

Sustainability report 2021

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





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1. INTRODUCTION

The 2021 Sustainability Report is our means for communicating the annual results of the Zignago Vetro Sustainability program to its own stakeholders.

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

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

Specifically, it therefore includes:

- Ⓐ Zignago Vetro S.p.A. - The parent company
- Ⓑ Zignago Vetro Brosse S.A.S.
- Ⓒ Zignago Vetro Polska S.A.
- Ⓓ Vetro Revet S.r.l.

However, Zignago Glass USA is not included, as for the purposes of this report it is considered irrelevant. The period of reference taken into consideration is 2021.

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





2. LETTER TO THE STAKEHOLDERS

Despite the difficulties caused by the pandemic and the complicated market environment, the Zignago Vetro Group succeeded in the pursuit of sizeable new goals in 2021. It was a year of hard and constructive work on the sustainability front, one that saw us pursue our pre-stated objectives with both determination and perseverance, while also adding challenging new goals to the mix. This year, Zignago Vetro strengthened its commitment to recycling cullet, which is a perfectly circular process. In September, Julia Vitrum S.p.A. was officially founded and represents the Group's third glass recycling company and a point of reference for both the circular economy and reuse activities in the north-east of Italy. Work has also begun on the construction of a new furnace at the Fossalta di Portogruaro plant in North-East Italy, allowing the Group to significantly improve both its sustainability and energy efficiency, in particular. This will allow the Group to produce fewer emissions and make significant energy savings while producing an identical product. Finally, in spite of the difficulties faced, 2021 was a standout year in terms of the Group's major financial goals and achievements.

In 2021, the Group made further improvements in all the main environmental sustainability categories, almost always exceeding the targets set: almost 50% of new glass containers are made using recycled glass from post-consumer collection (PCR), and this figure continues to increase significantly (including at our Polish and French plants), given that it was less than 42% in 2019; the amount of energy used to produce each tonne of glass fell by fully -3% in a single year and the Group has set itself the strategic target of reducing it by a further -15% by 2030; at the same time, we were able to increase our use of renewable electricity even further, which now comprises almost 45% of our total consumption; all of this has allowed us to further reduce our CO₂ emissions per tonne of molten glass, and we have set ourselves the strategic objective of reducing them by a further -30% by 2030. We also made great progress in terms of water consumption in 2021: further investments and increasingly prudent industrial management allowed us to reduce our water consumption per tonne of molten glass by almost -33%. Further improvements

are certainly possible and have been set as strategic objectives. We have also further increased our packaging reuse rates and use more packaging components made from recycled materials.

We have undertaken several initiatives to support worthy environmental, social, and cultural causes. Some of these include contributions to reforestation initiatives, seabed clean-up activities, sustainable winemaking (Gambero Rosso award), and the provision of aid to local institutions supporting people and families in need, and to health care facilities. And finally, we supported several cultural initiatives, many of which found themselves in great difficulty due to COVID-19. In 2021, the Group launched its "Zignago Vetro and Art" project to support artists and art in general, a sector in which glass also has its place.

We made a concerted effort to improve our working conditions and to provide a safe and healthy place to work for our employees, in an attempt to limit the spread of the pandemic as much as possible. We also devoted more time and attention to employee training and the prevention of work-related injuries.

In addition, in 2021 the Board of Directors and the Company – through its ESG Committee, in particular – continued to make a concerted effort to create a management model that is both fully sustainable and respects human rights, leading to the further strengthening and refinement of corporate governance. These include the adoption of a Board of Directors and Internal Committees Regulation, the revision of the Related Party Transactions Policy, the revision of the organisational model and Code of Ethics, and the strengthening of certain internal processes dedicated to creating an increasingly sustainable corporate management approach. We continued the extensive certification process and promoted awareness of the Group's founding ethical principles, including through dedicated training sessions. We reviewed and strengthened several corporate procedures and policies, including our ESG policy, our corporate conduct policy, our human rights policy, and our personal data protection policy; we strengthened

"In 2021, the Group made further improvements in all the main environmental sustainability categories"



Roberto Cardini
CHIEF EXECUTIVE OFFICER



Paolo Giacobbo
CHAIRMAN
OF THE BOARD OF DIRECTORS

our approach to suppliers by adopting a Supplier Code of Conduct, and a policy for managing supply diversity, green procurement, and preventing the use of supplies from conflict-promoting countries. Several of these policies have incorporated the UN Global Compact and human rights, to which we fully adhere.

In line with that outlined above, we reviewed the United Nations Sustainable Development Goals (SDGs) system with the help of external professionals, so that we could paint a clear picture of how we are progressing in our pursuit of them and the degree to which we have achieved said goals to date. This is an important activity that the Group wishes to continue, using the appropriate methodology to monitor its degree of consistency with the United Nations' SDGs over time.

