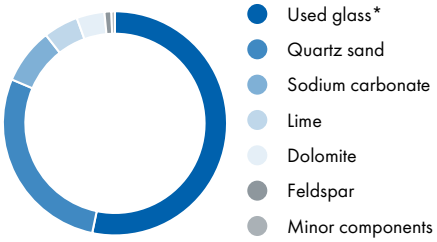
	2024[1)]	2023	2022	2021	2020	2019
Material consumption: recycled content						
in green glass	74%	69%	66%	63%	65%	65%
in amber glass	70%	65%	71%	61%	55%	53%
in white glass	40%	43%	41%	41%	42%	43%
overall average	57%	56%	57%	55%	55%	53%

[1)] Vetropack reached an average recycled content of 57 percent in the reporting year, considering all colours. The highest cullet share was 74 percent for green glass, and the lowest share was 40 percent for white glass. This reflects the market availability of the respective colours.

Waste

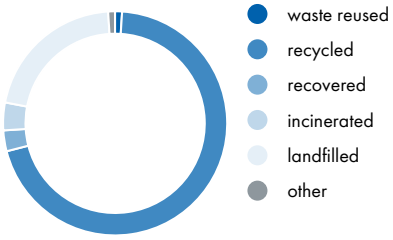
	Change	2024	in %	2023	in %
Waste disposal in metric tons	0%	82 163		82 036	
Waste diverted from disposal (i.e. recycled)	5%	60 825	74%	57 718	70%
Non-hazardous waste	6%	60 662	100%	57 365	99%
Hazardous waste	– 54%	163	0%	353	1%
Waste directed to disposal	– 12%	21 338	26%	24 317	30%
Non-hazardous waste	– 16%	19 305	90%	23 114	95%
Hazardous waste	69%	2 033	10%	1 204	5%

Raw materials for glass production 2024
in %

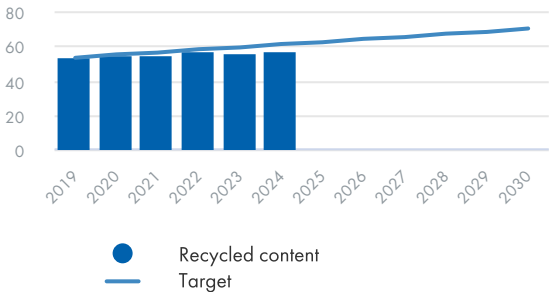


* There is a natural difference between the recycled content used and the percentage of raw materials used due to the weight losses of some materials (sodium carbonate, lime and dolomite) in the melting process.

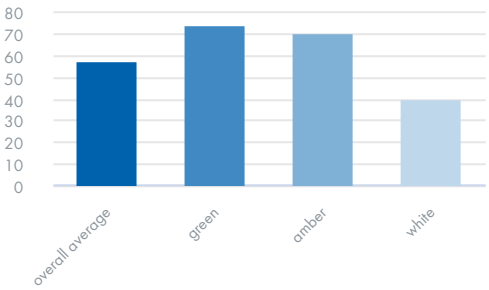
Waste and its disposal 2024
in %



Share of recycled glass content and target
in %



Recycled glass by colours 2024
in %



In 2023, Vetropack achieved an average cullet share of 56 percent taken across all colours, while the figure in the reporting year was 57 percent. The highest cullet share was 74 percent for green glass, and the lowest share was 40 percent for white glass.

Production of white glass with a high percentage of recycled content is particularly challenging. On the one hand, this colour is very popular in the food industry. And on the other hand, flint glass does not tolerate any 'impurities' due to coloured cullet. Therefore, its availability is often limited. To add to the difficulties, the glass containers for colour-separated glass collection have been abolished in some countries. Our Slovakian plant in Nemšová has responded by operating a plant with a special sorting unit, which separates and cleans the flint glass so it can be used as a raw material for new products.

Water

In order to manufacture glass packaging, we mainly use water for cooling purposes and, whenever possible, we implement closed water loops. Efficient and responsible water management is constantly becoming more important for us, especially in view of the increase in droughts due to climate change.

The material topic of water comprises water withdrawal, water consumption and water discharge. At Vetropack, we mainly use water in the form of cooling water for our production processes. To a large extent, water for glass production circulates in closed loops: this means that water withdrawal, consumption and discharge are limited and the risk of water contamination is low. On the other hand, the effects of climate change are changing the availability of water – and this can also impact our production. In the long term, statutory requirements or orders to restrict water usage could present a risk. This makes it all the more important that we should already adopt a responsible approach to water as a resource today.

Concepts, policies and measures

Systematic water management

We view measurement and monitoring of water withdrawal, water consumption, water quality and water discharge as core elements of systematic water management. In the course of implementing the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), we have identified changes in the availability of water as a material climate-related physical risk.

This makes it all the more important not only to implement the legal requirements regarding water use, wastewater treatment and wastewater discharge, but also to reduce our water consumption.

Health, safety and environmental policy

A responsible approach to natural resources such as water is enshrined in our Group-wide Health, safety and environmental policy. In addition to compliance with requirements stipulated by environmental legislation, the policy requires us to avoid negative impacts on water such as pollution or excessive consumption.

The Group Sustainability Manager is responsible for strategic orientation in respect of water as a material topic. The main responsibility for implementing the legal requirements lies with the Engineering and Production departments and the Integrated Management Systems department. The teams at our plants implement the local requirements.

Water in glass production

In glass production, water is mainly used as a coolant for the machines. For the most part, the water circulates in closed loops.

Outside of the production processes, we need water to clean the plastic pads that are used multiple times as part of our Holistic Pallet and Pad Management (HPPM) system. As described in the Supply chain management section, our Procurement policy states that we take account of environmental criteria when purchasing new plant and machinery. This includes water consumption.

To cut the gobs with the shears, as they are known, we use oils or emulsions. As the cutting takes place, these additives can end up in the water network. This is why our water treatment systems ensure that the water does not exceed the legally stipulated limit values for wastewater discharge. We perform regular analyses to check the water quality. These also include checks on the water temperature: to meet legal requirements, we measure the temperature of the water before we introduce it into municipal systems. In case of deviations in water quality, we implement measures in collaboration with the responsible local authorities.

Performance indicators

Water consumption

Water in m^3	Change	2024	in %	2023	in %
Total water withdrawal	**4%**	**1 258 999**		**1 210 010**	
Surface water (incl. collected rain water)	– 17%	47 259	4%	56 899	5%
Groundwater	2%	819 564	65%	800 852	66%
Third-party water (i.e. municipal water supply)	11%	392 176	31%	352 258	29%
Total water discharge	**5%**	**1 074 085**		**1 020 014**	
Surface water	130%	394 780	37%	171 992	17%
Third-party water (i.e. wastewater treatment plants)	– 20%	679 305	63%	848 022	83%
Total water consumption	**– 3%**	**184 914**		**189 995**	
Water intensity in m^3 per metric ton of glass produced[1)]	**1%**	**0.88**		**0.87**	

[1)] The specific water intensity was calculated on the basis of m^3 withdrawal per metric ton of glass produced that satisfies all quality and safety requirements thus qualifying for sale.

Social impact

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

Social impact

Our corporate vision focuses on continuous learning. We deploy strategic talent management to promote our employees' development. We offer our employees prospects and create value for our company at the same time. We build up close relationships with our employees thanks to transparent communication, dialogue, and regular engagement surveys. We endeavour to guarantee equal opportunities for all our employees – and to ensure this, we are committed to a non-discriminatory and inclusive corporate culture where diversity is valued and respected. We also regard our employees' safety as a factor of central importance.

In this chapter

Employee satisfaction

Diversity, equity and inclusion

Occupational health and safety

Employee satisfaction

By investing in the development of our employees and creating fair working conditions, we intend to position ourselves as an Employer of Choice in keeping with our corporate strategy. Standardised processes, pay evaluation systems based on objective criteria, and development of our employees with various training programmes are key elements of our Employer of Choice strategy.

Glass production is demanding in terms of manual skills as well as physical effort. This gives us all the more reason, as an employer, to offer our employees fair working conditions and create a working environment where respect prevails, with prospects for personal and professional development. Motivated and dedicated employees are essential if we are to achieve our strategic goals and produce high-quality glass packaging in line with our customers' specifications. If employees do not feel they are appreciated, they will turn away from Vetropack: that would reduce the productivity and innovative strength of our business, and could negatively impact the quality of our products.

Concepts, policies and measures

Transparent and fair working conditions

Our Code of conduct sets out the framework and defines the requirements for our employees to work together with mutual respect, and to comply with the applicable labour laws. In line with our personnel and management policy, the Code of conduct also states that all employees shall meet

their responsibilities for respecting human rights in accordance with the Universal Declaration of Human Rights and the Fundamental Conventions of the International Labour Organization (ILO). It goes without saying that we reject any form of forced or child labour. The Code of conduct also stipulates that employees are entitled to working hours, holidays and remuneration in accordance with the applicable labour laws and industry standards. Further information on the Code of conduct and our overarching Business ethics policy (BEP) can be found in the Compliance section.

Employer of Choice as part of our Strategy 2030+

In keeping with our strategy, we endeavour to position ourselves as an Employer of Choice so we stand out from our competitors. The Human Resources department is responsible for implementing the Employer of Choice initiative. This department provides the appropriate policies, guidelines and instruments. Our managers set an example by putting the strategy into practice in their day-to-day work.

In keeping with our Employer of Choice promise, we opt to implement a Total Compensation Strategy (TCS). This states that pay for all employees is determined according to objective criteria, so the approach is non-discriminatory. The TCS views compensation as an overall package of financial remuneration, holiday entitlement and flexible working hours, and is tailored to functions and overall country-specific conditions in each case. More information is available on this subject in the Diversity, equity and inclusion section.

So we can continuously improve our corporate culture and working conditions, we conduct company-wide employee surveys at intervals of about three years. These surveys aim to identify Vetropack's strengths and weaknesses as an employer, and to determine our employees' satisfaction and engagement levels: the findings give us valuable input regarding potential for improvements to our corporate culture.

One relevant performance indicator for our employee strategy is the Great Place to Work® Trust Index, which allows us to benchmark with other companies and motivates us to keep on implementing improvements. For internal purposes, we use the following KPIs to measure the success of our Employer of Choice strategy:

- Voluntary turnover: maximum 5 percent (2024: 4.0)
- Job offer acceptance: 90 percent (2024: 96.9)
- Retention rate of new hires within the first two years: 90 percent (2024: 77.9)

Employee recruitment and development

The environment for attracting and retaining suitable employees is becoming increasingly competitive. This makes it all the more crucial to recognise and promote employees with potential at all levels, and to reduce staff turnover.

In view of the shortage of skilled labour, we are strategically aligning our talent management to focus on the following Group functions:

- Talent Attraction and Acquisition
- Talent Management
- Learning and Development

We are digitalising our recruitment processes in respect of Talent Attraction and Acquisition. For instance: we now have a fully implemented module in SuccessFactors for recruitment, where all recruitment processes are managed digitally; we have remodelled our website; and we aim to target attention at our company as a potential employer through our presence in digital media.

In Talent Management, we have a Talent and Organisation Review (TOR) process that ensures we are effectively managing our workforce and organisational structure so we can sustainably meet our strategic goals. This annual process encompasses on all levels in the company, and consists of two parts:

- Talent review: identifying employees with leadership potential or special expertise to support the corporate strategy. A framework programme is in place to promote career development and offer targeted support for future leaders.
- Organisation review: evaluating the long-term future viability of our organisation and succession planning. This process identifies future requirements, minimises disruptions when there are personnel changes in key roles and serves the purpose of strategic orientation.

Learning and Development is responsible for initiatives and programmes that benefit our employees' ongoing professional and personal development. These range from establishing key learning platforms such as Vetrocademy and designing tailored eLearning content to sponsorship of specific and advanced education on strategic topics for our employees.

Transparent processes, guidelines and policies

We continue to use the SuccessFactors software from SAP to digitalise our human resources processes and record Group-wide key figures on employees. This promotes standardisation and helps to make processes transparent. Since 2023, we have been using the new Performance Management module in SAP's SuccessFactors. The Performance Management module supports us with functions such as conducting standardised employee interviews, and with measuring and reviewing our employees' development goals. These guidelines and policies help to make our HR processes transparent:

- Continuing training guidelines
- Recruitment guidelines
- Promotion guidelines

Learning organisation

We are endeavouring to create a learning organisation, and to provide our employees with the right tools to support them with acquiring new knowledge. Our corporate vision emphasises continuous learning, and we offer training in both hard and soft skills. In keeping with the blended learning concept, we offer various learning channels such as classroom training, virtual training, and eLearning. We are proud of Litmos, our eLearning platform that offers over 1,500 courses on a variety of specialised subjects. Litmos enables our employees to take part in courses or deepen their company-specific knowledge at any time, and from any location.

To ensure that we are also positioned as a learning organisation in the medium term, we have set ourselves this goal:

- By 2030, we intend to increase our investments in continuing training for our employees by around 50 percent.

The Vetrocademy development platform is another element of our pledge to be a learning organisation. This platform offers interactive learning experiences that help employees to advance their personal development by acquiring new expertise – an approach that benefits the entire company. Vetrocademy includes programmes focusing on leadership, sales, glass, and other strategic topics. The Leadership programme equips participants with the skills and tools they need to excel as leaders, fostering a culture where employees thrive, enjoy their work, and consistently perform at their best. We are also stepping up our investments in language and diversity training programmes to facilitate interaction between our locations and, at the same time, to promote knowledge transfer. More information is available on this subject in the Diversity, equity and inclusion section.

Training centres offer instruction on glass production

At our company's own Training Centre in Pöchlarn (Austria), we train specialists in glass production and offer education for our employees. Aided by virtual reality technologies, employees can acquire industry-specific expertise and craftsmanship in a safe environment at our Training Cen-

tre. Through the Centre, we aim to pass on the art of glassmaking to new talents, transfer knowledge, and combat the shortage of skilled workers.

As well as our largest Training Centre in Pöchlarn, we offer similar training facilities on a smaller scale in all our plants so our employees can also learn and perfect their glassmaking skills at local level.

Agility Scouts are key to elevating our corporate culture

We are committed to growing our network of Agility Scouts, as we call them. They comprise around twenty employees from various sites who perform different functions, and they help to find opportunities for shaping and continuing to develop our corporate culture. The philosophy adopted for their mission is: 'For a working culture that is just as transparent, sustainable and natural as our glass.' The Agility Scouts trigger challenges aimed at improving processes and fostering our corporate culture. They also provide support for implementing projects linked to working culture. Based on the employee survey conducted in 2023, the Agility Scouts will focus on issues such as improving our feedback culture, with the help of appropriate initiatives.

Progress and events in the reporting year

Training workshop for apprentices at Kremsmünster

In 2024, we opened a new Training Workshop at our Kremsmünster location in Austria. Going forward, therefore, our apprentices in Austria will each complete one part of their training in the Pöchlarn plant, and another part in the Kremsmünster plant. Training content at Kremsmünster focuses on pneumatics, electropneumatics and robotics. To arouse enthusiasm about glass container production among youngsters at a very early age, we also plan in future to invite schools to the new training workshop where we will inspire them by demonstrating the diversity of our activities.

Results from the employee survey

In 2023, we invited our employees to participate in an employee survey carried out by Great Place to Work®, an independent survey institute. Based on the results, we identified two key issues at Group level: feedback culture, and psychological safety. We are now taking a targeted approach to improving our feedback culture, based on the survey results. For example: the Agility Scouts are launching initiatives to promote feedback among employees at the same hierarchical levels. This is because we are convinced that constructive feedback helps our employees to advance their professional development. Psychological safety was identified as the second key issue. We want to give our employees more training on dealing with challenging situations, make communication channels available to them, and enable them to achieve a good work-life balance. The Occupational health and safety section describes other initiatives that benefit our employees' mental health. Alongside the key issues for the entire Vetropack Group, our individual sites are undertaking projects based on the local findings from the survey.

Performance indicators

GRI 2-30 Collective bargaining agreements

About 30 percent of our employees are covered by collective bargaining agreements, which are formulated in various ways according to local legislation.

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

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

Key indicators regarding employees

Composition of the workforce (at year's end)[1)]	**Change**	**2024**	**in%**	**2023**	**in%**
Total number of employees in Headcount (excl. apprentices, interns, trainees, contract workers, temporary workers)	**– 5%**	**3 585**		**3 772**	
Permanent employees by employment type	– 4%	3 533	99%	3 685	98%
Full time (excl. apprentices, interns, trainees, contract workers, temporary workers)	– 3%	3 501	99%	3 602	98%
Female	5%	859	25%	817	23%
Male	– 5%	2 642	75%	2 785	77%
Part time (excl. apprentices, interns, trainees, contract workers, temporary workers)	– 61%	32	1%	83	2%
Female	– 70%	20	63%	66	80%
Male	– 29%	12	38%	17	20%
Temporary employees by employment type	**– 40%**	**52**	**1%**	**87**	**2%**
Full time (excl. apprentices, interns, trainees, contract workers, temporary workers)	– 40%	50	96%	84	97%
Female	– 18%	18	36%	22	26%
Male	– 48%	32	64%	62	74%
Part time (excl. apprentices, interns, trainees, contract workers, temporary workers)	– 33%	2	4%	3	3%
Female	– 33%	2	100%	3	100%
Male	-	-	0%	-	0%
Workers who are not employees[2)]	**– 5%**	**39**		**41**	
Apprentices	– 8%	33	85%	36	88%
Female	– 17%	5	15%	6	17%
Male	– 7%	28	85%	30	83%
Trainees	0%	1	3%	1	2%
Female	-	1	100%	-	0%
Male	– 100%	-	0%	1	100%
Contract workers	25%	5	13%	4	10%
Female	-	2	40%	-	0%
Male	– 25%	3	60%	4	100%

[1)] The decrease in overall employee numbers in is associated with the closure of our site in St-Prex in 2024.

[2)] Newly, figures for contract workers are disclosed for the year 2023. Hence, there is a deviation from the formerly reported values.