2021 comes to a close with no reports of violations regarding the environment, human rights, finances, taxes, or the management of market relations.

In addition to all this, we can certainly say we are satisfied with the financial results we have achieved and the value the Group has created to the benefit of all stakeholders, with whom we have built some very satisfactory relationships.

Finally, we wish to highlight that the bodies tasked with assigning sustainability ratings have also recognised the results achieved by Zignago Vetro, and we have had some very positive feedback in 2021, leading to new ratings and the upgrading of existing ratings, allowing the Group to occupy a top spot in the rankings.

We are very proud of the professionalism and reliability for which the Group is well known. The results and improvements we were able to achieve in 2021 are owed to our extraordinary, united, motivated, and expert team. For this, we would like to extend a big thank you to each and every one of you.

It is also worth noting that, despite the challenges of 2021, glass has proven itself to be a greatly sustainable

commodity. Even through difficult times, it has been rewarded by consumer choices, a testament to its unique character and extraordinary qualities in terms of health, safety and recyclability. Glass is an ancient and infinitely recyclable material that is becoming increasingly popular, so much so that the UN has declared 2022 as the "International Year of Glass".

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

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

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





3. WHAT'S NEW IN 2021

There were many new features and improvements introduced during the year, adopted to achieve increasingly challenging goals.



GOVERNANCE
AND STRATEGY



SUSTAINABILITY
AND EFFICIENCY



ESG
AND CERTIFICATIONS



ENVIRONMENTAL, SOCIAL
AND CULTURAL INITIATIVES



Governance:

- The Board of Directors of Zignago Vetro strengthens its commitment to making further progress towards full sustainability and a total respect for human rights.
- Approval of the Board of Directors and Internal Committees Regulation. (ref. Para. 10.3.1)
- Approval and adoption by the Board of Directors of the "Related Party Transactions Policy" (ref. Para. 10.3.1)
- Review and updating of the 231 Model, coordinated with the necessary changes to the Code of Ethics. The Code of Ethics has also been updated for all Group Companies. (ref. Para. 10.3.5)
- Adoption (updating/revision) of the main policies on Zignago Vetro's engagement methods and relationships with its main stakeholders (ref. Para. 10.3.5):
 - ESG Policy
 - Business Conduct Policy
 - Supplier Code of Conduct
 - Whistleblower Policy
 - Human Rights Policy
 - Supplier Diversity Policy
 - Data Privacy and Security Policy
 - Conflict Minerals Policy
 - Green Procurement Policy.



ESG business strategy:

- Expanded glass collection and reuse activities through the founding of Julia Vitrum. Development of information activities and involvement of general population in the separated waste collection of glass. (ref. Para. 5.1.1)
- Major rise in the percentage of cullet used in production process, with significant increases at the Fossalta di Portogruaro (+13.4%), ZV Polska (+95%), and ZV Brosse (+110%) plants, in particular. (ref. Para. 10.1.4 and ref. Para. 10.1.6.1)
- Began the construction of a new and much more sustainable furnace at the Fossalta plant.
- Expanded the "Deep Green Collection" range with new cosmetic and perfume products made from recycled green glass. (ref. Para. 5.1.2. and 10.1.1)
- DeNOx abatement system development. (ref. Par 10.1.6.3)
- SDG audit with the help of an external company. (ref. Para. 10)



Environmental sustainability and energy efficiency:

- Increased renewable energy component with use of new photovoltaic systems. (ref. Para. 10.1.4)
- Introduction of the ISO 50001 energy management system at ZV Polska and start of the certification process for the same ISO at the Fossalta di Portogruaro and Empoli plants. (ref. Para. 4.5 and Para. 8.4)
- More efficient consumption of water during the production process. (ref. Para. 10.1.5)
- Strengthening of the "Product Stewardship Management System" with a Life Cycle Assessment for each product. (ref. Para. 10.1.1)
- Creation of a procedure for a "Materials End-of-Life Management System" to map the final reuse destinations of the main materials to be disposed of, giving priority to certain financial and circular economy criteria. (ref. Para. 10.1.2)
- Strengthening the "sustainable supply chain management system" with an increase in the KPIs required from suppliers and extension of the principles contained in the Code of Ethics, Human Rights Policy, and Global Compact. (ref. Para. 10.1.3.1)
- Installation of electric car charging points in ZV car parks to continue the process of replacing the company vehicle fleet with hybrid/electric vehicles. (ref. Para. 10.1.11)
- Introduction of a Sustainable Mobility Plan and appointment of Green Mobility Managers. (ref. Para. 10.2.2)



CERTIFICATIONS
AND AWARDS**ESG Rating** (ref. Para. 4.13 and ref. Para. 8.5)**1. Further improvements in ESG ratings:**

- Ecovadis: from **Silver** to **Platinum**;
- Gaia Rating: from 62/100 to **77/100**;

2. New ESG ratings launched during the year

- Sustainalytics: rating of **11,9**
(on a scale of minimum 100 to maximum 0).
Zignago Vetro was awarded the following ranking:
 - 324th out of 14,142 companies evaluated globally;
 - 5th out of 94 companies in the "Containers & Packaging" sector;
 - 2nd out of 56 companies in the "Metal & Glass Packaging" sector.