New hires and employee turnover

	Change	2024		2023[1]	
New hires by gender	**Joiners**	**Joiners**		**Joiners**	
		Head-count	Rate in %	Head-count	Rate in %
Total	– 24%	404	11%	535	14%
Male	– 26%	286	10%	387	14%
Female	– 20%	118	13%	148	17%
New hires by age group					
<30	– 11%	134	29%	151	29%
30-50	– 11%	250	14%	280	69%
>50	– 81%	20	1%	104	39%
New hire rate in %	– 3.2%p	11.0%		14.2%	

[1] The new hire rate was newly calculated using the average employee number instead of the end of year value for the breakdown by gender. This results in a slight deviation to the value reported for 2023. Due to lack of data, this methodology is only used for 2024 data in the breakdown by age group.

	Change	2024		2023[1]	
Turnover by gender	**Leavers**	**Leavers**		**Leavers**	
		Head-count	Rate in %	Head-count	Rate in %
Total	37%	591	16%	432	12%
Male	57%	464	17%	295	10%
Female	– 7%	127	14%	137	16%
Turnover by age group					
<30	70%	146	32%	86	17%
30–50	27%	233	13%	184	46%
>50	31%	212	15%	162	60%
Turnover rate in %	4.5%p	16.1%		11.6%	

[1] The turnover rate was newly calculated using the average employee number instead of the end of year value for the breakdown by gender. This results in a slight deviation to the value reported for 2023. Due to lack of data, this methodology is not used for 2023 data in the breakdown by age group.

Performance reviews

	Change	2024	2023
Regular performance reviews[1]		in%	in%
Permanent employees	28%	17%	13%
Female	23%	29%	24%
Male	30%	13%	10%
Temporary employees	7%	10%	9%
Female	– 38%	15%	24%
Male	94%	6%	3%

[1] The Group performance review process applies only to a specific part of employees such as management functions.

Occupational health and safety

Production of our glass packaging entails hazards for the employees who work in our plants. This makes it all the more important for the entire company to accord the highest priority to compliance with occupational safety legislation, and to create overall conditions that enable work to be carried out safely – fully in keeping with our principle: 'I'm more important than production'.

High temperatures, noise, emissions, operation of machines and handling of chemical substances present risks to the safety and health of our employees in glass production. This remains true even though we invest in the latest technology and equipment, and all our plants meet the highest possible occupational safety standards. Inadequate safety and work-related illnesses or absences would impair our employees' wellbeing and restrict their productivity – also leading to financial disadvantages for Vetropack. Occupational safety and health protection are essential to our business success. For this reason, we accord top priority to occupational safety measures that go beyond the minimum legal requirements. The perception of the Vetropack brand, combined with the highest safety standards, also helps us to attract new talents who are enthusiastic about glass production.

Concepts, policies and measures

Occupational safety is strategically relevant

We are convinced that a safe and accident-free work environment is crucially important for our employees' wellbeing and for Vetropack's business success. For this reason, we have defined the following goal:

– We shall endeavour to reduce the Group-wide TRIR value to 2.0 by 2030.

This is why it is particularly important to embed our safety culture by means of awareness-raising measures, regular training, and systematic collection of data on accidents and near misses. Also, the TRIR value (Total Recordable Incident Rate), or accident frequency rate, is linked to remuneration for our Management Board and senior management.

Safety culture, rules and principles

It is only possible to manufacture high-quality glass packaging if an established safety culture is in place. This is why we invest in a corporate culture that focuses on raising awareness about work-related hazards.

Our central occupational safety guidelines comprise four safety principles and nine safety rules.

The four safety principles are:

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

The graphic below shows the content of our nine golden safety rules.

Rule 1: I respect procedures, signals and warnings

In addition, we familiarise our employees with a key principle: 'I'm more important than production'. If employees perceive a situation as a hazard to their safety or health, they are required to discontinue their work.

According to our Procurement policy (see Supply chain management), we always take account of safety and health aspects when purchasing new machines and production plant and, whenever possible, we give preference to low-pollutant and low-noise equipment.

Systematic occupational safety management

Our occupational safety management systems comprise standardised processes and are geared to continuous improvement. Our plants at Pöchlarn (Austria), Kremsmünster (Austria), Kyjov (Czech Republic), Nemšová (Slovakia) and Hum na Sutli (Croatia) have occupational safety management systems certified to ISO 45001 in place. The other plants (except Chișinău) have equivalent systems based on the ISO standard. We are planning certification to ISO 45001 for our Boffalora plant in 2025.

We control our occupational safety management as follows:

- At Group level, the Director Corporate Development and Integrated Management Systems (IMS) is directly responsible for quality, occupational safety, sustainability, and environmental protection.
- The Group Health and Safety Manager reports to this corporate function and, together with the Director Corporate Development and Integrated Management Systems, coordinates the activities of the Safety Managers at the individual plants.
- Plant managers and team leaders are responsible for applying and correctly implementing the defined safety standards.
- An occupational safety working group provides the setting for the Safety Officers of the plants and the Group Health and Safety Manager to exchange ideas across all sites. This working group is responsible for internal audits and for evaluating the occupational safety concepts.
- Employees are responsible for complying with the safety rules in their daily work, and for promoting mutual awareness.

Principles that apply throughout the company are enshrined in Vetropack's Health, safety and environmental policy, which obliges the plants to develop and implement appropriate concepts.This policy obliges the plants to develop and implement appropriate concepts. Within the scope of the policy, we provide our employees with adequate protective equipment and offer awareness-raising programmes to draw their attention to hazards and how to deal with them.

We carry out regular internal and external safety audits to assess the effectiveness of our safety concepts and measures. When internal audits take place, the safety experts at one plant examine the processes and concepts at another plant and identify potential for improvement. External audits serve the purpose of certification (or re-certification).

Within the scope of our occupational safety system, we undertake standardised risk analyses in accordance with the principles of ISO 45001. We urge our employees to report near misses to their line manager or the local Safety Manager – because analysing near misses helps to prevent accidents. We apply a standardised process to evaluate the events involved in accidents so as to prevent similar occurrences in the future. For this purpose, regular dialogue is maintained between the Occupational Safety Managers at the individual plants. The topic of occupational safety is also discussed at management meetings.

As a preventive measure, employees with particular exposure are required by law to undergo regular occupational health screenings. If employees show the first signs of an occupational illness or disease, we support them with adapting their activities.

Measures to enhance occupational safety

In addition to our occupational safety policy and our multi-level occupational safety management system, we provide regular training for our production employees. To ensure that our employees are familiar with the nine safety rules, we provide supplementary training as an element of the Safety Days held at every site.

Carelessness and time pressure are reasons for violating safety rules and disregarding principles that are essentially familiar. We deliberately aim to remedy such lapses by implementing what is known as the Safety Minutes philosophy. Safety Minutes are brief training sessions lasting around ten minutes that concisely convey relevant safety information and instructions on behaviour. The Safety Minutes philosophy encourages employees to make each other aware of work-related hazards and compliant behaviour. The aim is to ensure that zero tolerance for rule violations is implemented consistently by all functions in everyday working life, so Group-wide awareness is fostered.

Some of our plants have their own firefighters who take action to prevent fires and dangerous situations. They carry out regular inspection tours of the plants to identify potential risks. They liaise closely with the local fire brigade and can react quickly in an emergency. But as well as taking action in emergencies, the fire brigade also trains employees on dealing with hazards and sensitises them so they can actively avoid situations involving risks. Sites without their own fire brigade collaborate closely with the local fire brigade.

To ensure the highest level of occupational safety, it is important that our employees concentrate when carrying out the work steps and that they support one another. One hazard to employees that should not be underestimated originates from logistics activities in the warehouses. In our Boffalora plant, we have opted to implement a fully automated state-of-the-art warehouse. This makes it possible to reduce hazardous situations on the human-machine interface. Also see Supply chain management on this topic.

Promoting mental health

Our occupational safety systems are mainly geared to production and production-related areas. But protecting mental health is just as crucial in this context, – and this applies to all employees. Mental health was also identified as a relevant issue in the employee survey conducted in the reporting year. In future, we intend to manage this issue more strategically and to develop Group-wide concepts. At present, the services we offer in this area are largely limited to local programmes at individual locations. Some examples of activities that positively impact mental health are described below.

Our Bülach site launched a collaboration arrangement with the Wisli Foundation in 2023. For more than 35 years, this foundation has been advocating social and vocational integration for people with mental impairments. As part of this collaboration, we organise events focusing on physical health, and we make our employees aware of early warning signs.

To support employees in Ukraine who have been impacted by the war, we set up the Vetropack Foundation Gostomel in 2022 with the help of donations. The Foundation has the goal of providing support for Ukrainian employees whose house or apartment was destroyed in the war, or who suffered severe injuries. The Foundation also includes a psychological support programme.

Progress and events in the reporting year

Further standardisation of safety concepts

During the year under review, we decided to standardise and continue improving our occupational safety processes, policies and guidelines across all our plants from 2025 onwards, in collaboration with an external specialist. To record the current status, we shall begin the project by undertaking analyses at all our locations. This is because the safety concepts at individual plants differ from one another at present, due to local occupational safety legislation and varying levels of safety awareness in specific countries. Implementation of best-practice standards is intended to standardise occupational safety management in its entirety, ranging from standardised work instructions and personal protective equipment to employees' conduct. Our goal is to define our safety standards more systematically throughout the Group in future, and to balance out special country-specific features that exist at present.

NIS glass forming machines to improve safety

As described in the Climate protection section, one new melting furnace and two servo-driven glass forming machines were commissioned at the start of 2024 in Kyjov (Czech Republic). Vetropack Straža (Croatia) also introduced a NIS glass forming machine. As well as delivering impressive efficiency, the servo-driven NIS glass forming machines ensure greater safety for our employees because they require less human intervention. Moreover, employees are exposed to fewer noise emissions – with positive impacts on health.

Performance indicators

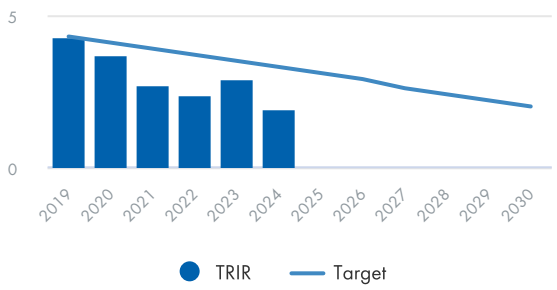
Key indicators for occupational health and safety

	Change	2024[2]	2023
Number of fatalities resulting from work-related injuries	-	-	-
Number of high-consequence work-related injuries (excluding fatalities)	-	-	-
Number of recordable work-related injuries	– 37%	59	93
Total work days lost due to injuries and occupational diseases	– 33%	1 949	2 908
Total Recordable Incident Rate (TRIR)[1]	– 33%	1.90	2.85
Total Recordable Incident Severity Rate (TRISR)[1]	– 39%	56.00	91.21
Percentage of operational facilities that are certified to ISO 45001 certified	12%	63%	56%

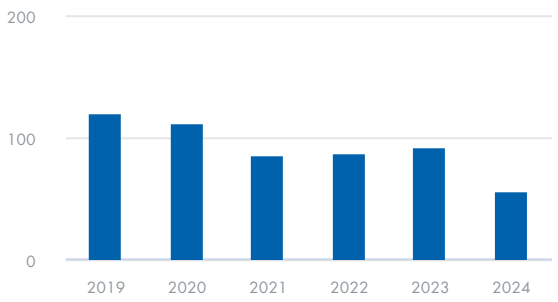
[1] per 100 full time equivalents (FTE)

[2] St-Prex, which was closed in the year under review, is not included in this metric.

TRIR per 100 FTE and target



TRISR per 100 FTE



Indicators relating to occupational safety are heavily dependent on employee behaviour, so they are often subject to fluctuations. Long-term trends offer better insights into the efforts put in over many years and the effectiveness of safety concepts and measures.

Diversity, equity and inclusion

Vetropack is committed to an inclusive and non-discriminatory corporate culture where diversity is valued and equal opportunities are fostered. A diverse workplace environment contributes to our employees' satisfaction – which, in turn, promotes creativity, innovative strength and productivity throughout our entire company.

Vetropack places heavy emphasis on promoting diversity, equity and inclusion at all levels of the organisation. Equity means ensuring that all employees are treated fairly and have access to equal opportunities for growth and development, taking account of their individual needs and circumstances. A diverse workforce promotes flexibility and innovation – thus positively impacting Vetropack's competitiveness and business success. If we are not committed to diversity, equity and inclusion, there is an increasing risk that we shall lose employees to our competitors.

Concepts, policies and measures

Diversity, equity and inclusion are entrenched in our strategy, policies and guidelines

Promoting diversity, equity and inclusion is a cornerstone of our Employer of Choice strategy, which aims to ensure that all our employees feel comfortable, are given opportunities for professional and personal development, and are able to engage. More information about this strategy is provided in the Employee satisfaction section.

Our Business ethics policy and our Code of conduct prohibit any form of discrimination or unfair treatment. Our policies state that we recruit, assess and promote our employees on the basis of objective criteria, in accordance with the qualifications and skills required for a position.

To standardise our HR processes, we use the Performance Management module in the SAP SuccessFactors tool. This module measures relevant KPIs and helps to standardise performance goals. This, in turn, supports unbiased and consistent assessment of our employees' performance.

Our recruitment and promotion policies foster recruitment processes that are transparent and therefore fair, and they contribute to fair decisions on promotions. Our recruitment guidelines ensure that we fill new positions without prejudice, and in accordance with our values. To offer our employees prospects for development, we always advertise our vacant positions within the company as well as externally. We endeavour to select the best-qualified applicants and, at the same time, to create a diverse workplace environment.

Although some of our sites are over 100 years old, we consistently implement measures to ensure accessibility for individuals with physical limitations by undertaking maintenance work or implementing structural optimisations.

If our employees have any concerns about discrimination, harassment or inappropriate behaviour, they can raise such issues safely and anonymously – for example, via our SpeakUp Hotline. We also encourage our employees to contact the Legal & Compliance department, the Human Resources department or their direct line manager in the event of suspected or identified incidents. Compliance training familiarises employees with these processes. More information on this topic is available in the Compliance section.

Diverse nationalities and languages

People of around 40 nationalities work at Vetropack. Our company uses nine official languages and welcomes people from different cultural backgrounds and age groups. Since we have grown internationally in recent years and will continue to do so going forward, we are increasing our investment in language and diversity training. This is intended to simplify and step up interaction among our sites – which, in turn, will benefit the transfer of knowledge. Our internal communication channels such as Beekeeper (our employee app) encourage the integration of our diverse nationalities. For example: Beekeeper offers an integrated translation function that employees can use to engage in dialogue and access information in their preferred language.

Objective performance assessments and compensation

We make use of transparent pay and job assessment systems to evaluate our employees' professional performance according to objective criteria, so as to prevent discrimination. To guarantee equal pay, we implement standard salary ranges throughout the Group. These ranges ensure that our employees receive comparable – and therefore fair – pay for identical work that requires similar skills. This grading based on objective criteria ensures that only standardised, performance-related aspects influence pay. Our performance assessment systems, which apply throughout the Group, ensure transparency and comparability of the skills required for each function.

Awareness-raising measures and training

Our Human Resources staff and our managers participate regularly in training on diversity, equity and inclusion. Our Vetrocademy leadership programme also includes these topics among its focal points. This programme sensitises our managers and gives them the necessary levels of awareness. The training courses teach suitable instruments and methods to create a diverse working environment.

Progress and events in the reporting year

Employee survey confirms the perception of an inclusive working environment

The employee survey conducted by Great Place to Work®, the independent survey institute, supplied valuable insights about our employees' perception of Vetropack's commitment to diversity, equity and inclusion. The results of the survey confirmed that our employees basically perceive the workplace climate as non-discriminatory, and they feel that they are treated fairly regardless of their sexual orientation, gender or origin. We believe that diversity is a core value that requires ongoing effort, and we are already seeing the positive impact of our commitment.

Performance indicators

GRI 406-1 Incidents of discrimination and corrective actions taken

There were zero (2023: zero) cases of discrimination reported in 2024.

Diversity by age and position

	Change	2024	in%	2023	in%
Board of Directors (BoD)	0%	8		8	
under 30	-	–	0%	–	0%
30–50	-	–	0%	–	0%
over 50	0%	8	100%	8	100%
Management Board (MB)	0%	7		7	
under 30	-	–	0%	–	0%
30–50	-	–	0%	–	0%
over 50	0%	7	100%	7	100%
Extended Management Board	0%	14		14	
under 30	-	–	0%	–	0%
30–50	0%	2	14%	2	14%
over 50	0%	12	86%	12	86%
Management	5%	119		113	
under 30	-	–	0%	–	0%
30–50	5%	62	52%	59	52%
over 50	6%	57	48%	54	48%
Non-management	– 5%	3 452		3 645	
under 30	– 7%	445	13%	476	13%
30–50	– 9%	1 652	48%	1 817	50%
over 50	0%	1 355	39%	1 352	37%

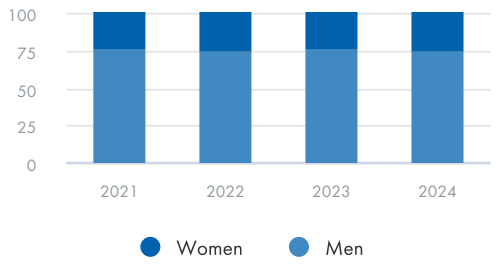
All numbers in Headcount. Reduction in 2024 due to the closure of St-Prex

Diversity by gender and position

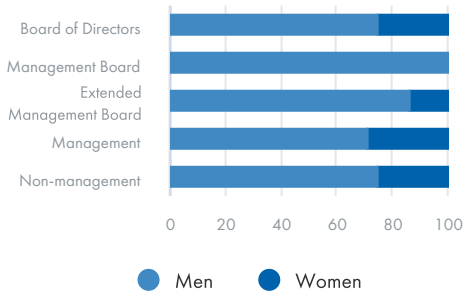
	Change	2024	in%	2023	in%
Board of Directors (BoD)	0%	8		8	
Female	0%	2	25%	2	25%
Male	0%	6	75%	6	75%
Management Board (MB)	0%	7		7	
Female	-	–	0%	–	0%
Male	0%	7	100%	7	100%
Extended Management Board	0%	14		14	
Female	0%	2	14%	2	14%
Male	0%	12	86%	12	86%
Management	5%	119		113	
Female	0%	34	29%	34	30%
Male	8%	85	71%	79	70%
Non-management	– 5%	3 452		3 645	
Female	– 1%	863	25%	869	24%
Male	– 7%	2 589	75%	2 776	76%

All numbers in Headcount. Reduction in 2024 due to the closure of St-Prex

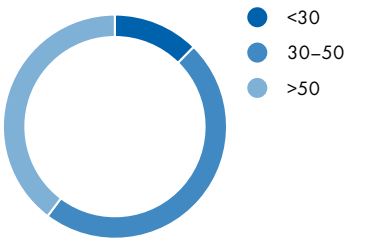
Diversity by gender
in %



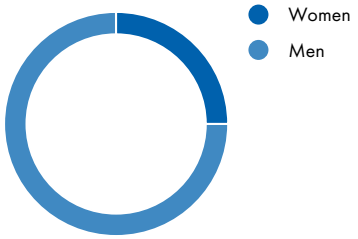
Diversity by employee category 2024
in %



Age structure of employees 2024



Employees by gender 2024
in %



Governance

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

Governance

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

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

In this chapter

Compliance

Supply chain management

Compliance

As one of Europe's leading manufacturers of glass packaging for the food and beverage industry, we undertake to comply with the legal requirements and ethical standards in all our activities and business relationships. It is a given for us to take account of applicable laws, regulations and industrial standards, and to react immediately in case of any deviations. Vetropack sees training, awareness-raising measures and the implementation of relevant processes as key elements in ensuring compliance.