- Morningstar: selected among
Regional Top – Rated Badge for 2022.

Accession to the UN Global Compact
(ref. Para. 4.15 and ref. Para. 10.1.11)**Protection of human rights**
(ref. Para. 10.2.1)

- Adoption in March 2021 of a specific
Human Rights Policy

New certifications
(ref. Para. 4.5 and ref. Para. 8.4)

- FSSC 22000 certification for the Empoli plant;
- ISO 50001 certification at Zignago Vetro Polska;
- ISO 9001 certification for Zignago Vetro Brosse.



Support for environmental initiatives (ref. Para. 10.1.11)

- Introduction of a reforestation system:
 - Treedom Project: in 2021, Zignago Vetro funded the planting of 2,315 trees (2,715 total trees to date);
 - Tree planting activities near the ZVP plant;
- Zignago Vetro was the main sponsor of the Gambero Rosso award for sustainable winemaking, awarding a prize to the most sustainable wine cellar.
- Funded seabed clean-up activities conducted by the Marevivo association.
- Environmental clean-up activities were funded in locations near Zignago Vetro Polska.

Support for cultural initiatives (ref. Para. 10.2.8)

- Financial support for the Maggio Musicale Fiorentino;
- Launched the first edition of the "Zignago Vetro and Art" project in support of artists and art in general.

Support for social initiatives (ref. Para. 10.2.8)

- Funds were distributed to four

institutions dedicated to caring for people and families most in need near the Fossalta and Empoli plants;

- Adherence to the Diversity Charters;
- Fundraising to support disadvantaged families in Poland;
- Support for children in need in Poland;
- Donation of ultrasound equipment to the A&E department at Empoli Hospital;
- Gifting of a private health insurance policy to all ZVP employees, providing them access to health care and diagnostic services;
- Collection of used clothing from ZVP employees for donation to an association chosen by the company.

Continuous ESG Learning: (ref. Para. 10.2.5)

- ESG training at Zignago Vetro (ASviS Azienda 2030);
- ESG training at Zignago Vetro Polska.

Other:

- Communication activities in collaboration with Assovetro to raise awareness of the characteristics and properties of glass containers; (ref. Para. 5.1.2. and Par. 10.1.11)
- Adaptation of KPI calculation using Assovetro methodology by replacing packaged glass with molten glass.

ENVIRONMENTAL, CULTURAL AND SOCIAL INITIATIVES



DIVERSITY CHARTERS





4. 2021 ESG SUMMARY



Summary of the main issues describing the Zignago Vetro Group from an ESG perspective

(more details are contained in subsequent sections of the Report).



ENVIRONMENT



SOCIAL



GOVERNANCE

4.1

MISSION

4.2

CORPORATE GOVERNANCE

4.3

CORPORATE BEHAVIOUR & ETHICS

4.4

ESG GOVERNANCE SYSTEM

4.5

CERTIFICATIONS

4.6

ENVIRONMENTAL PROTECTION

4.7

WASTE MANAGEMENT

4.8

MANAGEMENT OF PACKAGING

4.9

SUSTAINABLE SUPPLY CHAIN MANAGEMENT

4.10

LABOUR MANAGEMENT

4.11

RESPECT OF HUMAN RIGHTS

4.12

PERFORMANCE-RELATED PAY

4.13

ESG CERTIFICATIONS OBTAINED BY THE ZIGNAGO VETRO GROUP

4.14

FINANCIAL SUSTAINABILITY

4.15

JOINING THE UNITED NATIONS GLOBAL COMPACT

4.16

SUMMARY OF COVERAGE INDICES FOR RELEVANT TOPICS



4.1 Mission

The Zignago Vetro Group pursues its mission to produce and sell hollow glass containers in various market segments, and in the food, beverage, cosmetics, and perfume segments in particular, and in doing so is inspired by the United Nations 2030 Agenda, an initiative launched by more than 150 world leaders, who met in 2015 to contribute to global development, to promote the well-being of people, and to protect the environment.



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

The Zignago Vetro Group has always pursued its Mission based on omnipresent values such as **a respect for work and human rights, protection of the environment, providing customers with products and services that meet the highest standards of quality and safety** and, finally, supporting and promoting the **local community**, both in terms of supplies and charitable initiatives.