Ethical conduct and rejection of unlawful conduct form the basis for our daily work. We understand Compliance as meaning adherence to global and national laws and frameworks, together with integrity in business activities. Compliance benefits our corporate culture; it is essential for all our business relationships, and thus provides the basis for our commercial success. Breaches of the law would impair Vetropack's reputation and negatively impact the trust demonstrated by our suppliers, business partners and customers. Such breaches could also lead to legal consequences, including financial penalties.

Concepts, policies and measures

Embedding ethical conduct

Our fundamental ethical values are reflected in our corporate culture, which is based on the values of integrity, reliability and transparency. Our Code of conduct sets out these values, and also stipulates compliance with legal regulations and guidelines applicable throughout the Group. On recruitment, our employees sign the Code of conduct to signal their commitment to these principles. They include (among others) the prohibition of discrimination, ensuring fair competition, and the avoidance of bribery, corruption and fraud. Further principles include (but are not limited to) respect for human rights in accordance with the Universal Declaration of Human Rights and the conventions of the International Labour Organization (ILO). This includes the strict rejection of child and forced labour, the guarantee of freedom of association, and the right to collective bargaining.

Our Business ethics policy contains instructions on conduct that are applicable throughout the Group regarding legally compliant and ethical business activities. This policy includes the prohibition of bribery and corruption, the avoidance of conflicts of interest, the guarantee of fair competition, and compliance with antitrust law.

At Vetropack, the General Managers of the individual sites are responsible for compliance. They are supported by instructions on conduct from the Legal department.

Ethical principles in the supply chain

We also expect our suppliers to take account of our values and to behave in a legally compliant and ethical manner. Our Supplier code of conduct and Supply chain policy lay the foundations for compliance in our supply chain. The Supply chain management section describes in detail how we implement ethical and legal standards in the supply chain.

Competition and antitrust law

The high concentration of the European glass packaging market gives rise to challenges in terms of competition and antitrust law. Our Anti-trust policy obliges all employees to comply with the applicable competition and antitrust laws. It prohibits price fixing and market/customer allocation agreements with competitors.

Every three years, we carry out antitrust risk assessments to evaluate the entire Vetropack Group as well as our market environment. We review relevant regulations and internal processes. Training courses on antitrust law are conducted annually.

Combating corruption

In order to combat corruption, we adhere to local and international provisions based on the 1997 Convention on Combating Bribery of Foreign Public Officials in International Business Transactions and the 2021 OECD Anti-Bribery Recommendation.

We provide our employees and our suppliers with regular information on avoiding corruption. The relevant guidelines are established in our Code of conduct and Business ethics policy. They prohibit offering, demanding or accepting facilitation payments or bribes. In order to reduce corruption and bribery risks, we regularly implement internal inspections. Specific training is provided for employees holding key positions in areas such as procurement and sales. Our employees should report suspected cases to their line manager or the Legal department.

Corruption risks arise in connection with business activities in countries with high levels of corruption according to Transparency International. Our Legal department carries out corruption risk assessments every three years to determine the current situation. The Vetropack Group operates largely in countries with a moderate to very low Corruption Perceptions Index (CPI). There is a heightened risk in the Republic of Moldova and Ukraine.

Our Business ethics policy also defines the handling of gifts in order to prevent undue advantages and/or bribery. Bribery may lead to consequences under criminal law for individuals or for Vetropack as a company. The Group policy for gifts, hospitality and entertainment sets out specific instructions on conduct.

Handling conflicts of interest

In our Business ethics policy, we provide our employees with instructions on conduct in the event of any conflicts of interest. All employees are obliged to avoid conflicts of interest or to report them to the HR department, the local General Manager, or the Legal and Compliance department. In the event of conflicts of interest, the CEO and the responsible General Manager decide what approach should be taken. If conflicts of interest arise at Board of Directors level, the member concerned must recuse himself or herself from the relevant agenda item.

Whistleblowing system

We have set up a whistleblowing system for reporting identified or suspected breaches of the law. Our SpeakUp Hotline, which forms part of our SpeakUp policy, can be accessed by employees and externals via our website, and it is available in various languages. All notifications are treated as confidential. On the basis of the SpeakUp policy, our employees undergo regular training to ensure they are familiar with the mechanisms for whistleblowing.

In case of suspected unlawful conduct, and for questions about the application of internal guidelines and policies or about the implementation of laws, the following individuals or departments may also be contacted: the local Compliance Coordinator, the management, the Legal and Compliance department (compliance@vetropack.com) or the CEO of the Vetropack Group. If necessary, critical notifications are also forwarded to the Board of Directors.

Data privacy and data security

In respect of data privacy and data security, we follow the principles of the European General Data Protection Regulation (EU GDPR) and the revised Swiss Federal Act on Data Protection (Data Protection Act, FADP). To ensure protection of our employees' and business partners' data, we are guided by the Group-wide Security guideline, and we align our information security processes with the ISO 27001 standard. The Director of Information Security and the Information Security Board bear the main responsibility for preventing cyber attacks and for data privacy. To prepare ourselves for the growing number of cyber attacks worldwide, we invest continuously in technical measures to increase information security. In order to implement the Data privacy policy, our Data Protection Coordinators organises annual training courses on data privacy.

Compliance training

We provide regular training and implement sensitisation measures to raise our employees' awareness about legally compliant business practices. For this purpose, the Legal and Compliance department conducts annual training courses on compliance at all our sites. As part of the onboarding process, new employees also participate in training programmes that cover the topics mentioned above. In addition, employees in key positions receive specific training that focuses on preventing corruption, excluding bribery, and antitrust law. We conduct internal audits to verify the implementation of these measures.

Our internal learning platform offers an online course about compliance which presents Vetropack's values and principles in various areas of business. By taking this course, employees learn about the content and application of the following guidelines and policies: the Code of conduct, the Business ethics policy, the Antitrust policy, and the Group policy for gifts, hospitality and entertainment. Employees are required to read these instructions on conduct and to confirm that they have understood the content. For employees who have no computer workstation, we provide on-site training; participation is confirmed by signature.

Progress and events in the reporting year

Implementation of the Group sanction check directive

In the reporting year, we implemented the Sanction check directive which is applicable throughout the Vetropack Group and which replaces local solutions already in place. This directive includes instructions on conduct for audits of new contractual partners in order to avoid any potential risks in connection with money laundering, corruption and similar areas of the law. The directive covers due diligence assessments of business partners, and it also helps us to identify suspicious transactions and other risks originating from our contractual partners. We are using a new research tool to implement the directive, and we are training our employees.

New process to combat corruption

Also during the year under review, we introduced a new process to verify compliance with measures to combat corruption. This process ensures that all Vetropack companies maintain appropriate compliance monitoring programmes, and that they provide recurring training courses. Our Internal Audit department regularly verifies implementation of these guidelines and compliance with them.

Performance indicators

GRI 2-16 Communication of critical concerns

In the year under review, two notifications (2023: one) were submitted through our internal whistleblowing system. In both cases, the issues were not relevant to compliance. Additionally, several notifications were received from external stakeholders. These notifications also concerned topics unrelated to compliance and therefore did not require further investigations.

GRI 2-27 Compliance with laws and regulations

There were no breaches (2023: zero) of applicable laws that led to the imposition of significant fines or non-monetary sanctions on Vetropack as a company during the reporting year.

GRI 205-1 Operations assessed for risks related to corruption

In the year under review, all our plants (2023: all plants with the exception of our plant in Ukraine) were assessed for corruption risks and audits were carried out in case of an increased risk. We determine the country-specific corruption risks for our plants on the basis of the Transparency International Corruption Perceptions Index (CPI).

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

Our entire management undergoes yearly training on Vetropack's procedures for preventing and combating corruption, so they are informed about legally compliant conduct in these respects. In 2024, 100 percent of our employees (except for those on long-term sick leave) were made aware of our compliance policies (Code of conduct, Business ethics policy, Anti-trust policy, Anti-corruption policy and gift policy) and/or took part in training activities (2023: 100 percent). Furthermore, in 2024, all locations conducted trainings on antitrust-related topics

GRI 205-3 Confirmed incidents of corruption and actions taken

There were no known incidents of corruption or cases of bribery during the year under review (2023: zero) No proceedings were initiated against Vetropack in these respects.

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

Vetropack is aware that risks of anti-competitive behaviour may arise. For this reason, all employees are required to adhere to the company's Business ethics policy (BEP) and the Anti-trust policy. In 2023, an investigation in connection with antitrust law was launched into various glass packaging manufacturers in Italy, and Vetropack Italy is included in this investigation. The authority has extended the investigation period until the end of 2025.

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

In the year under review, no complaints were submitted to Vetropack regarding breaches of customers' data privacy or losses of customer data (2023: zero).

Supply chain management

At Vetropack, supply chain management includes production planning, control and optimisation of the procurement of raw materials, energy, packaging material, transport services and machinery in order to produce high-quality glass packaging that meets our customers' specifications. It goes without saying that we fulfil our due diligence obligations in respect of fair working conditions and the verification of environmental standards in the supply chain.

Our direct upstream supply chain comprises (but is not limited to) purchasing of the raw materials and services required for glass production.For the approximate total of 5 billion glass containers that we manufacture each year, we procure around 895 000 metric tons of used glass, 440 000 metric tons of sand, 133 000 metric tons of soda, and 166 metric tons of colouring agents such as iron oxides. Synthetic production of soda is an intensive process in terms of greenhouse gas emissions, and the extraction of sand can negatively impact biodiversity if it is not sourced responsibly. In order to reduce the environmental impact of glass production, we utilise the highest possible share of good-quality cullet as a raw material for new products. Procurement of high-quality cullet is therefore critically important for us.

Overall, Vetropack works with around 324 strategic suppliers; all of them are based in Europe, and they supply our entire Group with the most important goods and services. Other relevant procurement items include machinery, plant and equipment, tools, and transport services.

By heeding internationally recognised standards as well as our own policies and guidelines, we ensure fair working conditions in our suppliers' operations and minimise damage to the environment. Cases of human rights violations, precarious working conditions, or breaches of environ-

mental laws in the supply chain would jeopardise our brand image and reputation. By guaranteeing the integrity and efficiency of our supply chain management, on the other hand, we reduce the risk of interruptions to the supply chain or to processes, and thus ultimately contribute to our customers' satisfaction.

Concepts, policies and measures

Strategic supply chain management approach

Vetropack views the purchasing of raw materials and services as a crucially important factor in business success. Supply chain management is located at the highest level, with the Chief Supply Chain Officer as a member of the Management Board. One individual responsible for sustainability also works (part-time) in the Supply Chain Team. In collaboration with the Group Sustainability Manager, this person is responsible for multiple aspects including procurement of electricity from renewable energy sources, verification of compliance with due diligence obligations relating to conflict minerals and child labour, carrying out risk analyses, and for reviewing and updating our Procurement policy.

Cullet and energy procurement strategies

In order to produce glass, it is essential to procure energy and used glass. We set out the key strategic thrusts in our cullet procurement and energy procurement strategies.

Temperatures of around 1,600°C are required to produce glass packaging, so the energy demand is correspondingly high. Ensuring the supply of energy for all our production operations therefore has the highest priority. Our energy procurement strategy includes purchasing both renewable and non-renewable energy. We respond to the volatility of the energy market by planning strategically and calculating future energy costs. As an industrial enterprise with a very high level of power consumption, on-site production of solar power and investing in Power Purchase Agreements (PPAs) enable us to contribute to the availability of renewable energy. This growth in renewable electricity will help us cushion the volatility of the energy market. Guarantees of Origin (or GOs, as they are known) constitute another element of our energy procurement strategy.

As described in the Resources and Climate protection sections, used glass reduces the energy demand and therefore lowers CO_2 emissions arising from the manufacture of new glass products: for instance, a 10 percent addition of recycled glass achieves energy savings of around 2.5 percent and reduces carbon emissions by about 5 percent (source: FEVE). Accordingly, Vetropack has set itself the goal of manufacturing new glass products with an average used glass share of 70 percent by 2030. So that cullet can be used as a raw material for new glass packaging, however, it has to meet quality specifications.

Our cullet procurement strategy aims to ensure that we can always use sufficient cullet – compliant with the defined quality criteria – for new products. The strategy takes account of regulatory changes as well as trade and transport barriers for recycled glass, and it covers strategic partnerships. It includes the purchase of high-quality cullet at the best conditions, and also the company's own processing of cullet in our cullet treatment plants. Most of our sites have their own cullet treatment plants which must constantly improve their performance to increase our cullet share. For this reason, we inspect our plants regularly and invest in technical optimisations when needed. The greatest challenge is the procurement of high-quality white glass, because this colour does not tolerate any contamination by glass of other colours.

Requirements to be met by our suppliers

The core element of supply chain management is our Supplier code of conduct. This code describes Vetropack's expectations of its suppliers regarding human rights and working conditions, ethics, safety, health, and environmental protection. The Supplier code of conduct is based on our corporate values of integrity, reliability and transparency, and it is an integral part of all collaboration with suppliers.

Signing the Supplier code of conduct is a non-negotiable prerequisite for working with Vetropack. New suppliers must accept and sign the Supplier code of conduct unless they can prove they have their own code of conduct which is at least equivalent to our own code. We revised our Supplier code of conduct in 2023, and then required all our active suppliers to sign it again. In the course of supplier audits, we verify compliance with our requirements arising from the code.

Determining sustainability risks from our suppliers

We undertake an annual risk analysis on child labour and conflict minerals in accordance with the requirements of Swiss law. Every three years, we also evaluate our 100 largest suppliers (according to purchasing volume) on the basis of a wide range of sustainability risks. Indicators for this purpose are the sector and the geographical region. We check whether the suppliers have certifications in place and, at the end of the process, we assign the suppliers to various risk categories. The risk analysis undertaken in 2023 showed that none of our suppliers falls into the category known as 'high risk'. Classification in the 'high risk' category could lead to termination of collaboration with suppliers, following an in-depth investigation. At present, some 46 percent of assessed suppliers have an environment-relevant certification such as ISO 14001; 40 percent have a certification relating to the workplace environment, such as ISO 45001.

Human rights and due diligence obligations in the supply chain

We are aware that risks of human rights violations can arise in complex supply chains that span different industries and regions. Human rights are included in the risk assessments described above. Our direct upstream supply chain gives rise to a risk (assessed as moderate) of human rights violations by suppliers who provide us with soda, chemicals, sand, machines, packaging or moulds. Also, the supply chain risk assessment we performed in 2023 showed that some of our suppliers are located in countries with a moderate risk for human rights violations.

Several guidelines and policies ensure that human rights are respected in the supply chain. The Supplier code of conduct requires all suppliers to comply with the Universal Declaration of Human Rights and the fundamental principles of the International Labour Organization. Our suppliers are required to ensure a safe, fair and non-discriminatory working environment, to prevent any form of child or forced labour, and to act with integrity. Freedom of association and the right to collective bargaining must also be guaranteed. In addition to the Supplier code of conduct, our Procurement policy also states that fair working conditions must be ensured and human rights must be respected in accordance with international requirements.

The Supply chain policy implemented jointly in 2023 by the Legal and Compliance Department and the Group Sustainability Manager defines the responsibilities and processes in connection with the requirements of the Swiss Ordinance on Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labour (DDTrO). Maintaining and managing a system that guarantees the traceability of the supply chain are central elements of this policy. Based on the policy, we carry out annual risk analyses in respect of child labour and conflict minerals. For the 2024 reporting year, it was determined that Vetropack is exempt from the reporting obligation regarding conflict minerals and child labour. You can find detailed information on the due diligence obligations regarding child labour and conflict minerals in the Notes to the report.

Sustainable procurement

In keeping with our Clearly sustainable strategic pillar, we also take account of sustainability aspects in our purchasing. Relevant standards and requirements are set out in our Procurement policy. The focus is on the following areas: human rights, working conditions, environmental protection, and fair business practices. The Procurement policy also regulates the integration of environmental clauses (such as certifications), and the reduction of greenhouse gas emissions. When we invest in new goods such as machines, we aim to minimise any negative impacts on the environ-

ment or employees by considering other aspects in addition to price: these include energy consumption, particle and pollutant emissions, or noise.