Finally, in pursuing its Mission, Zignago Vetro seeks **to create continuous value** for its partners.

All Zignago Vetro Group ESG activities hope to make an increasingly significant contribution to the pursuit of the 2030 Agenda goals.

To conclude, Zignago Vetro’s Sustainability Report has been prepared with the express intention of providing feedback and taking stock of the Group’s progress.



2030 Agenda





4.2 Corporate Governance



Independence of the Board of Directors

6 of the 13 members of the Board of Directors are independent.

Skills and professional experience possessed by the members of the Board of Directors

Industry experts: 7 members
Financial experts: 9 members.

Board of Directors and Internal Committees Regulation

On March 12, 2021, the Board of Directors of Zignago Vetro S.p.A. approved the Board of Directors and Internal Committees Regulation.

Related party transactions

Sales in S. Margherita: Euro 4.6 million in 2021, at market conditions.

Purchase of green electricity from Zignago Power: Euro 8.2 million in 2021, with savings of about 20% compared to market conditions.

Purchase of services from Zignago Holding, Zignago Servizi and others: Euro 4.7 million in 2021, at market conditions.

Separation of the role of Chairperson and Chief Executive Officer

The roles of Chairperson and Chief Executive Officer are separate.

CEO compensation

In line with the sector average. Compensation consists of both a fixed and a variable component linked to specific and formalised ESG objectives.

Performance-related pay with Stock Option plans

In 2019 a stock option plan was adopted for Directors with operating powers and Senior Executives. The aforementioned plan ended on December 31, 2021. New forms of medium/long-term incentives based on similar reward systems are envisaged.

Presence of performance-related pay linked to ESG topics

A portion of the performance-related pay of Directors with operating powers and Senior Executives is tied to the Group's ESG goals.

Reliability of financial accounting data

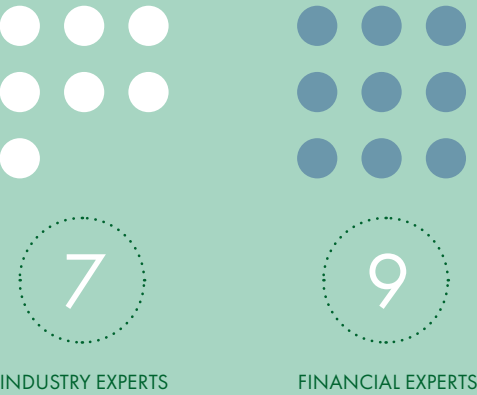
ZERO irregularities reported by the Independent Audit Firm.

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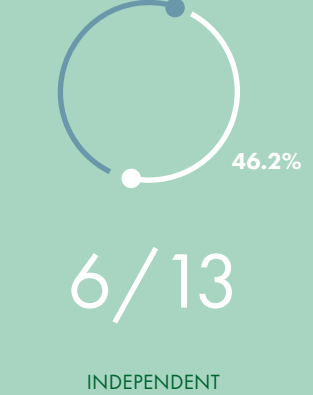
ZERO irregularities reported by the Board of Statutory Auditors.

ZERO irregularities reported by the Supervisory Board.

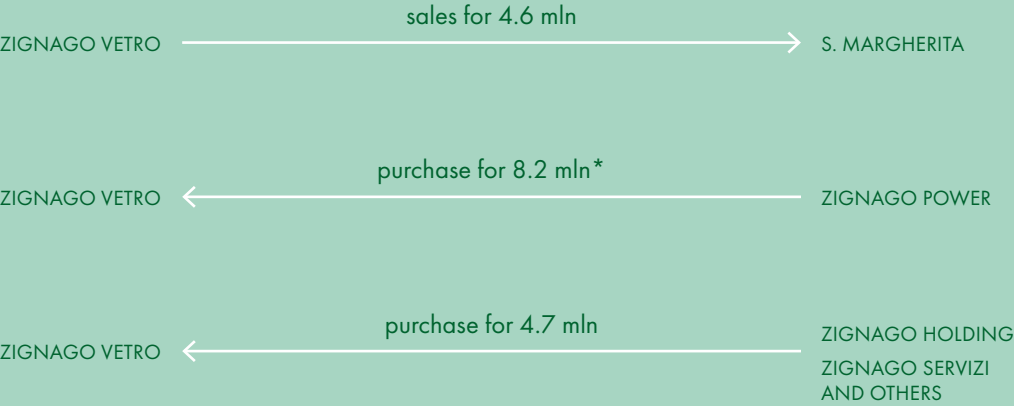
Skills of the Board of Directors



Independence of the Board of Directors



Related party transactions in 2021



*with savings of about 20% compared to market conditions.





Revision and updating of the 231 Model and updating of the Code of Ethics. The formalisation of new policies.