Progress and events in the reporting year

Efficiency analysis in supply chain management

We undertook an efficiency analysis of our supply chain management in 2023. For this purpose, we identified our responses to volatilities – both in procurement prices and demand – as relevant key issues. Then in 2024, we carried out a pilot project based on the knowledge gained from data analyses and interviews with managers in the specialist areas. One focal point was the optimisation of Sales & Operations Planning (S&OP). This is a key planning process for synchronising customer demand, procurement, production, and inventory levels. Optimisation of S&OP processes ensures that our work is cost-efficient and agile despite changes in the market. A crucial part is played here by a new forecasting accuracy report to support optimised planning and purchasing.

Determining our suppliers' commitment to climate protection

In connection with our climate targets as validated by SBTi, we set ourselves the goal of achieving a 30 percent reduction of our Scope 3 emissions by 2032 compared to the 2021 level. We can only achieve this goal in collaboration with our suppliers. For the 80 most relevant (based on purchase values) suppliers of packaging, raw materials, moulds and coatings, transport services and investment goods, we started out by determining the actual status of commitment to climate protection in the reporting year. For this purpose, we invited them to participate in a survey to ascertain the actual status of their commitment to climate protection. The Climate protection section describes our other efforts to protect the climate.

Sustainability goals for the Supply Chain Team

In 2023, our Supply Chain Managers and Lead Buyers took part in educational sessions on sustainable procurement; then in 2024, all Lead Buyers were assigned sustainability goals as part of their performance assessments. These sustainability goals include the implementation of projects that make a positive contribution to the environment or to society. Examples of such projects include: using recycled foil to package and protect the pallets, recycling of old moulds together with the production factory, exploring the potential for using electric trucks for customer deliveries and expanding the electric forklift fleet.

Automated warehouse and Yard Management System

Our 2023 Annual report included an announcement about the fully automated warehouse in our new plant at Boffalora (Italy). This modern warehouse optimises logistics processes and leads to more efficient order processing. Ultimately, however, the system was only implemented in full during the second half of 2024. Due to this delay, moreover, it took longer to implement the Yard Management System (also announced in the 2023 Annual report), which ensures prompt ordering and collection of products.

Performance indicators

In the year under review, 65 percent (2023: 80 percent) of our suppliers signed the Supplier code of conduct or use an own equivalent code.

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

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

Vetropack carried out 19 supplier audits in 2024 (2023: 40), based on a standardised questionnaire that checks social and environmental criteria. There was a particular focus on new suppliers.

The risk assessment of our 100 most relevant suppliers showed that 37 suppliers have an environmental management system certified to ISO 14001, and 28 suppliers have an occupational safety management system certified to ISO 45001. This assessment was carried out in 2023.

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Corporate governance

Introduction

The following explanations contain the material information for the Vetropack Group as laid out in the Directive on Information relating to Corporate Governance (DCG) issued by SIX Swiss Exchange on 29 June 2022.

Operational Group structure

Refer to the illustration here.

Group companies

For shareholdings and their percentage breakdowns, refer to the illustration here.

Capital structure

Details of the share capital are provided here. For details of changes to capital structure within the last three years, refer to Changes in consolidated shareholders' equity. Vetropack Holding Ltd does not issue options on participation rights.

Dividends

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

List of significant shareholders with holdings > 3%

	31.12.2024			31.12.2023		
	No. of registered shares A	**No. of registered shares B**	**Voting rights in %**	**No. of registered shares A**	**No. of registered shares B**	**Voting rights in %**
Cornaz shareholder group according to latest SIX notification	1 273 610	30 250 000	71.6	1 264 610	30 250 000	71.6

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

The core elements of both agreements are as follows:

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

With regard to the voting shares indicated above, it should be noted that there is no obligation to report changes to the voting share which do not affect a threshold value. Accordingly, the number of voting shares disclosed above may differ from the notifications published on the SIX Exchange Regulation website in accordance with Arts. 120 ff, Financial Market Infrastructure Act (FinMIA). No disclosure reports as defined by Art. 120, FinMIA were submitted to the company in the reporting year, nor were any notifications in accordance with Art. 121, FinMIA submitted to SIX during the year.

Detailed information on notifications in accordance with Arts. 120 ff, FinMIA can be accessed on the SIX Exchange Regulation website via the following link: https://www.ser-ag.com/en/resources/notifications-market-participants/significant-shareholders.html#/

Board of Directors (BoD)

Principles underlying the voting procedure for members of the Board of Directors and their terms of office

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

BoD' s duties

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

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

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

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

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

Working methods

In 2024, the BoD exercised its duty of oversight and supervision by receiving and discussing written and oral reports from the MB at five ordinary meetings (most of which lasted an entire day), and by taking decisions on any motions put forward. Five additional BoD meetings were conducted as video conferences. The Head Auditor was invited to the March meeting to disclose the results of the external audit. A two-day strategy meeting was held in August, and the results of the 2024 internal audit were discussed during the November meeting.

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

In his role as executive chairperson, the Chairman of the BoD sits on the supervisory bodies of all the operating companies. He participates in the steering committees for projects and initiatives of strategic importance. He also takes part in the annual management development reviews to discuss appraisals, continuing professional development and succession planning for management team members at all companies. He held thirteen meetings with the CEO in 2024 to monitor the management of business operations, discuss market trends and implement BoD resolutions.

The Board of Directors as at 31 December 2024
From left: Urs Ryffel, Pascal Cornaz, Diane Nicklas, Claude R. Cornaz, Sönke Bandixen, Raffaella Marzi, Richard Fritschi, Jean-Philippe Rochat

Members

	Position	Nationality	First elected	Elected untill
Claude R. Cornaz *	Chairman, executive	CH	1998	April 2025
Richard Fritschi *	Vice-Chairman, non-executive	CH	2005	April 2025
Sönke Bandixen	Member, non-executive	CH	2012	April 2025
Pascal Cornaz	Member, non-executive	CH	2009	April 2025
Raffaella Marzi *	Member, non-executive	IT	2023	April 2025
Diane Nicklas	Member, non-executive	DE	2022	April 2025
Jean-Philippe Rochat	Member, non-executive	CH	2006	April 2025
Urs Ryffel	Member, non-executive	CH	2024	April 2025

* Members of the Nomination and Compensation Committee (NCC)

Information on additional activities and vested interests

The following information on additional activities and vested interests of the Board of Directors is provided in accordance with the Annex, section 3.2, DCG.

Article 21 of the Articles of Association stipulates the permissible number of such activities.

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

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

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

Governing mandates

Member of Dätwyler Holding AG, Altdorf, Switzerland

Vice-Chairman of H. Goessler AG, Zurich, Switzerland

Vice-Chairman of Cornaz AG-Holding, Zug, Switzerland

Richard Fritschi (1960, Oberrieden, Canton of Zurich)

Dipl. Controller SIB Zurich, Switzerland

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

Governing mandates

President of Cornaz AG-Holding, Zug, Switzerland

President of Bibus Holding AG, Fehraltorf, Switzerland

Member of Reinhard Fromm Holding AG, Steinhausen, Switzerland

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

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

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

Governing mandates

President of Schweizerische Schifffahrtsgesellschaft Untersee und Rhein AG, Schaffhausen, Switzerland

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

Spécialiste d'achat avec brevet fédéral, Switzerland

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

Raffaella Marzi (1970, Canton of Zug)

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

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

Diane Nicklas (1969, Germany)

Dr. Ing. Metallurgie und Werkstofftechnik

1994–2001	Research work for the German automotive and steel industries. Subsequently: doctorate at the Rheinisch Westfälischen Technische Hochschule (RWTH Aachen University), Germany
2001–2003	Executive Assistant to the CEO of Saint-Gobain Sekurit (automotive glass), Aachen, Germany
2003–2007	Director of Global Development Projects, Saint-Gobain Sekurit (automotive glass), Compiègne, France
2007–2013	Director of Global Sales, Saint-Gobain Solar (solar glass), Paris, France
2013–2021	Director of Global Sales and Strategy, Saint-Gobain Sefpro (ceramic refractories for the glass industry), Avignon, France
2021–2022	M&A Advisor, Livia Group, Munich, Germany
Since 2021	Board Member, freelance Strategic Consultant for companies in the glass and glass supply industry

Governing mandates

Member of Hans Oetiker Holding AG, Horgen, Switzerland

Jean-Philippe Rochat (1957, Epalinges, Canton of Vaud)

Lic. en droit, University of Lausanne, Switzerland, Lawyer

1980–1984	Publicitas Ltd, Lausanne, Bern and Basel, Switzerland
1984–1985	Fiduciaire Fidinter Ltd, Lausanne, Switzerland
1985–1987	Legal internship in Geneva, Switzerland
1987–1989	Lawyer, Pfyffer, Argand, Troller & Associates, Geneva, Switzerland
1989–2015	Partner Lawyer at Carrard, Paschoud, Heim & Associates, Lausanne, Switzerland
2015–2024	Partner Lawyer at Kellerhals Carrard, Lausanne, Switzerland
Since 2024	Off-counsel Lawyer at Kellerhals Carrard, Lausanne, Switzerland

Governing mandates

Member of Investissements Fonciers SA – La Foncière, Lausanne, Switzerland

Member of Vaudoise Assurances Holding SA, Lausanne, Switzerland

Member of Hochdorf Holding AG, Hochdorf, Switzerland

Other official positions

Honorary Consul of Finland in Lausanne, Switzerland

Member of the Council of FIS (Fédération Internationale de Ski), Oberhofen/Thunersee, Switzerland

Urs Ryffel (1967, Stäfa, Canton of Zurich)

Dipl. Ing. ETH Zurich, Switzerland

1992–1999	Head of the Business Development Unit, ABB Power Generation Switzerland, Baden (CH); Head of the Hydro Power Plant Service Global Business Unit at ABB Power Generation Segment, Zurich (CH)
1999–2002	General Manager Hydro Power Segment, ABB/ALSTOM, Lisbon, Portugal and Hydro Power Plants and Systems, Paris, France
2002	joined HUBER+SUHNER as Head of Rollers Business Unit
2004–2007	Head of the Cable System Technology Business Unit at HUBER+SUHNER
2007–2016	Head of Fiber Optics Division; since 2008, Member of Executive Group Management at HUBER+SUHNER
Since 4/2017	Chief Executive Officer, HUBER+SUHNER

Governing mandates

Member of Bergbahnen Scuol AG, Scuol, Switzerland

Other official positions

Member of the Executive Board, Swissmem, Zurich, Switzerland

Member of the Executive Board, Swiss Management Association (SMG), Zurich, Switzerland

Members of the BoD of Vetropack Holding Ltd do not sit with other BoD members on the boards of other listed companies, nor are there any business relationships between the BoD members and Vetropack Holding Ltd. Claude R. Cornaz and Jean-Philippe Rochat are also members of the BoDs of other listed companies, as set out here.

Management Board (MB)

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

Information on additional activities and vested interests

The following information on additional activities and vested interests of the Management Board is provided in accordance with the Annex, section 4.2, DCG.

Article 21 of the Articles of Association stipulates the permissible number of such activities.

Johann Reiter (1960)

Ing. Wirtschaftsingenieurwesen und Maschinenbau, HTL Kapfenberg, Austria

1976–2010	Various functions at Böhler Edelstahl GmbH & Co KG, Kapfenberg, Austria, including Business Area Manager for free-form forge and casting parts
11/2010–2017	Vetropack Group: General Manager, Business Division Switzerland/Austria/Member of the Management Board
Since 2018	CEO of Vetropack Holding Ltd

Other official positions

Member of the Board of Directors of the European Container Glass Federation (FEVE), Brussels, Belgium

David Zak (1965)

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

1989–1997	Various international finance and management positions within the ABB Group, including Controller for ABB Holding AG, Zurich, Switzerland, and Vice-Chairman of ABB s.r.o., Prague, Czech Republic
1998–2002	CFO of Studer Professional Audio AG, Regensdorf, Switzerland
Since 5/2002:	CFO of Vetropack Holding Ltd and Member of the Management Board of the Vetropack Group

Governing mandates

Member of Infener AG, Stansstad, Switzerland

Nuno Cunha (1970)

Licenciatura em Sociologia, Universidade Nova de Lisboa, Portugal

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

Johann Eggerth (1967)

Dipl.-Ing. Metallurgie- und Werkstofftechnik (Major in Business Administration and Energy Management), Montanuniversität Leoben, Austria

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

Supervisory board mandates

Member of Joh. Pengg AG and Pengg Austria GmbH, Thörl, Austria

Member of Altstoff Recycling Austria AG (ARA), Vienna, Austria

Member of Austria Glas Recycling GmbH (AGR), Vienna, Austria

Other official positions

Chairman of the Federal Association of the Austrian Glass Industry, Austrian Economic Chambers, Vienna, Austria

Vice Chairman of the Federation of Austrian Industries, Lower Austria

Stephen Rayment (1969)

HNC in Manufacturing Engineering, Solent University, United Kingdom; BSc in Environmental Science (ETC 2025), Open University, United Kingdom

1985–1995	Trainee and Project Engineer in various industry sectors
1995–1999	Various roles in production and supply chain, Pilkington Barnes-Hind, Southampton, United Kingdom
1999–2017	Various supply chain management roles at various companies within the Novartis Group, Zurich/Fribourg/Basel, Switzerland
2018–2021	Head of Global S&OP, SONGWON Industrial Group, Frauenfeld, Switzerland
Since12/2021:	CSCO, Member of the Management Board of the Vetropack Group

Guido Stebner (1966)

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

1991–1994	Trainee and Project Engineer in the R&D division, Thyssen Stahl AG
1994–2001	Managerial roles in production and R&D within the steel industry in Germany, France and Italy, various BUs within ThyssenKrupp AG
2002–2007	Production Manager at Melt Shop, ThyssenKrupp Nirosta GmbH, Krefeld
2008–2012	Project/Operations Director, ThyssenKrupp Stainless LLC, Calvert, Alabama, USA
2013–2016	Director/Vice President Operations, Outokumpu Stainless LLC, Calvert, Alabama, USA and Member of the Management Board
2016–2018	COO at Swiss Steel AG, Emmenbrücke, Switzerland, Member of the Management Board
2018–2020	COO at Deutsche Edelstahlwerke GmbH, Witten, Germany, Member of the Management Board
Since 1/2021	CTO, Member of the Management Board of the Vetropack Group (3/2024– 12/2024 ad interim Managing Director, Vetropack Italia S.r.l.)

Other official positions

Chairman of the Executive Committee of International Partners in Glass Research (IPGR) e.V., Aachen, Germany

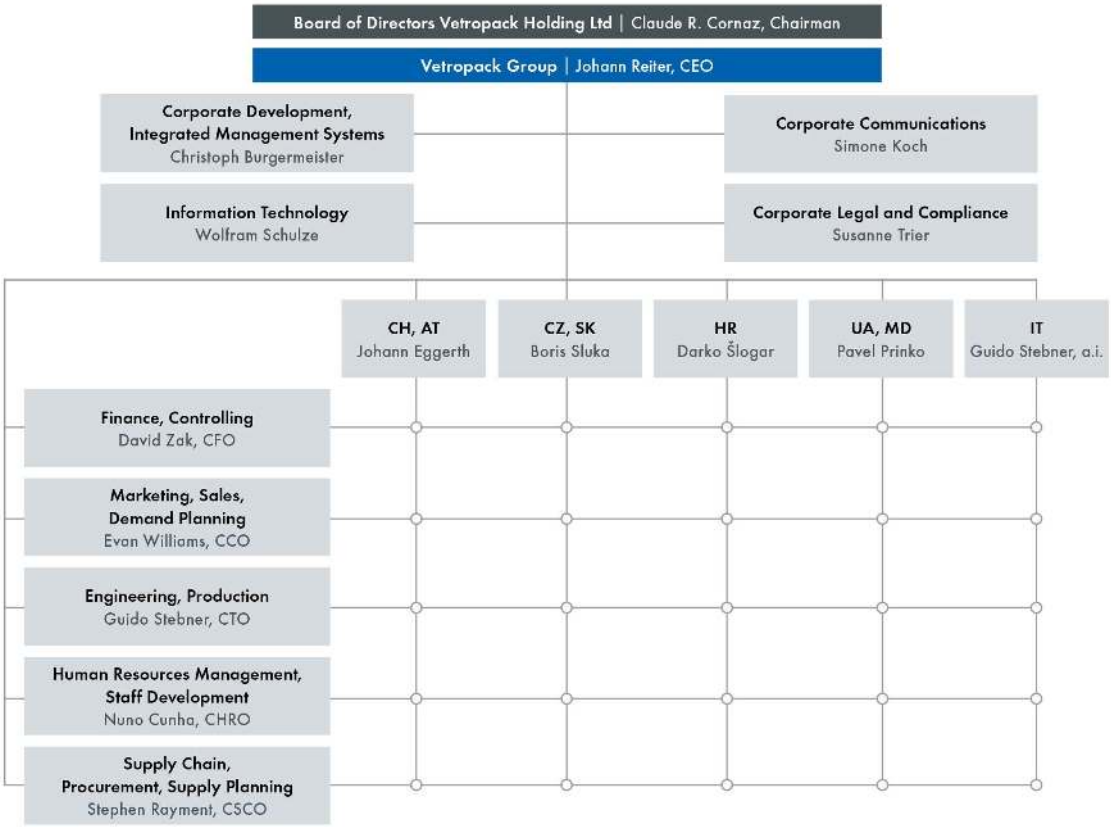
Evan Williams (1967)

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

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

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

Organisational structure as at 31 December 2024



Extended Management Board
From left: Darko Šlogar, Stephen Rayment, Guido Stebner, Evan Williams, Wolfram Schulze, Susanne Trier, Johann Reiter, David Zak, Pavel Prinko, Boris Sluka, Christoph Burgermeister, Johann Eggerth, Simone Koch, Nuno Cunha

Additional information

Information on the members of the BoD and MB regarding remuneration, shareholdings, loans and credits is provided in the Remuneration report.

Shareholders' participation rights

Voting rights, voting rights restrictions and representation: each registered share A and each registered share B has one voting right. Shareholders can be represented by other persons (natural persons or legal entities) through a written Power of Attorney.

Statutory quorums: the Articles of Association of Vetropack Holding Ltd exclusively reflect the legal requirements as laid out in Article 703(1) and Article 704 of the Swiss Code of Obligations (CO).

Convocation of the Annual General Assembly of Shareholders (AGA): the invitation is issued at least 20 days prior to the date of the assembly. The invitation informs shareholders of business items to be negotiated during the assembly, as well as motions proposed by the BoD and by shareholders who have requested that a business item be placed on the agenda. Extraordinary General Assemblies (EGAs) are convened as necessary and as defined by legal precedent. Shareholders holding at least 5% of the total share capital or voting rights are entitled to request the Board of Directors to convene an EGA at any time, provided they submit a written request stating the agenda items and purpose.

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

Transfer provisions: neither ownership nor transfer restrictions exist for registered shares A. Transfers of registered shares B must be approved by the BoD and reported to the Shareholders' Office of Vetropack Holding Ltd.

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

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

Auditors

Mandate: Ernst & Young Ltd has been the statutory and Group auditor for Vetropack Holding Ltd since 1995. The Head Auditor has been responsible for the auditing mandate since 2020. The Head Auditor is changed every seven years.

In 2024, Vetropack obtained offers from 4 auditing firms for the audit of the individual financial statements and the consolidated financial statements for the period 2025 to 2027. Based on the

offers submitted, the Board of Directors decided to continue to select Ernst & Young AG as auditor.

Fees: Ernst & Young Ltd invoiced the Vetropack Group CHF 0.5 million in the reporting year for auditing the individual financial statements and the Consolidated financial statements, together with CHF 0.0 million for other services. For the 2024 fiscal year, all affiliates of the Vetropack Group, except PrJSC Vetropack Gostomel, were audited by Ernst & Young Ltd.

Supervisory and control instruments vis-à-vis the External Auditors: at the ordinary November meeting, the BoD reviews the scope and key aspects of the external audit, including key issues regarding the audit of the internal control system for the current year. At the ordinary March meeting, BoD members are informed of audit results both in writing (Auditor's report, Group Auditor's report, Comprehensive Report) and verbally (the Head Auditor attends the BoD meeting). In February, the main points and results of audits carried out at subsidiaries are also discussed with the local auditors at the ordinary meetings of the governing body of each subsidiary. The Chairman of the BoD is present at these meetings. With the help of the above-mentioned information sources, the BoD assesses the performance and independence of both the statutory auditors and the Group auditors at its March meeting each year. The BoD also analyses the development of external audit costs (multiple year comparison) each year.

Information policy

Vetropack Holding Ltd provides information through the following channels: Annual report, Annual press conference, Annual General Assembly, Semi-annual report and press releases. Current information is available via the company's website at www.vetropack.com.

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

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

General blocking periods

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

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

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

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

Contact address

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

Remuneration

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Remuneration

Introduction

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

Remuneration report

Principles of the remuneration scheme and its components

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

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

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

Organisation and authorities for determining remuneration

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

The NCC consists of three members of the BoD who are elected individually by the Annual General Assembly each year. The Annual General Assembly of 25 April 2024 elected Claude R. Cornaz, Richard Fritschi and Raffaella Marzi to the NCC; the BoD designated Raffaella Marzi as Chair of the NCC. The NCC reports on its discussions and decisions, and proposes any motions, at the next meeting of the entire BoD. The committee met three times during 2024, in February, July and November.

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

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

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

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

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

Description of the remuneration components

Board of Directors (BoD)

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

Management Board (MB)

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

They also receive a variable cash bonus that consists of three elements:

- an individual element, based on the attainment of individually defined performance goals. This bonus component is calculated on the basis of an individually specified percentage of the personal fixed basic salary, multiplied by the goal attainment rate.
- a non-financial Group element consisting of targets relating to Group performance in the areas of sustainability, markets, and people.
- a net result element, calculated on the basis of an individually defined per mille rate of the Group's consolidated net profit after tax. If the consolidated net profit is lower than 2% of the net revenue, this net result bonus is zero.

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

The target range for the variable remuneration as a whole, i.e. the individual element, the non-financial Group element and the net result element together, should be between 25% and 50% of the basic salary.

The total variable remuneration, however, is capped at a maximum of 75% of the base salary and is paid after the Annual report has been approved by the BoD.

Remuneration for the Board of Directors (BoD)

Only cash benefits were paid to members of the BoD in 2024. No shares, options, loans, credits, additional fees or other kinds of remuneration were disbursed either to members of the BoD, former members of the BoD, or persons closely associated with them. Furthermore, there are no outstanding credits or loans.

2024 BoD remuneration

in CHF		Cash	Social Security Contributions	Total
	BoD	NCC		
Claude R. Cornaz, Chairman	315 800	11 667	99 707	427 174
Richard Fritschi, Vice-Chairman	90 000	10 000	7 480	107 480
Sönke Bandixen, Member	65 000		3 075	68 075
Pascal Cornaz, Member	65 000		4 862	69 862
Urs Kaufmann, Member (until 25.4.2024)	21 668		1 621	23 289
Raffaella Marzi, Member	65 000	13 333	5 859	84 192
Diane Nicklas, Member	65 000		13 350	78 350
Jean-Philippe Rochat, Member	65 000		3 075	68 075
Urs Ryffel, Member (as of 25.4.2024)	43 336		3 242	46 578
Total	**795 804**	**35 000**	**142 270**	**973 074**

2023 BoD remuneration

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

Remuneration for the Management Board (MB)

Only cash and non-cash benefits were provided to members of the MB for 2024. No shares, options, loans, credits, additional fees or other kinds of remuneration were disbursed either to members of the MB, former members of the MB, or persons closely associated with them. Furthermore, there are no outstanding credits or loans.

in CHF	Basic Salary	Bonus	Pension/ Social Security Contributions	Non-cash Benefits[1]	Total
2024 MB Remuneration					
Total MB	2 361 726	787 909	868 643	54 969	4 073 246
Highest level of remuneration[2]	615 090	244 085	236 173	8 602	1 103 949
2023 MB Remuneration					
Total MB	2 319 520	828 274	834 154	54 512	4 036 460
Highest level of remuneration[2]	604 140	270 005	229 211	8 602	1 111 958

[1] Company car for personal use
[2] Johann Reiter, CEO

Comparison of remuneration disbursed with remuneration approved

Board of Directors (BoD)

At the Annual General Assembly on 25 April 2024, a vote was held on the total remuneration for the Board of Directors and a maximum amount of CHF 1,000,000.00 was defined.

In accordance with the Articles of Association, remuneration for the Board of Directors is approved prospectively for the period until the next ordinary Annual General Assembly. The table below compares the maximum amount of remuneration for the Board of Directors approved by the Annual General Assembly with the amounts actually disbursed in 2024.

in CHF	
Approved total remuneration for the BoD from 1 May 2024 until 30 April 2025	1 000 000
Remuneration disbursed to the BoD in 2024	973 085

Management Board (MB)

The maximum amount of the Management Board's total remuneration for the 2024 fiscal year (CHF 5,600,000.00) was approved at the Annual General Assembly held on 19 April 2023. The table below compares the remuneration approved and disbursed in 2024.

in CHF	2024
Approved total remuneration for the Management Board for 2024	5 600 000
Remuneration disbursed to the Management Board in 2024	4 073 246

Participations

As of 31 December 2024 the individual members if the Board of Directors and the Management Board held the following number of registered shares A and B in Vetropack Holding Ltd:

	Registered shares A 2024	Registered shares B 2024	Registered shares A 2023	Registered shares B 2023
Claude R. Cornaz[1]	48 260	–	48 260	–
Richard Fritschi[1]	1 000	–	1 000	–
Sönke Bandixen[1]	2 000	–	2 000	–
Pascal Cornaz[1]	50 000	–	50 000	–
Jean-Philippe Rochat[1]	500	–	500	–
Diane Nicklas[1]	–	–	–	–
Raffaella Marzi[1]	–	–	–	–
Urs Ryffel[1]	1 000	–	–	–
Urs Kaufmann[1]	–	–	2 450	–
Total	**102 760**	**–**	**104 210**	**–**
Johann Reiter[2]	750	–	750	–
David Zak[2]	–	–	–	–
Nuno Cunha[2]	–	–	–	–
Johann Eggerth[2]	–	–	–	–
Stephen Rayment[2]	–	–	–	–
Guido Stebner[2]	–	–	–	–
Evan Williams[2]	–	–	–	–
Total	**750**	**–**	**750**	**–**

[1] BoD member; position, see here
[2] MB member; position see here

Mandates

List of external mandates as of 31 December 2024 of the members of the Board of Directors and Management Board (CO, Art. 734e).

		2024					2023				
		Listed Company	Board of Directors Chairman	Board of Directors Member	CEO	Member of the Management Board	Listed Company	Board of Directors Chairman	Board of Directors Member	CEO	Member of the Management Board
Board of Directors											
Claude R. Cornaz	Dätwyler Holding AG	x		x			x		x		
	H. Goessler AG			x					x		
	Cornaz AG-Holding			x					x		
Richard Fritschi	Reinhard Fromm Holding AG			x					x		
	Bibus Holding AG		x					x			
	Cornaz AG-Holding		x					x			
	Synbone AG		x					x			
	Schmidlin AG		x					x			
	SIB Schweizerisches Institut für Betriebsökonomie AG			x					x		
	Congenius AG			x					x		
	SwissExtract AG							x			
	Fritschi Management GmbH				x						x
Sönke Bandixen	Schweizerische Schifffahrtsgesellschaft Untersee und Rhein AG		x					x			
Pascal Cornaz	equistructure sàrl				x						
	La Licorne Holding SA		x								
Raffaella Marzi	Sika AG	x				x	x				x
Diane Nicklas	Hans Oetiker Holding AG			x					x		
Jean-Philippe Rochat	Investissements Fonciers SA	x		x			x		x		
	Vaudoise Assurances Holding SA	x		x			x		x		
	Hochdorf Holding AG	x		x			x		x		
	Sagrave Holding Gravier SA								x		
	Casino de Montreux SA			x					x		
	Caroz SA		x					x			
	Cofigo SA		x					x			
	Ferragamo (Suisse) SA			x					x		
	Miauton Holding SA			x					x		
	Säuberlin & Pfeiffer SA			x					x		
	Veillon Immobilière SA		x					x			
	VW Volleyball World SA			x					x		
	Kellerhals Carrard Genossenschaft								x		

Urs Ryffel	HUBER+SUHNER AG	x	x		
	Bergbahnen Scuol AG		x		
Management Board					
David Zak	Infener AG		x		x
Johann Eggerth	Joh. Pengg AG		x		x
	Pengg Austria GmbH		x		x
	AGR Austria Glas Recycling GmbH				x
	ARA Altstoff Recycling Austria AG				x
	PTP Pro Glas GmbH		x		

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Notes to the report

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

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

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

The present report covers the period from 1 January 2024 to 31 December 2024 and was published on 18 March 2025. Questions and suggestions regarding this report can be emailed via info@vetropack.com to Corporate Communications at Vetropack Holding Ltd, CH-8180 Bülach.

CO reference table

Non-financial matters as per Art. 964b, Swiss Code of Obligations (CO)	Section in the Vetropack Integrated annual report 2024
Environmental matters	Climate protection
	Resources
	Water
	Climate reporting according to TCFD
Social issues	Product quality and product safety
Employee-related issues	Employee satisfaction
	Diversity, equity and inclusion
	Occupational health and safety
Respect for human rights	Employee satisfaction
	Compliance
	Supply chain management
Combating corruption	Compliance

Statement by the Board of Directors

The Board of Directors of Vetropack Holding Ltd approved the non-financial report for the year of 2024 at its meeting on 12 March 2025.

Bülach, 12 March 2025

Claude R. Cornaz
Chairman of the Board of Directors

Johann Reiter
CEO

GRI content index

Vetropack has reported in accordance with the GRI Standards for the period from 1 January 2024 to 31 December 2024. For the Content Index – Essentials Service, GRI Services reviewed that the GRI content index has been presented in a way consistent with the requirements for reporting in accordance with the GRI Standards, and that the information in the index is clearly presented and accessible to the stakeholders. This service was provided for the German version of the report.

GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard	none

General Disclosures

GRI Standard		Disclosure	Omission
		The organization and its reporting practices	
GRI 2: General Disclosures 2021	2-1	Organizational details	
	2-2	Entities included in the organization's sustainability reporting	
	2-3	Reporting period, frequency and contact point	
	2-4	Restatements of information	
	2-5	External assurance	
		Activities and workers	
GRI 2: General Disclosures 2021	2-6	Activities, value chain and other business relationships	
	2-7	Employees	
	2-8	Workers who are not employees	
		Governance	
GRI 2: General Disclosures 2021	2-9	Governance structure and composition	
	2-10	Nomination and selection of the highest governance body	
	2-11	Chair of the highest governance body	
	2-12	Role of the highest governance body in overseeing the management of impacts	
	2-13	Delegation of responsibility for managing impacts	
	2-14	Role of the highest governance body in sustainability reporting	
	2-15	Conflicts of interest	
	2-16	Communication of critical concerns	
	2-17	Collective knowledge of the highest governance body	
	2-18	Evaluation of the performance of the highest governance body	

	2-19	Remuneration policies	
	2-20	Process to determine remuneration	
	2-21	Annual total compensation ratio	Confidentiality constraints. Due to competitive advantage, Vetropack does not disclose the total compensation ratio between its CEO and the median of all employees.
		Strategy, policies and practices	
GRI 2: General Disclosures 2021	2-22	Statement on sustainable development strategy	
	2-23	Policy commitments	
	2-24	Embedding policy commitments	
	2-25	Processes to remediate negative impacts	
	2-26	Mechanisms for seeking advice and raising concerns	
	2-27	Compliance with laws and regulations	
	2-28	Membership associations	
		Stakeholder engagement	
GRI 2: General Disclosures 2021	2-29	Approach to stakeholder engagement	
	2-30	Collective bargaining agreements	

Material Topics

GRI Standard		**Disclosure**	**Omission**
GRI 3: Material Topics 2021	3-1	Process to determine material topics	
	3-2	List of material topics	
		Economic performance	
GRI 3: Material Topics 2021	3-3	Management of material topics	
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	
		Customer satisfaction	
GRI 3: Material Topics 2021	3-3	Management of material topics	
GRI 417: Marketing and Labeling 2016	417-1	Requirements for product and service information and labeling	
	417-2	Incidents of non-compliance concerning product and service information and labeling	
		Innovation	
GRI 3: Material Topics 2021	3-3	Management of material topics	
		Product quality and product safety	
GRI 3: Material Topics 2021	3-3	Management of material topics	
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	
		Climate protection	
GRI 3: Material Topics 2021	3-3	Management of material topics	
GRI 302: Energy 2016	302-1	Energy consumption within the organization	
	302-3	Energy intensity	
	302-4	Reduction of energy consumption	
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	
	305-2	Energy indirect (Scope 2) GHG emissions	
	305-3	Other indirect (Scope 3) GHG emissions	
	305-4	GHG emissions intensity	

	305-5	Reduction of GHG emissions
		Resources
GRI 3: Material Topics 2021	3-3	Management of material topics
GRI 301: Materials 2016	301-1	Materials used by weight or volume
	301-2	Recycled input materials used
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts
	306-2	Management of significant waste-related impacts
	306-3	Waste generated
		Water
GRI 3: Material Topics 2021	3-3	Management of material topics
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource
	303-2	Management of water discharge-related impacts
	303-3	Water withdrawal
	303-4	Water discharge
		Employee satisfaction
GRI 3: Material Topics 2021	3-3	Management of material topics
GRI 401: Employment 2016	401-1	New employee hires and employee turnover
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employee
GRI 404: Training and Education 2016	404-2	Programs for upgrading employee skills and transition assistance programs
	404-3	Percentage of employees receiving regular performance and career development reviews
		Occupational health and safety
GRI 3: Material Topics 2021	3-3	Management of material topics
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system
	403-2	Hazard identification, risk assessment, and incident investigation
	403-3	Occupational health services
	403-4	Worker participation, consultation, and communication on occupational health and safety
	403-5	Worker training on occupational health and safety
	403-6	Promotion of worker health
	403-8	Workers covered by an occupational health and safety management system
	403-9	Work-related injuries
	403-10	Work-related ill health
		Diversity, equity and inclusion
GRI 3: Material Topics 2021	3-3	Management of material topics
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken
		Compliance
GRI 3: Material Topics 2021	3-3	Management of material topics
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption
	205-2	Communication and training about anti-corruption policies and procedures
	205-3	Confirmed incidents of corruption and actions taken
GRI 206: Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices

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

Due diligence and transparency

Compliance with due diligence obligations in relation to conflict minerals

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

The Vetropack Group is exempt from the annual consolidated reporting and due diligence obligations in Switzerland because, in the calendar year 2024, (i) it did not place in free circulation or process in Switzerland minerals or metals containing tantalum, tungsten or gold, and (ii) regarding tin, it did not exceed the import and processing quantities set out in the DDTrO. The relevant annual checks have been conducted and documented in accordance with DDTrO.

The Vetropack companies in the EU are exempt from the annual consolidated reporting and due diligence obligations according to the Regulation EU 2017/821 on Conflict Minerals because, in the calendar year 2024, (i) they did not import into the EU minerals or metals containing tantalum, tungsten or gold, and (ii) regarding tin, it did not exceed the import quantities set out in the Regulation EU 2017/821 on Conflict Minerals. The relevant annual checks have been conducted and documented.

Compliance with due diligence obligations in relation to child labour

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

The Vetropack Group is exempt from the annual consolidated reporting and due diligence obligations because it did not offer any products or services in the calendar year 2024 for which there was a reasonable suspicion that they were manufactured or provided using child labour, either in its supply chain or in its own plants and operations. The relevant annual checks have been conducted and documented in accordance with DDTrO.