On July 29, 2021, the Board of Directors of Zignago Vetro S.p.A. approved the new version of the 231 Model, which incorporates regulatory updates that were approved after the Model was last reviewed on July 19, 2019. The main issues that highlighted, analysed and recognised are:

- corruption and abuse of office;
- smuggling and anti-competitive practices;
- cyber security;
- new tax offences;
- attention to climate change and all major environmental challenges;
- the promotion of and respect for all universally recognised human rights;
- freedom of association for workers and recognition of the right to collective bargaining;
- absolute commitment to avoiding any injuries involving employees or external collaborators operating within the scope of the Company;
- commitment through compliance with the system of labour standards, regulations, and agreements targeted at ensuring a basic living wage that ensures acceptable living conditions for all workers and promotes opportunities for women and men, in order to achieve decent and productive work, in conditions of freedom, fairness, safety, and dignity;
- commitment to guarantee the right of workers' associations, collective and individual bargaining, respect for the maximum number of working hours per day, week and month;
- prohibition of child labour in all its forms;
- commitment to opposing all forms of discrimination;
- prohibition of corporal punishment and similar disciplinary practices;
- prohibition of forced labour in all its forms;
- promotion, insertion, and integration of people belonging to protected groups into working life;
- prohibition of making contributions and/or grants to organisations with which there may be conflicting interests or to associations that carry out activities or play important roles in determining national and international policy.

The aforementioned changes made to the 231 Model necessitated an update to the Code of Ethics for all Group Companies on the same date, bringing it into line and making it compatible with the various national regulations.

The ESG Committee has also updated all Group *policies* in view of these changes.

The following documents have been formalised within the Group's Policies and Codes of Conduct:

- **ESG POLICY**
- **BUSINESS CONDUCT POLICY**
- **SUPPLIER CODE OF CONDUCT**
- **WHISTLEBLOWER POLICY**
- **HUMAN RIGHTS POLICY**
- **SUPPLIER DIVERSITY POLICY**
- **DATA PRIVACY AND SECURITY POLICY**
- **CONFLICT MINERALS POLICY**
- **GREEN PROCUREMENT POLICY.**



4.3 Corporate Behaviour & Ethics

MISSION, VISION AND VALUES

For some time now, the Zignago Vetro Group Mission and Vision have been based on a clear, formalised and internally shared system of Values.

PERIODIC REVIEW OF ETHICAL PRINCIPLES

Last review carried out by the Board of Directors on March 12, 2021

SUPERVISION OF THE APPLICATION OF ETHICAL PRINCIPLES

Last overview carried out by the Supervisory Board (with subsequent acknowledgement by the Board of Directors): July 9, 2021.
No violations of the Code of Ethics were reported.

TRAINING ON ETHICAL STANDARDS

In progress. Carried out in 2021 at the Group's Polish and Italian plant. The training plan calls for the completion of training at other facilities by the end of 2022.
In the last two years, 34.4% of employees have received training on ethical topics.

WHISTLEBLOWING PROTECTION

A *whistleblowing* system has been formalised and activated. No irregularities have ever been reported.

ADOPTION OF ANTI-CORRUPTION POLICIES FOR SUPPLIERS

A dedicated anti-corruption policy has been introduced.

ASSESSMENT OF RISK OF CORRUPTION IN THE SECTOR

Low.

FISCAL TRANSPARENCY

The Group adopts conduct aimed at maximum fiscal transparency. No significant complaints have ever been filed by the tax authorities. No tax disputes.

Adoption of GRI 207 broken down by country.



4.4 ESG Governance System

ESG Committee (ESG guide and responsibility)	Present
ESG Coordinator	Present
ESG Consultants	Present
System of ESG Objectives and Measurement of their Achievement	Active
ESG Policies	Adopted
ESG Strategy	Active
Organisational and Control Model pursuant to Legislative Decree No. 231/01	Adopted
Periodic review of Stakeholders' Engagement	Last update: January 2021



4.5 Certifications

	ZIGNAGO VETRO ITALY (FOSSALTA)	ZIGNAGO VETRO ITALY (EMPOLI)	ZIGNAGO VETRO BRO SSE	ZIGNAGO VETRO POLSKA	VETRO REVET
ISO 9001	✓	✓	✓	✓	✓
ISO 14001	✓	✓	2022	✓	✓
ISO 50001	2023	2023	—	✓	Not significant
ISO 45001	2024	2023	2026	2025	2024
FSSC 22000	2022	✓	—	2023	Not applicable
UNI EN 15593	✓	Replaced by FSSC 22000	—	✓	Not applicable

With a view to more widely improving production sites and rendering them more efficient over time, in 2021, the Zignago Vetro Empoli production plant obtained FSSC 22000 certification.

The system certifies that the Empoli plant is applying the correct methodology to food safety processes. This impacts the entire supply chain and the Group itself, which makes food and drink containers.

In addition, Zignago Vetro Polska obtained ISO 50001 certification in 2021 thanks to its optimised and efficient management of energy along the value chain. This allows continuous improvements to be made to the plant’s energy performance.

Finally, Zignago Vetro Brosse achieved ISO 9001 certification in 2021, which is the internationally recognised standard for quality management systems.

4.6 Environmental protection

CARBON EMISSIONS: REDUCTION OF SCOPE 1 AND 2 EMISSIONS

- **ESG Strategy:** the Group has implemented a dedicated strategy for reducing emissions. The strategy is based on specific targets relating to the replacement of virgin raw materials in favour of cullet, energy efficiency, and the increasing use of energy from renewable sources.

As a result of its corporate strategy, Zignago Vetrol expects to see a **-30% reduction in specific emissions between 2021 and 2030.**

- **System of objectives and measurements (KPIs):** the Group has used a system to measure and control objectives for a number of years:

- **in 2021** CO₂ emissions (Scope 1 and 2) per tonne of molten glass dropped by **-2.3%**;
- **the target for 2022 is a further -1.0% reduction.**

- In addition, to reduce Scope 2 emissions (generated to produce the electricity consumed), the company self-produces and purchases 44.6% of its electricity from renewable energy plants.

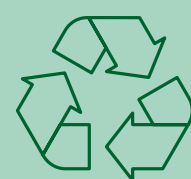
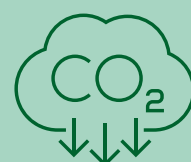
CARBON EMISSIONS: REDUCTION OF INDIRECT SCOPE 3 EMISSIONS

In 2019, the Group launched a project to calculate its indirect Scope 3 emissions. The results are listed in Chapter 10.1.6.2.. These data, audited annually by a third party, have caused the Group to realise that it needs to engage major partners along the value chain in shared actions if it is to reduce emissions.

REDUCTION IN THE CONSUMPTION OF VIRGIN RAW MATERIALS AND INCREASE IN RECYCLING

- **ESG Strategy:** the Group has introduced a specific strategy to significantly reduce the use of natural resources and to increase cullet recycling rates.

In 2019, Zignago Vetrol invested in its third new company, Julia Vitrum, which processes and recycles cullet, for a total investment of almost Euro 30 million.



As a result of its business strategy, Zignago Vetrol expects **70% of the total glass it produces to comprise external post-consumer recycled material (PCR) by 2030 (+41.1% compared to 2021).**

- **System of objectives and measurements (KPIs):** the Group has used a system to measure and control objectives for a number of years:

- **in 2021** the Company further increased the percentage of PCR cullet used to **49.6%** (48.0% in 2020 and 41.9% in 2019). Nevertheless, it failed to exceed its target due to the product mix created, which involved more white glass production, for which there is less cullet available on the market.
- **The Group's target for 2022 is for 52% of all glass produced to originate from PCR glass cullet.**

REDUCTIONS IN ENERGY CONSUMPTION

- **ESG strategy:** the Group has adopted a strategy to reduce the consumption of specific energy sources, in particular by means of:

- investing in high performing and efficient systems and technologies;
- improving its existing plants;
- increasing the use of cullet;
- eliminating waste.

As a result of its business strategy, Zignago Vetrol expects to **reduce specific consumption by -15% from 2021 to 2030.**

- **System of objectives and measurements (KPIs):** the Group has used a system to measure and control objectives for a number of years:

- **in 2021** energy consumption per tonne of molten glass produced decreased by **-3.0%**, reaching the Group's target;
- **the Group's target for 2022 is an additional -2.0% decrease compared to 2021.**



ENVIRONMENT





ENVIRONMENT



INCREASED USE OF ENERGY FROM RENEWABLE SOURCES

- ESG strategy: the Group has introduced a dedicated strategy to progressively convert production towards using energy from renewable sources.

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

At the end of 2021, Zignago Vetro installed two new photovoltaic systems, which will begin producing energy in early 2022. Their production capacity amounts to about 1,320,000 kWh per year in total.

A research project is underway to find technological solutions to progressively reduce energy produced using fossil fuels. As a result of its strategy, Zignago Vetro expects to **increase the percentage of electricity from renewable sources to 100% by 2030**.

This objective does not include the potential effect deriving from the launch of the aforementioned fossil fuel replacement process, which is currently still under review and therefore not yet quantifiable.