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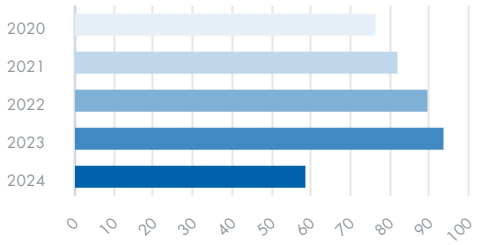
Vetropack Group

Adjusted EBIT 2020–2024
CHF millions

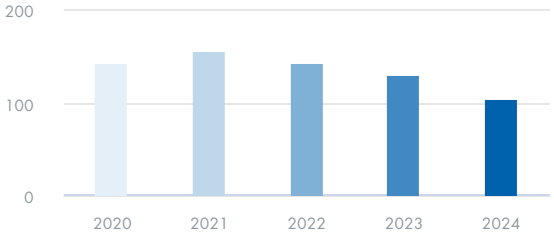


58.6

Change compared to previous year

–37.2%

Cash flow 2020–2024
CHF millions

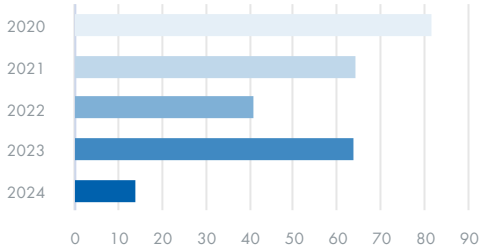


103.6

Change compared to previous year

–20.4%

Consolidated profit 2020–2024
CHF millions

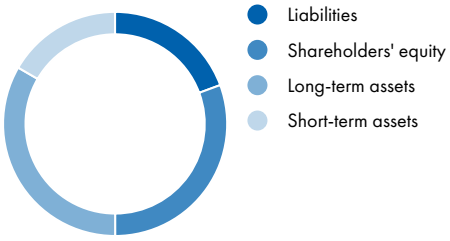


13.7

Change compared to previous year

–78.4%

Total assets 31.12.2024
CHF millions



1 237.7

Change compared to previous year

–2.1%

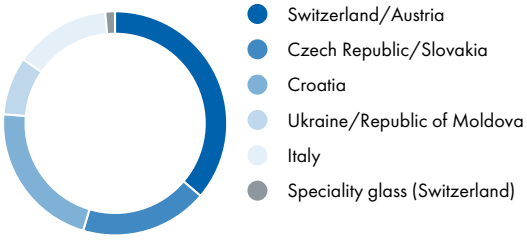
Consolidated net sales 2020–2024
CHF millions

842.1

Change compared to previous year

–6.3%

Net sales by supplying country 2024
CHF millions



Consolidated balance sheet

CHF millions	Note	31.12.2024	31.12.2023
ASSETS			
Short-term assets			
Liquid funds		68.2	82.2
Accounts receivable	1	133.0	141.3
Other short-term receivables	2	24.0	36.0
Inventories	3	182.1	197.9
Prepaid expenses and accrued income	4	4.2	4.1
Total short-term assets		411.5	461.5
Long-term assets			
Tangible assets	5	794.5	778.0
Financial assets	6	24.3	20.3
Intangible assets	7	7.4	4.0
Total long-term assets		826.2	802.3
Total assets		**1 237.7**	**1 263.8**
LIABILITIES			
Liabilities			
Accounts payable		149.3	160.5
Short-term financial debts	8	12.5	3.3
Other short-term liabilities	9	22.0	26.9
Accrued expenses and deferred income	10	46.8	34.1
Short-term provisions	11	9.8	4.8
Short-term liabilities		240.4	229.6
Long-term financial debts	8	206.6	252.4
Other long-term liabilities		0.4	0.5
Long-term provisions	11	32.1	30.6
Long-term liabilities		239.1	283.5
Total liabilities		479.5	513.1
Shareholders' equity			
Share capital	12	19.8	19.8
Capital reserves		0.3	0.3
Retained earnings		724.4	667.3
Consolidated profit		13.7	63.3
Total shareholders' equity		758.2	750.7
Total liabilities		**1 237.7**	**1 263.8**

Consolidated income statement

CHF millions	Note	2024	2023
Net sales from goods and services	13	**842.1**	**898.8**
Other operating income	14	17.6	24.1
Changes in inventories		– 4.3	40.1
Material expenses	15	– 146.6	– 147.3
Energy expenses		– 172.9	– 241.7
Personnel expenses	16	– 189.9	– 190.9
Depreciation	5	– 77.2	– 72.4
Impairments of tangible assets	5	–	– 0.8
Amortisation	7	– 1.3	– 1.6
Other operating expenses	17	– 208.9	– 217.0
Costs related to plant closure	18	– 24.3	–
Operating result		**34.3**	**91.3**
Financial result	19	– 12.2	– 10.9
Ordinary result		**22.1**	**80.4**
Non-operating result[1]	20	1.3	– 0.8
Extraordinary result	21	1.3	– 0.5
Consolidated profit before income taxes		**24.7**	**79.1**
Income taxes	22	– 11.0	– 15.8
Consolidated profit		**13.7**	**63.3**
Earnings per share	23		
Undiluted earnings per registered share A in CHF		0.69	3.19
Undiluted earnings per registered share B in CHF		0.14	0.64
Diluted earnings per registered share A in CHF		0.69	3.19
Diluted earnings per registered share B in CHF		0.14	0.64

[1] This includes depreciation of CHF 0.8 million on non-operating real estate and buildings (2023: CHF 0.9 million).

Consolidated cash flow statement

CHF millions	Note	2024	2023
Consolidated profit		13.7	63.3
Depreciation and amortisation		79.3	74.9
Impairments[1]		7.3	– 1.1
Change in provisions		0.8	– 6.3
Result from disposals of fixed assets		– 0.4	– 0.2
Other non-cash items		2.9	– 0.5
Operating cash flow before change of net working capital		**103.6**	**130.1**
Change in accounts receivable		12.6	32.1
Change in inventories		14.0	– 53.0
Change in other receivables, prepaid expenses and accrued income		12.8	– 4.8
Change in accounts payable		– 14.1	– 38.0
Change in other short-term liabilities, accrued expenses and deferred income		6.9	6.0
Cash flow from operating activities		**135.8**	**72.4**
Investments in tangible assets	24	– 85.5	– 235.6
Disposals of tangible assets		0.9	1.5
Investments in financial assets		–	– 0.1
Investments in intangible assets		– 4.8	– 2.3
Cash flow from investment activities		**– 89.4**	**– 236.5**
Dividend to shareholders		– 19.8	– 19.8
Change in short-term financial debts		6.2	– 4.0
Change in long-term financial debts		– 47.6	94.1
Cash Flow from financing activities		**– 61.2**	**70.3**
Foreign exchange differences		**0.8**	**– 4.3**
Change in liquid funds		**– 14.0**	**– 98.1**
Liquid funds as per 1.1.		82.2	180.3
Liquid funds as per 31.12.		68.2	82.2
Change in liquid funds		**– 14.0**	**– 98.1**

[1] of which CHF 9.1 million related to the production plant in St-Prex (CH), which were reported as costs related to plant closure and CHF -1.8 million related to the production plant in Gostomel (UA), whereof CHF -1.2 million were reported in the extraordinary result (2023: CHF -1.1 million)

Changes in consolidated shareholders' equity

CHF millions

	Share capital	Capital reserves (Agio)	Offset goodwill	Retained earnings	Foreign currency translation differences	Subtotal
Shareholders' equity as per 31.12.2022	**19.8**	**0.3**	**–**	**963.5**	**– 234.3**	**749.3**
Consolidated profit	–	–	–	63.3	–	63.3
Dividends	–	–	–	– 19.8	–	– 19.8
Foreign exchange differences	–	–	–	–	– 42.1	– 42.1
Shareholders' equity as per 31.12.2023	**19.8**	**0.3**	**–**	**1 007.0**	**– 276.4**	**750.7**
Consolidated profit	–	–	–	13.7	–	13.7
Dividends	–	–	–	– 19.8	–	– 19.8
Foreign exchange differences	–	–	–	–	13.6	13.6
Shareholders' equity as per 31.12.2024	**19.8**	**0.3**	**–**	**1 000.9**	**– 262.8**	**758.2**

The legally non-distributable reserves of Vetropack Holding Ltd amount to CHF 4.0 million (2023: CHF 4.0 million). Vetropack Holding Ltd did not hold own shares in 2023 and 2024.

Consolidation principles

Basis for the Consolidated financial statements

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

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

The revised version of Swiss GAAP FER 30 'Consolidated Financial Statements' is to be applied from 1 January 2024. The effects on the annual financial statements relate only to the presentation in the Consolidated statement of changes in equity, in which the foreign currency translation differences are now shown separately. There is no retrospective implementation of the new regulations on offsetting goodwill against equity.

Consolidation scope

Consolidated Group statements include Vetropack Holding Ltd as well as all domestic and foreign subsidiaries in which Vetropack Holding Ltd has a direct or indirect interest of more than 50%. In such cases, the 'full consolidation method' is applied, i.e. assets, liabilities, expenses and incomes of consolidated companies are consolidated 100%, whereby all material intra-Group transactions are eliminated (accounts receivable and payable, income and expenses, and intermediate gains).

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

Holdings of between 20% and 50% are included in Group accounts according to the 'equity method'. The Group's percentage share of net assets is reported in the balance sheet under 'Financial assets'. Percentage share of net income is stated in the Consolidated income statement.

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

An overview of companies within the Vetropack Group and methods used to consolidate them into Group financial statements is available here.

Capital consolidation

Capital consolidation is carried out according to the 'purchase method', whereby the acquisition cost of an acquired company is charged against its net assets revaluated according to Group principles at the time of purchase. Any goodwill paid at the time of acquisition is charged directly to the Group's retained earnings in the acquisition year. If control of subsidiaries is lost, foreign currency translation differences are recognised in profit or loss. In the 2024 fiscal year, there was no loss of control of subsidiaries, which is why no foreign currency translation differences were recognised in profit or loss.

Foreign exchange (FX) differentials

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

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

Exchange rate differentials resulting from such foreign currency conversions are charged to retained earnings with no effect on net income. Exchange rate differentials caused by converting transactions and balance sheet items in foreign currencies are recorded in the books of the respective Group company with effect on net income. Foreign exchange rate effects on long-term intra-Group loans with the nature of shareholders' equity are recorded in the Consolidated shareholders' equity, not affecting net income.

	Average exchange rate		**Year-end exchange rate**	
	2024	2023	2024	2023
EUR	0.95268	0.97191	0.94350	0.92600
CZK	0.03792	0.04051	0.03740	0.03745
MDL	0.04985	0.04958	0.04953	0.04792
RON	0.19150	0.19659	0.18959	0.18611
UAH	0.02197	0.02430	0.02160	0.02191

Valuation principles

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

Liquid assets

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

Marketable securities

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

Receivables

Receivables are valued at their nominal rate. Value adjustments are carried out for identifiable individual risks. The remaining risks are taken into account by a country-specific value adjustment of 2% to 10%, based on experience.

Inventories

Inventories are valued at either their acquisition or manufacturing costs. However, if the market price is lower, this figure is applied instead. Manufacturing costs include the cost of raw materials, individual production costs, and a portion of allocated general overhead costs. All identifiable risks of loss for goods or articles with insufficient inventory turnover are taken into account by appropriate value adjustments. Inventories from intercompany deliveries do not include intermediate profits. Discounts are recorded as reductions in the cost of goods.

Tangible assets

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

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

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

Leasing

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

Financial assets

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

Intangible assets

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

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

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

Asset impairment

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

Liabilities

Short-term liabilities (also referred to as 'current liabilities') are debts that are repayable within 12 months. Long-term financial liabilities refer to financing with a term of more than one year. Liabilities (including financial debts) are recorded in the balance sheet at nominal value.

Provisions

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

Taxes

All tax obligations, irrespective of their due dates, are set aside. Ongoing income taxes are calculated on the basis of taxable income and reported in the balance sheet under 'Accrued expenses and deferred income'. Deferred taxes are calculated on the basis of all temporary differences between the values from the tax statement and the operating values. Tax-relevant losses carried forward are only taken into account if it seems possible to offset them against income. For profits of group or associated companies that have not yet been distributed but whose distribution is planned, non-creditable withholding taxes and income taxes incurred by the parent company are taken into account as deferred tax liabilities when the profits are incurred, and are released when these profits are distributed.

The country-specific tax rates are applied when calculating deferred taxes. Deferred tax assets are recorded in the balance sheet as financial assets and deferred tax liabilities as long-term provisions.

In accordance with the guidelines, Vetropack has decided to apply the exemption from accounting for deferred taxes in relation to Pillar Two income taxes.

Derivative financial instruments

Derivative financial instruments for hedging purposes are disclosed in the Notes and recognised at fair value through profit or loss when the underlying transaction occurs.

Notes

1. Accounts receivable

CHF millions	31.12.2024	31.12.2023
Gross receivables	136.1	145.7
Value adjustments	– 3.1	– 4.4
Net receivables	**133.0**	**141.3**

2. Other short-term receivables

CHF millions	31.12.2024	31.12.2023
VAT (value added tax) credit	9.6	25.2
Withholding tax credit	1.9	3.2
Other short-term receivables	12.5	7.6
Total	**24.0**	**36.0**

3. Inventories

CHF millions	31.12.2024	31.12.2023
Raw materials	18.4	20.0
Materials and supplies	60.2	64.3
Work-in-progress	10.5	11.9
Finished goods, merchandise	148.8	151.7
Advance payments to suppliers	0.2	1.0
Value adjustments	– 56.0	– 51.0
Total	**182.1**	**197.9**

4. Prepaid expenses and accrued income

CHF millions	31.12.2024	31.12.2023
Ongoing income tax (credit)	3.2	2.9
Other prepaid expenses and accrued income	1.0	1.2
Total	**4.2**	**4.1**

5. Tangible assets

CHF millions

	Real estate & buildings non-operating	Real estate & buildings operating	Furnaces, equipment, prod. facilities, moulds	Other tangible assets	Advance payments & assets under construction	Total
Acquisition value						
As per 1.1.2023	52.4	304.5	899.1	39.7	261.1	1 556.8
Additions	4.9	109.8	211.0	4.2	– 94.8	235.1
Disposals	–	– 0.4	– 46.1	– 3.0	– 0.2	– 49.7
Reclassifications	–	1.8	14.7	0.7	– 17.2	–
Foreign exchange differences	– 0.3	– 20.5	– 59.5	– 1.9	– 11.3	– 93.5
As per 1.1.2024	57.0	395.2	1 019.2	39.7	137.6	1 648.7
Additions	0.2	57.2	40.9	2.6	– 15.4	85.5
Disposals	–	– 2.0	– 31.2	– 2.7	– 0.1	– 36.0
Reclassifications	31.3	– 25.6	44.3	0.8	– 50.8	–
Foreign exchange differences	–	5.1	13.1	0.5	2.7	21.4
As per 31.12.2024	**88.5**	**429.9**	**1 086.3**	**40.9**	**74.0**	**1 719.6**
Accumulated depreciation						
As per 1.1.2023	14.5	191.3	656.1	32.8	0.5	895.2
Ordinary depreciation	0.9	7.6	62.5	2.3	–	73.3
Disposals	–	– 0.4	– 45.1	– 3.0	–	– 48.5
Reclassifications	–	–	–	–	–	–
Asset impairments[1]	–	–	1.5	–	–	1.5
Release asset impairments[2]	–	– 0.4	– 1.6	– 0.2	– 0.3	– 2.5
Foreign exchange differences	–	– 9.2	– 37.7	– 1.4	–	– 48.3
As per 1.1.2024	15.4	188.9	635.7	30.5	0.2	870.7
Ordinary depreciation	0.8	9.6	65.1	2.5	–	78.0
Disposals	–	– 2.0	– 30.8	– 2.6	–	– 35.4
Reclassifications	29.0	– 29.0	–	–	–	–
Asset impairments[3]	–	–	4.3	0.1	–	4.4
Release asset impairments[4]	–	–	– 1.7	–	– 0.1	– 1.8
Foreign exchange differences	–	2.0	6.9	0.3	–	9.2
As per 31.12.2024	**45.2**	**169.5**	**679.5**	**30.8**	**0.1**	**925.1**
Book value						
As per 1.1.2024	41.6	206.3	383.5	9.2	137.4	778.0
As per 31.12.2024	**[5] 43,3**	**[5] 260,4**	**406.8**	**10.1**	**[6] 73,9**	**794.5**

[1] of which CHF 0.7 million related to the production plant in Gostomel (UA), which were reported in the extraordinary result as well as CHF 0.8 million to the closed production plant in Trezzano (IT)
[2] of which CHF 2.5 million related to the production plant in Gostomel (UA), whereof CHF 0.6 million were reported in the extraordinary result
[3] of which CHF 4.4 million related to the production plant in St-Prex (CH), which were reported as costs related to plant closure
[4] of which CHF 1.8 million related to the production plant in Gostomel (UA), whereof CHF 1.2 million were reported in the extraordinary result
[5] of which vacant real estate plots valued at CHF 4 million (2023: CHF 3.7 million)
[6] of which payments on assets under construction CHF 1.6 million (2023: CHF 8.9 million)

6. Financial assets

CHF millions	Note	31.12.2024	31.12.2023
Assets from employer's contribution reserves	29	11.6	11.7
Assets from pension plans		2.1	2.0
Deferred taxes	22	10.2	6.1
Participations in associated companies		0.3	0.3
Other financial investments		0.1	0.2
Total		**24.3**	**20.3**

7. Intangible assets

CHF millions

	Software	Software in development	Other intangible assets	Total
Acquisition value				
As per 1.1.2023	52.8	0.6	1.3	54.7
Additions	0.1	2.1	0.1	2.3
Disposals	–	–	–	–
Reclassifications	1.2	– 1.2	–	–
Foreign exchange differences	– 0.2	–	– 0.1	– 0.3
As per 1.1.2024	53.9	1.5	1.3	56.7
Additions	3.2	1.6	–	4.8
Disposals	– 0.3	–	–	– 0.3
Reclassifications	0.9	– 0.6	– 0.3	–
Foreign exchange differences	–	–	–	–
As per 31.12.2024	**57.7**	**2.5**	**1.0**	**61.2**
Accumulated amortisation				
As per 1.1.2023	50.3	–	1.1	51.4
Ordinary amortisation	1.6	–	–	1.6
Disposals	–	–	–	–
Foreign exchange differences	– 0.3	–	–	– 0.3
As per 1.1.2024	51.6	–	1.1	52.7
Ordinary amortisation	1.3	–	–	1.3
Disposals	– 0.3	–	–	– 0.3
Foreign exchange differences	0.1	–	–	0.1
As per 31.12.2024	**52.7**	**–**	**1.1**	**53.8**
Book value				
As per 1.1.2024	2.3	1.5	0.2	4.0
As per 31.12.2024	**5.0**	**2.5**	**– 0.1**	**7.4**

In 2023 and 2024 there were no capitalized licenses, patents, or trademarks.