- System of objectives and measurements (KPIs): the Group has used a system to measure and control objectives for a number of years:
- **in 2021** electricity from renewable sources represented **44.6%** of the total (44.3% in 2020);
 - **the 2022 target is to increase the percentage of electricity from renewable sources to 46% of the total.**

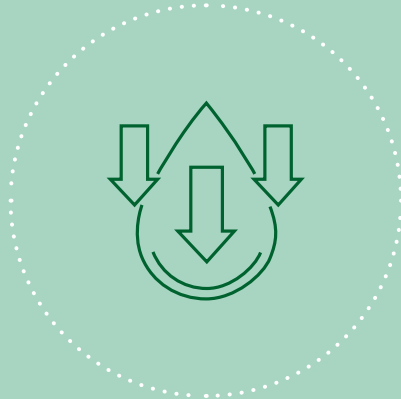


REDUCTION IN WATER CONSUMPTION

- ESG strategy: The Group is committed to constantly reducing its water consumption through technological investments in process water recirculation systems.

As a result of its business strategy, Zignago Vetro expects to **reduce specific water consumption by -58.5% between 2021 and 2030**.

- System of objectives and measurements (KPIs): the Group has used a system to measure and control objectives for a number of years through the gradual introduction of environmental matrix monitoring systems (ISO 14001 and ISO 50001). Over the years, water consumption has decreased markedly:
- **2021**: 1.93m³/tonne molten glass **(-32.8%)**
 - 2020: 2.87m³/tonne molten glass
 - 2019: 3.57m³/tonne molten glass
 - **The 2022 target is to further reduce specific water consumption by at least -7.0%.**





4.7 Waste management

Waste reduction

In 2021, the amount of waste generated per tonne of molten glass decreased by -4.7%.

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

Much of the waste produced (69.3%) is delivered to recycling, reuse, or recovery (including energy recovery), while only the residual fraction (the remaining 30.7%) is sent to landfill. This demonstrates the ongoing attention that the Group pays to waste management in terms of ecology and circularity.



4.8 Management of packaging

Increasing the % use of packaging made from recycled materials

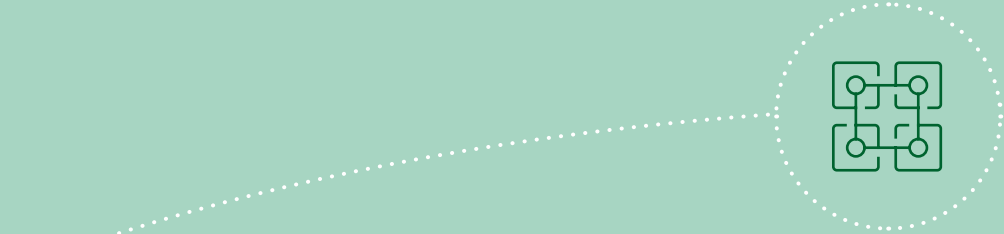
The Zignago Vetro Group is dedicated to reducing its consumption of packaging and maximising the reuse of packaging materials. For several years the Group has been measuring its packaging consumption and recording the percentage of reused packaging.

In recent years, it has launched a programme to use packaging made from recycled materials. Zignago Vetro monitors and records the amount of packaging it consumes, in addition to its type, reuse, and recycling characteristics. The Group has decided to provide information on this management aspect in 2021, which is strongly linked to its ESG policies and objectives.

2021 data:

	% REUSE		% USE OF PACKAGING MADE FROM RECYCLED MATERIALS
PALLETS	70.3%	BOXES AND CARTONS	73.5%
INTERLAYER PADS	78.9%	SHRINK WRAP	31.9%

The Zignago Vetro Fossalta and Zignago Vetro Polska plants recycle shrink wrap on site. Collection and recycling processes are gradually being introduced at other plants.



4.9 Sustainable supply chain management

4.9.1 STRENGTHENING THE SUSTAINABLE SUPPLY CHAIN MANAGEMENT SYSTEM

In 2021, Zignago Vetro, in line with the commitment highlighted in the ESG Policy, further strengthened the Stewardship process and engagement with its suppliers.

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

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

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

With regard to relations with suppliers, there is a formalised policy indicating the principles of sustainability, while for the selection and qualification of suppliers, the Group adopts assessment practices aimed at preventing collaboration with partners who violate human rights, adopt practices that are contrary to fairness in the conduct of business (in particular with regard to corruption), carry out their activities through

the exploitation of minors or do not adequately manage their environmental impact.
For further discussion see ref. Para. 10.1.3



1. Raw materials

Preference is given to local suppliers who share Zignago Vetro’s policies aimed at guaranteeing a high level of quality selection process and qualification responsible for delivery.



2. Production

Flexibility and efficiency of production, continuous product and process innovation and focus on the human component are essential and distinctive elements for the growth and strengthening of the Group’s position on the market.



3. Distribution

Transportation is currently primarily by road; implementation is expected to continue with the introduction of the multimodal transportation project that began in 2019.