8. Financial debts

CHF millions	31.12.2024	31.12.2023
Residual period		
– < 1 year[1]	12.5	3.3
– 1 to 2 years[2]	67.9	2.9
– 3 to 5 years[3]	138.7	207.1
– > 5 years[4]	–	42.4
Total	**219.1**	**255.7**

[1] in CHF; interest rate between 1.74% and 12.00% (2023: 1.00% to 14.00%)
[2] in CHF; interest rate between 1.00% and 3.59% (2023: 2.17%)
[3] in CHF; interest rate between 0.77% and 3.79% (2023: 1.00% to 4.97%)
[4] in CHF; interest rate 2023: 0.77% to 5.07%

9. Other short-term liabilities

CHF millions	31.12.2024	31.12.2023
Prepaid recycling fee	4.5	4.5
Advance payments from customers	0.6	1.4
Liabilities to employees	7.6	7.2
Other short-term liabilities	9.3	13.8
Total	**22.0**	**26.9**

10. Accrued expenses and deferred income

CHF millions	31.12.2024	31.12.2023
Ongoing income tax liabilities	14.7	7.7
Accruals for personnel	12.8	12.9
Other accrued expenses and deferred income	19.3	13.5
Total	**46.8**	**34.1**

11. Provisions

CHF millions

	Service anniversaries	Pension liability	Deferred tax liabilities	Other	Total
As per 1.1.2023	5.3	12.3	15.3	6.1	39.0
Reclassifications	–	–	–	–	–
Additions	0.7	1.7	0.4	4.9	7.7
Releases	– 0.1	– 0.8	0.3	– 0.7	– 1.3
Utilisations	– 0.1	– 1.8	–	– 6.1	– 8.0
Foreign exchange differences	– 0.3	– 0.7	– 0.8	– 0.2	– 2.0
As per 1.1.2024	5.5	10.7	15.2	4.0	35.4
Reclassifications	–	–	–	–	–
Additions	0.6	2.0	2.2	9.4	14.2
Releases	– 0.4	– 0.2	– 0.8	– 0.5	– 1.9
Utilisations	– 0.6	– 1.7	–	– 3.8	– 6.1
Foreign exchange differences	0.1	0.1	0.1	–	0.3
As per 31.12.2024	**5.2**	**10.9**	**16.7**	**9.1**	**41.9**
Of which short-term	0.7	–	–	9.1	9.8
Of which long-term	4.5	10.9	16.7	–	32.1

Deferred tax liabilities: for details, see here.

Service anniversaries: provisions are formed in respect of remuneration for long service to the company as defined in the Employment regulations. These provisions, which take account of country-specific corrective factors for staff turnover, were discounted at rates from 1% to 14% (2023: 1% to 19%) as per the balance sheet date.

12. Share capital

The share capital is structured as follows:

CHF millions	31.12.2024	31.12.2023
13 774 000 registered shares A (2023: 13 774 000) nominal value CHF 1.00 (2023: CHF 1.00) (issued and paid in full)	13.8	13.8
30 250 000 registered shares B (2023: 30 250 000) nominal value CHF 0.20 (2023: CHF 0.20) (issued and paid in full)	6.0	6.0
Total	**19.8**	**19.8**

The registered shares A (Security no. 622 761) are listed on the SIX Swiss Exchange, Swiss Reporting Standard. With a closing price at the end of the year of CHF 25.50 (2023: CHF 39.10) total capitalisation is CHF 505.5 million (2023: CHF 775.1 million). Each registered share has one voting right.

Major shareholders with > 3% of voting rights

	31.12.2024	31.12.2023
Cornaz shareholder group according to latest SIX notification	71.6%	71.6%

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

13. Segment reporting

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

Net sales by supplying country

CHF millions

	Change	2024	2023
Glass packaging			
– Switzerland, Austria	– 10.0%	304.8	338.5
– Czech Republic, Slovakia	– 3.4%	155.1	160.5
– Croatia	– 2.0%	182.7	186.4
– Ukraine, Republic of Moldova	– 16.0%	70.6	84.0
– Italy	0.9%	117.1	116.1
Speciality glass (Switzerland)	– 11.3%	11.8	13.3
Total	**– 6.3%**	**842.1**	**898.8**

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

14. Other operating income

CHF millions	2024	2023
Material and energy sales	3.7	4.7
Ancillary services	1.0	0.7
Internally produced additions to plant and equipment	2.2	3.3
Supplier commissions	1.1	0.5
Allocations of disposal fees	1.8	1.8
Income from subsidies	0.9	6.2
Other income	6.9	6.9
Total	**17.6**	**24.1**

15. Material expenses

CHF millions	2024	2023
Raw materials	135.4	134.7
Merchandise	11.2	12.6
Total	**146.6**	**147.3**

16. Personnel expenses

CHF millions	2024	2023
Wages and salaries	143.2	144.6
Social benefits	39.4	39.0
Other personnel expenses	7.3	7.3
Total	**189.9**	**190.9**

17. Other operating expenses

CHF millions	2024	2023
Maintenance, repairs and mould costs	37.4	49.5
Packaging and transport costs	78.6	80.6
Other administrative and operating expenses	92.9	86.9
Total	**208.9**	**217.0**

18. Costs related to plant closure

On 13 May 2024, the Board of Directors of Vetropack Holding Ltd decided to close the production site in St-Prex. For 2024, this position includes costs for personnel expenses (CHF 13.3 million), impairments of tangible assets (CHF 4.4 million) and of inventories (CHF 4.7 million), and other operating expenses (CHF 1.9 million), in connection with the closure of the production site in St-Prex.

19. Financial result

CHF millions	2024	2023
Interest income	0.9	1.0
Interest expenses	– 11.0	– 8.9
Currency exchange gains	9.0	13.9
Currency exchange losses	– 11.4	– 17.0
Other financial income	0.3	0.1
Total	**– 12.2**	**– 10.9**

20. Non-operating result

CHF millions	2024	2023
Non-operating real estate income	3.5	2.6
Non-operating real estate expenses	– 1.4	– 1.2
Non-operating real estate depreciation/impairments	– 0.8	– 0.9
Other non-operating result	–	– 1.3
Total	**1.3**	**– 0.8**

21. Extraordinary result

For 2024, costs of CHF 0.4 million for clean-up and repair work at the Gostomel glass factory are included. In addition, value adjustments on assets of CHF 1.2 million were released. Furthermore, income relating to previous periods from taxes (CHF 0.3 million) and insurance (CHF 0.2 million) is included.

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

22. Income taxes

CHF millions	2024	2023
Ongoing income taxes	13.6	18.5
Deferred income taxes	– 2.6	– 2.7
Total	**11.0**	**15.8**

Loss carryforwards amounted to CHF 80.6 million (2023: CHF 57.7 million) in total at the end of the reporting year. No loss carryforwards were included in the calculation of the deferred income tax assets (2023: CHF 0.0 million). The impact of unrecognised loss carryforwards on the tax on earnings was CHF 17.2 million in the reporting year (2023: CHF 11.6 million). CHF 13.3 million unrecognised loss carryforwards were utilised in the reporting period (2023: CHF 0.0 million). There was an impact of CHF -1.6 million in the reporting year on income taxes due to the use of unrecognized losses carried forward (2023: CHF 0.0 million). In the reporting year, as in the previous year, there was no impact due to the utilisation or expiry of loss carryforwards.
Total non-capitalised deferred tax assets amount to CHF 32.7 million (2023: CHF 21.3 million); the other effects, apart from loss carryforwards, originate predominantly from Switzerland and Croatia.

The country-specific tax rates that apply to the calculation of the deferred taxes on earnings range from 12.0% to 24.0% (2023: 11.6% to 24.0%). The weighted average tax rate to be applied based on the ordinary result is 6.9% (2023: 16.5%).

In December 2021, the OECD published the Pillar Two Model Rules to introduce a global minimum tax of 15% for multinational companies with consolidated revenues of more than EUR 750 million. For 2024, Vetropack has recognized top-up tax provisions of CHF 2.7 million (2023: CHF 0.0 million) in its subsidiaries.

23. Results per participation right

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

	2024	2023
Consolidated profit allocated to the shareholders of the Vetropack Group in CHF millions	13.7	63.3
Weighted number of outstanding registered shares A for undiluted result per share	19 824 000	19 824 000
Weighted number of outstanding registered shares B for undiluted result per share	99 120 000	99 120 000
Undiluted result per registered share A in CHF	0.69	3.19
Undiluted result per registered share B in CHF	0.14	0.64

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

24. Investments in tangible assets

Investments by asset class

CHF millions	2024	2023
Real estate & buildings non-operating	0.2	4.9
Real estate & buildings operating	57.2	109.8
Furnaces, equipment, prod. facilities, moulds	40.9	211.0
Other tangible assets	2.6	4.2
Advance payments & assets under construction	– 15.4	– 94.8
Total	**85.5**	**235.1**

25. Off-balance-sheet transactions

CHF millions	31.12.2024	31.12.2023
Guarantees[1]	283.8	276.7
Off-balance-sheet leasing liabilities	7.3	5.8
Total	**291.1**	**282.5**

[1] of which CHF 85.0 million (2023: CHF 37.0 million) had not been used as a loan as of 31 December 2024

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

CHF millions	31.12.2024	31.12.2023
Maturity		
– 1 to 2 years	4.5	3.5
– 3 to 5 years	2.7	2.3
– > 5 years	0.1	–
Total	**7.3**	**5.8**

26. Pledged assets

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

CHF millions	31.12.2024	31.12.2023
Accounts receivable	12.5	12.6
Real estate	15.8	16.5
Total	**28.3**	**29.1**

27. Derivative financial instruments

As at 31 December 2024, Vetropack Holding Ltd has open currency swaps in the amount of EUR 70.0 million (CHF 66.0 million) with a positive market value of CHF 1.2 million (2023: EUR 61.1 million (CHF 56.6 million) with a negative market value of CHF 1.1 million).

28. Transactions with related parties

CHF millions	31.12.2024	31.12.2023
Pension funds		
Accounts receivable	–	–
Accounts payable	–	–
Service income	–	–
Interest expenses	–	–
Associated companies		
Accounts receivable	–	–
Accounts payable	0.8	0.7
Capitalised services	–	–
Service income	–	–
Equity valuation income	–	–
Glass cullet purchasing expenses	– 4.8	– 4.2
Maintenance and repair expenses	–	–
Other service expenses	– 0.2	–
Equity valuation expenses	–	–
Other closely associated persons		
Accounts receivable	–	–
Accounts payable	–	–
Investments in tangible assets	–	–
Distribution income	–	–
Service income	–	–
Packaging material expenses	–	–
Distribution expenses	– 0.1	–
Service expenses	–	–
Interest expenses	–	–
Proceeds from tangible assets/material sales	–	–

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

29. Employee pension provision

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

Employer' s contribution reserves

Company sponsored pension institutions

CHF millions	2024	2023
Nominal value 31.12.	12.3	12.4
Utilisation waiver 31.12.	–	–
Other value adjustments 31.12.	–	–
Discounting effects 31.12.	– 0.7	– 0.7
Book value 31.12.	**11.6**	**11.7**

Assets and liabilities from pension institutions

CHF millions

	Patronage pension institutions	Pension institutions without surplus / deficit	Pension institutions with surplus	Pension institutions without own assets	Total
Surplus/deficit cover 31.12.2024	13.0	–	31.4	–	44.4
Economic share of entity 31.12.2023	–	–	–	– 8.2	– 8.2
Economic share of entity 31.12.2024	–	–	–	– 7.9	– 7.9
Change 2024	–	–	–	– 0.3	– 0.3
Contributions concerning to the current period[1]	0.1	–	2.3	1.6	3.9
Pension benefit expenses 2023	0.2	–	2.6	– 0.2	2.6
Pension benefit expenses 2024	0.1	–	2.3	1.3	3.6

[1] including changes in employer's contribution reserves

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

CHF millions	2024	2023
Key influential factors		
– Change in employer's contribution reserves	0.1	0.1
– Change in economic share of the entity	– 0.3	– 1.5
– Contributions concerning the current period	3.8	4.0
Total pension fund expenses	**3.6**	**2.6**

30. Goodwill

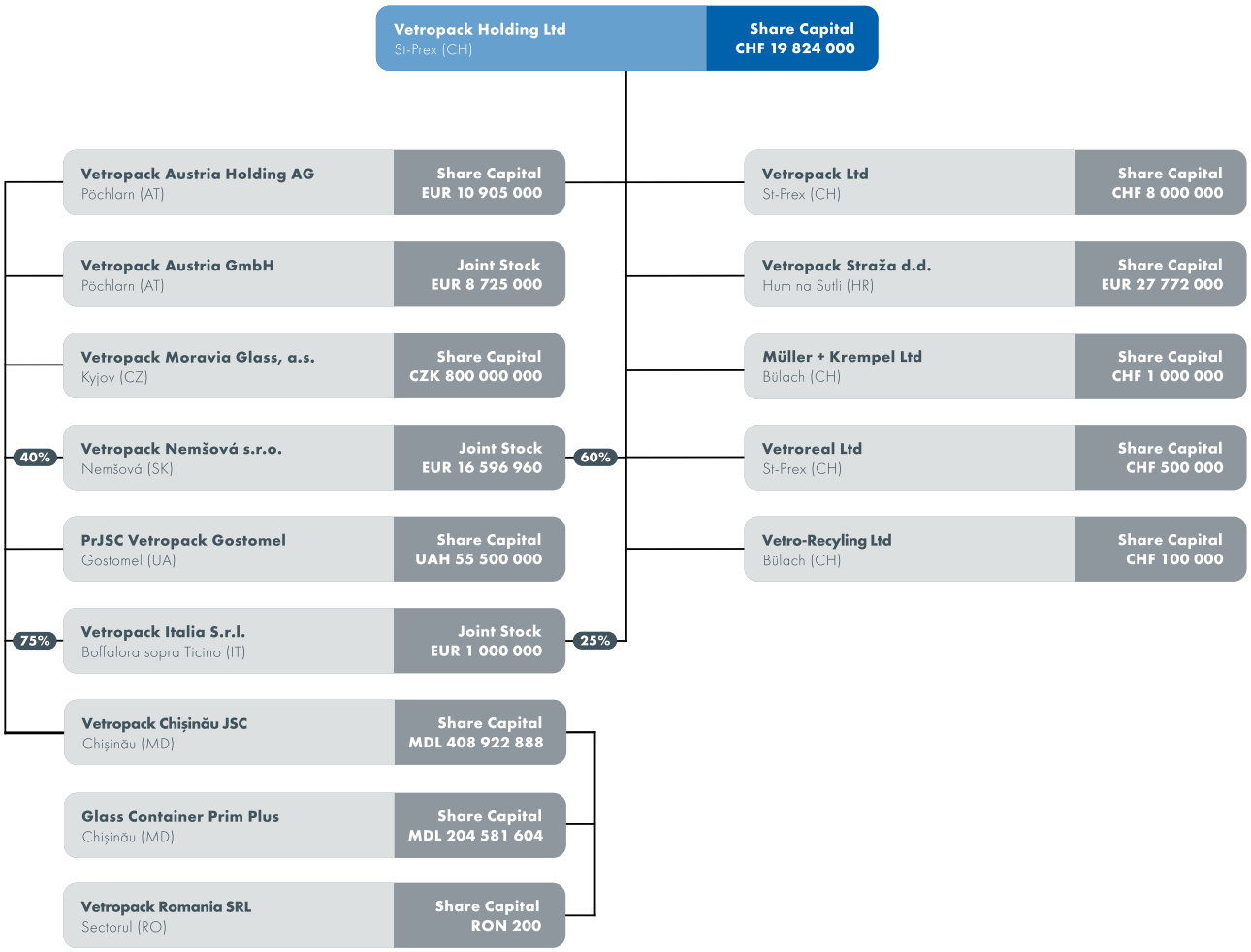
The goodwill of a purchased consolidated company is offset with equity at the date of acquisition. The theoretical amortisation of the goodwill is determined with a useful life of five years. A theoretical capitalisation of the goodwill would have the following impact on the Consolidated financial statements:

CHF millions	2024	2023
Theoretical goodwill		
Gross book value as at 1.1.	44.8	44.8
Addition from acquisition	–	–
Gross book value as at 31.12.	**44.8**	**44.8**
Accumulated amortisation as at 1.1.	– 34.1	– 28.5
Amortisation	– 5.6	– 5.6
Accumulated amortisation as at 31.12.	**– 39.7**	**– 34.1**
Net book value as at 1.1.	10.7	16.3
Net book value as at 31.12.	**5.1**	**10.7**
Effect on balance sheet		
Shareholders' equity according to balance sheet	758.2	750.7
Theoretical capitalisation of net book value of goodwill	5.1	10.7
Theoretical shareholders' equity incl. net book value of goodwill	**763.3**	**761.4**
Effect on income statement		
Consolidated profit	13.7	63.3
Amortisation of goodwill	– 5.6	– 5.6
Theoretical consolidated profit incl. amortization of goodwill	**8.1**	**57.7**

31. Events after the balance sheet date

No events occurred between 31 December 2024 and 12 March 2025 (approval of the Consolidated annual report by the Board of Directors) that would result in an adjustment to the carrying amounts of assets and liabilities, or would need to be disclosed here.

Ownership structure



Company participations

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

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

There were no changes in company participations compared with 31 December 2023.

As per 31 Dezember 2024

Alternative performance measures

In its Integrated annual report, Semi-annual report and other publications for investors, Vetropack uses alternative performance measures that are not defined in Swiss GAAP FER as a guide for internal and external reporting to stakeholders. Vetropack uses its own definitions, which may differ from those of other companies.

This section has been prepared in accordance with the Directive on the Use of Alternative Performance Measures of SIX Exchange Regulation AG. The most important alternative performance measures are explained below, and are linked to a key figure according to Swiss GAAP FER.

Organic sales development is determined by adjusting the reported net sales for currency effects. The functional currency of the respective country is taken into account. The net revenues for the reporting year are calculated using the respective exchange rates of the comparison period, and they result in the currency-adjusted net sales.

Sales development

Sales development 2024	2024	FX	2023
Net sales in CHF millions	861.4	– 37.4	898.8
Sales development per effect		– 4.2%	

Adjusted EBIT / Adjusted EBIT-margin

In order to show the development of the operating result without one-off, non-recurring effects, the operating result is converted to the adjusted EBIT. Vetropack defines one-off, non-recurring costs as those associated with the closure of a plant.

In both the reporting year and the previous year, one-off, non-recurring costs were incurred in connection with a plant closure. While the plant in St-Prex (CH) was closed in 2024, costs were incurred in the previous year for the plant closure in Trezzano (IT).

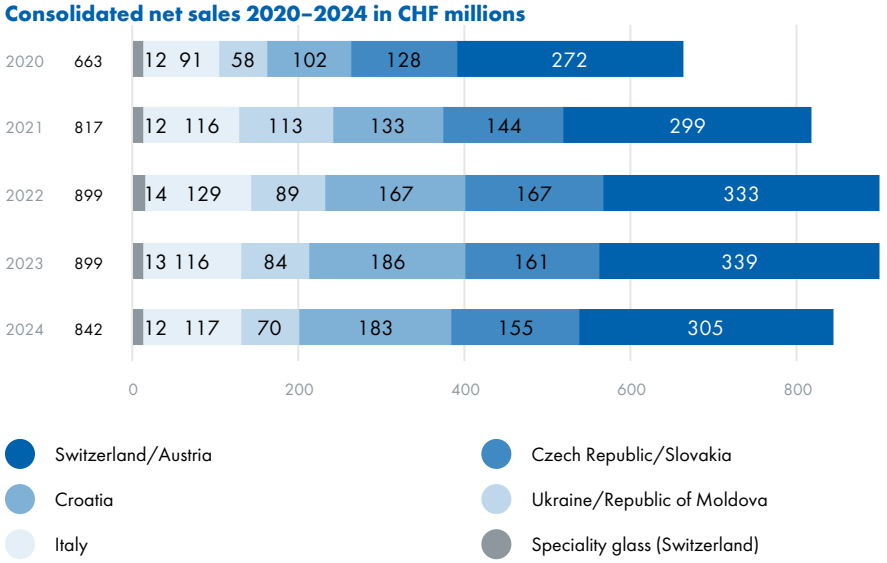
CHF millions	2024	2023
Net sales from goods and services	842.1	898.8
Operating result	34.3	91.3
Material expenses	–	0.2
Personnel expenses	13.3	–
Impairments of tangible assets	4.4	0.8
Impairments of inventories	4.7	–
Other operating expenses	1.9	1.0
Adjusted EBIT	58.6	93.3
Adjusted EBIT-margin	7.0%	10.4%

Five-year overview

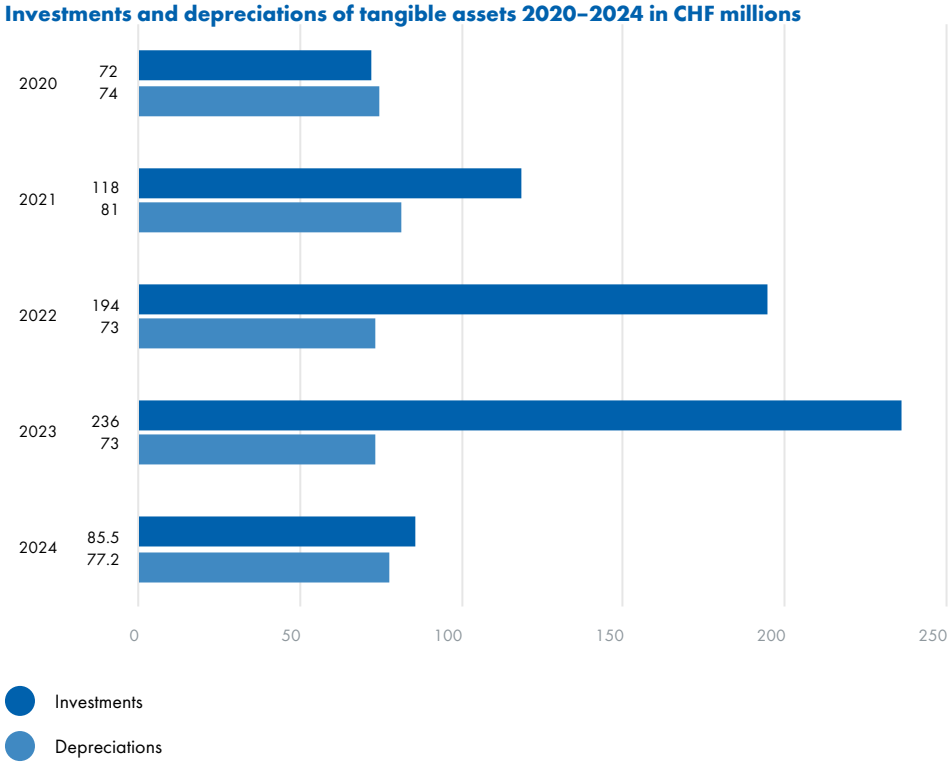
		2024	2023	2022	2021	2020
Consolidated income statement						
Net sales from goods and services	CHF millions	842.1	898.8	899.4	816.5	662.6
Change in net sales from previous year	%	– 6.3	– 0.1	10.2	23.2	– 7.3
Operating cash flow before change of net working capital	CHF millions	103.6	130.1	142.2	154.1	141.2
Cash flow as % of net sales	%	12.3	14.5	15.8	18.9	21.3
Depreciation/Impairments on tangible assets[1]	CHF millions	78.0	74.1	73.5	82.2	74.3
Income taxes	CHF millions	11.0	15.8	9.4	12.1	8.5
Consolidated profit	CHF millions	13.7	63.3	40.7	63.8	81.2
Consolidated balance sheet as per 31.12.						
Investments in tangible assets	CHF millions	85.5	235.6	194.1	118.2	71.6
Total assets	CHF millions	1 237.7	1 263.8	1 234.5	1 047.8	991.5
Short-term assets	CHF millions	411.5	461.5	552.3	432.3	395.3
Long-term assets	CHF millions	826.2	802.3	682.2	615.5	596.2
Liabilities	CHF millions	479.5	513.1	485.2	273.3	227.9
Shareholders' equity	CHF millions	758.2	750.7	749.3	774.5	763.6
Gearing ratio	%	61.3	59.4	60.7	73.9	77.0

[1] including depreciation on non-operating buildings

Consolidated net sales 2020–2024 in CHF millions



Investments and depreciations of tangible assets 2020–2024 in CHF millions



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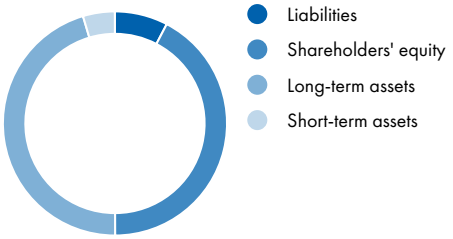
Vetropack Holding Ltd, St-Prex

Total assets 31.12.2024
CHF millions

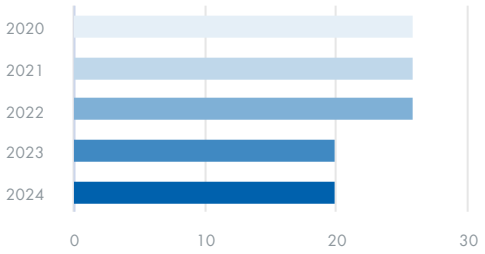


619.8

Change compared to previous year

+3.1%

Dividend 2020–2024
CHF millions

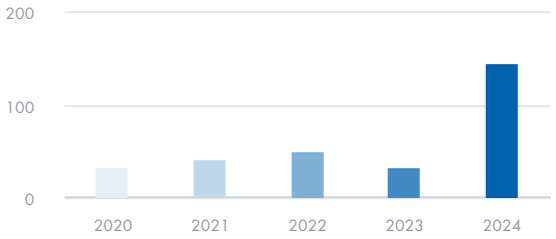


19.8

Change compared to previous year

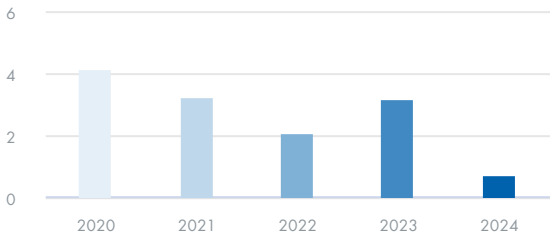
+0.0%

Distribution ratio 2020–2024
in %



144.5

Earnings per share 2020–2024
in CHF



0.69

Change compared to previous year

-78.4%

Balance sheet

CHF millions	Note	31.12.2024	31.12.2023
ASSETS			
Short-term assets			
Liquid funds		29.5	27.3
Accounts receivable from third parties		1.2	0.3
Accounts receivable from group companies		17.5	14.3
Other short-term receivables from third parties		0.2	0.3
Other short-term receivables from group companies		8.5	17.3
Prepaid expenses and accrued income		0.3	3.2
Total short-term assets		57.2	62.7
Long-term assets			
Loans to group companies		331.2	366.7
Participations	3	228.1	169.2
Tangible assets		0.3	0.5
Intangible assets		3.0	2.2
Total long-term assets		562.6	538.6
Total assets		**619.8**	**601.3**
LIABILITIES			
Liabilities			
Accounts payable to third parties		2.6	2.4
Accounts payable to group companies		2.9	3.0
Accounts payable		5.5	5.4
Short-term interest-bearing financial debts to third parties	4	8.0	–
Short-term interest-bearing financial debts to group companies		73.1	101.9
Short-term interest-bearing financial debts		81.1	101.9
Accrued expenses, deferred income and short-term provisions		4.7	3.4
Short-term liabilities		91.3	110.7
Long-term financial debts to group companies		3.0	3.0
Long-term provisions		0.6	0.7
Long-term liabilities		3.6	3.7
Total liabilities		94.9	114.4
Shareholders' equity			
Share capital		19.8	19.8
Legal capital reserves/reserves from capital investments		0.3	0.3
Legal profit reserves		28.6	28.6
Voluntary profit reserves		394.3	374.4
Retained earnings brought forward from previous year		24.0	18.9
Annual profit		57.9	44.9
Accumulated profits		81.9	63.8
Total sharholders' equity		524.9	486.9
Total liabilities		**619.8**	**601.3**

Income statement

CHF millions	Note	2024	2023
Dividend income		40.9	39.4
Income generated from licenses		13.6	13.9
Management fees		14.4	14.4
Other income		20.5	23.1
Total income		89.4	90.8
Personnel expenses		– 16.2	– 16.4
– Administrative expenses		– 20.6	– 22.2
– Promotional expenses		– 1.3	– 1.9
– various operating expenses		– 2.6	– 2.8
Other operating expenses		– 24.5	– 26.9
Depreciation		– 0.2	– 0.1
Amortisation		– 0.7	– 1.4
Operating result		**47.8**	**46.0**
Interest expenses		– 0.3	– 0.1
Currency exchange losses		– 9.5	– 10.6
Total financial expenses		– 9.8	– 10.7
Interest income		14.1	6.0
Currency exchange gains		8.2	4.1
Total financial income		22.3	10.1
Ordinary result		**60.3**	**45.4**
Earnings relating to other periods		–	0.4
Annual profit before taxes		**60.3**	**45.8**
Income taxes		– 2.4	– 0.9
Annual profit		**57.9**	**44.9**

Notes

1. Information on the principles applied in the annual financial statement

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

2. Range of full-time positions averaged across the year

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

3. Participations

The overview here provides a breakdown of the participations held directly or indirectly by Vetropack Holding Ltd.

In 2024, contributions were made to the reserves at Vetropack Austria Holding AG in the amount of EUR 45.0 million (CHF 44.0 million), and at Vetropack Italia S.r.l. in the amount of EUR 15.0 million (CHF 14.9 million).

In 2023, contributions were made to the reserves at Vetropack Austria Holding AG in the amount of EUR 37.5 million (CHF 36.8 million), and at Vetropack Italia S.r.l. in the amount of EUR 12.5 million (CHF 12.2 million).

4. Short-term interest-bearing financial debts

On the reporting date there are short-term interest-bearing financial debts to Raiffeisen Bank International AG, Vienna in the amount of CHF 8.0 million (2023: CHF 0.0 million).

5. Derivative financial instruments

As at 31 December 2024, Vetropack Holding Ltd has open currency swaps in the amount of EUR 70.0 million (CHF 66.0 million) with a positive market value of CHF 1.2 million (2023: EUR 61.1 million (CHF 56.6 million) with a negative market value of CHF 1.1 million).

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

CHF millions	2024	2023
Vetropack Ltd, St-Prex	0.2	2.7
Vetropack Italia S.r.l., Boffalora sopra Ticino	9.6	5.3
Vetropack Austria Holding AG, Pöchlarn	273.6	268.5
of which not claimed as loan	85.0	37.0

7. Joint liability

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

8. Contingent liabilities

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

9. Off-balance-sheet transactions

As of 31 December 2024, there were unrecognised leasing obligations in the amount of CHF 0.3 million (2023: CHF 0.3 million). CHF 0.2 million (2023: CHF 0.2 million) is due within 1 to 2 years, and CHF 0.1 million (2023: CHF 0.1 million) is due within 3 to 5 years.

Board of Directors' (BoD) proposal for the corporate profit appropriation

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

CHF millions	2024	2023
At disposal of the AGA		
Retained earnings brought forward from previous year	24.0	18.9
Annual profit	57.9	44.9
Accumulated profits	81.9	63.8
Total at the disposal of the AGA	81.9	63.8
Board of directors' proposal		
Accumulated profits	81.9	63.8
Allocation to the voluntary profit reserves	– 30.0	– 20.0
Dividend payment	– 19.8	– 19.8
Retained earnings	32.1	24.0

Acceptance of this proposal results in the following dividend payments:

CHF	Gross dividend	35% withholding tax	Net dividend
Registered share A CHF 1.00 nominal value	1.00	0.35	0.65
Registered share B CHF 0.20 nominal value	0.20	0.07	0.13

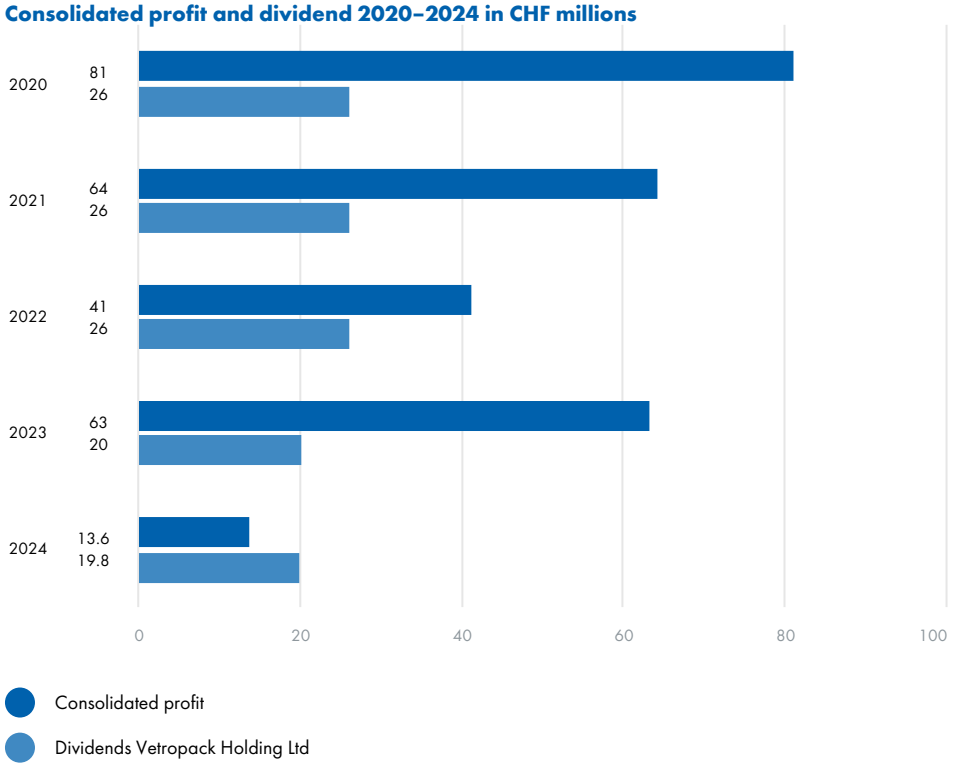
The dividend payment to the shareholders will be made on 29 April 2025 to the paying agent known to us.

Five-year overview

	2024	2023	2022	2021	2020
Income statement and balance sheet (CHF millions)					
Total income	89.4	90.8	74.6	84.1	77.5
Annual profit	57.9	44.9	31.5	35.0	44.4
Total assets	619.8	601.3	541.2	508.5	484.1
Participations	228.1	169.2	120.2	120.2	120.2
Share capital	19.8	19.8	19.8	19.8	19.8
Shareholders' equity	524.9	486.9	461.8	456.1	446.9
Share details (CHF)					
Share prices					
– Registered share A high	41.45	48.00	58.90	64.90	65.10
– Registered share A low	24.20	35.10	27.90	53.00	39.60
Earnings per share	0.69	3.19	2.05	3.22	4.10
Dividends					
– Registered share A	[1] 1.00	1.00	1.00	1.30	1.30
– Registered share B	[1] 0.20	0.20	0.20	0.26	0.26
Distribution ratio in %	144.5	31.3	48.6	40.4	31.8

[1] motion for the AGA on 23 April 2025

Consolidated profit and dividend 2020–2024 in CHF millions



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