5. Recycling and reuse

The recovery and use of cullet as one of the raw materials allows for a reduction in natural resource consumption, energy consumption, and direct emissions.



4. End customer

Customer service, intended as an added value that is expressed through flexibility in responding to changing market demands, after-sales assistance, and a transparent and collaborative approach.



4.10 Labor management

Workplace health and safety

- Increase in security surveillance.
- Technological investments.
- Employee training.
- Injuries: 2019 = 46 cases; 2020 = 45 cases; 2021 = 54 cases, driven by an increase in events at the Polska and Brosse plants, partially offset by improvement at the Italian plants.
- The injury severity rate is low.

Personnel training and development

- Specific employee training
- Zignago Vetro Academy
- Managerial training
- Training pursuant to Legislative Decree No. 231/01
- *Sustainability awareness* training

Staff turnover

High staff loyalty and a turnover rate of just 4.1%.

Equal opportunities/gender parity

The Group guarantees equal opportunities for all its employees, regardless of gender, religious beliefs, political ideology, and more.

At December 31, 2021, 67.7% of its workforce was male and 32.3% female, the latter share having grown compared to previous years.

Customer health and safety

The Group guarantees:

- the adoption of a food safety plan;
- the highest quality hygiene and food safety standards;
- the traceability of finished products;
- the correct labelling of products;
- the lack of misleading advertising.

There were no cases of consumer injuries in 2021.



Other

- Presence of anti-discrimination recruitment policies.
- Work/life balance initiatives.

Social dialogue

Continuous dialogue through meetings with employee representatives.

4.11 Respect of human rights

Presence of a Code of Ethics to protect human rights

Statistics on key human rights issues are presented below:

	2020	2021
Number of discrimination cases	0	0
Number of cases of child labour exploitation	0	0
Number of cases of workers under the age of 18	0	0
Number of cases of physical injury	0	0
Number of cases of illegal employment	0	0
Number of cases of irregular work	0	0

In March 2021, Zignago Vetro implemented a specific *Human Rights Policy*.

4.12 Performance-related pay



Forms of performance-related pay

Directors with delegated powers and Senior Executives	Short-term performance-related pay linked to corporate and personal performance and ESG targets
	Medium-/long-term performance-related pay (stock option plan or similar)
White-collar	Performance-related pay linked to short-term corporate and personal performance targets
Blue-collar	Performance-related pay in the form of productivity bonuses

Performance-related pay linked to ESG objectives

A portion of the short-term performance-related pay for Directors with operating powers, Senior Executives, and other important figures has been linked to ESG goals since 2020. In 2021, 97% of objectives were achieved.

Non-compensatory benefits including retirement and pension funds

A corporate welfare programme is in place to offer discounts on purchases, insurance, and more.



4.13 ESG certifications obtained by the Zignago Vetrol Group

	Ecovadis	CDP	Sustainalytics (since 2021)	Morningstar (since 2021)	Gaia (since 2020)	MSCI (since 2020)
2021	83/100 – Platinum	B*	11.9	Regional Top – Rated Badge	77/100	BB
2020	62/100 – Silver	B*	-	-	62/100	BB
2019	59/100 – Silver	B*	-	-	-	-
2018	55/100 – Silver	B*	-	-	-	-
2017	50/100 – Silver	B*	-	-	-	-

*increasing score within the same range.

The Group was awarded Platinum status by Ecovadis for its Responsible Business practices, falling within the top 1% of companies evaluated in the ESG arena.

The rating assigned to Zignago Vetrol by the GAIA Programme increased to 77/100 points in 2021, placing the Group well above the average for its sector.

Sustainalytics assigned the Group a score of 11.9, placing it 5th among the 94 companies in the “Containers and Packaging” sector and 2nd among the companies in the “Metal & Glass Packaging” sector. This achievement was rewarded by Morningstar with a REGIONAL TOP-RATED BADGE for 2022.



OF COMPANIES EVALUATED
IN THE ESG AREA
BY ECOVADIS



OUT OF 94 COMPANIES



4.14 Financial Sustainability

Results achieved in 2021 - creation and distribution of economic value



* Management View data

Key IFRS data, with Vetri Speciali, Vetreco and Julia Vitrum consolidated at equity: Turnover 362.4 million; EBITDA 114.4 million, EBIT 70.7 million and Technical investments 61.9 million.

SOCIAL





Since 2021

4.15 Joining the United Nations Global Compact

During a meeting on March 12, 2021, the Board of Directors of Zignago Vetro S.p.A. resolved to join the United Nations Global Compact, which became effective on April 30, 2021.

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

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

1- support and respect internationally proclaimed human rights within the company's respective spheres of influence;

2- ensure that they are not complicit in human rights abuses, even indirectly;

3- support workers' freedom of association and recognise the right to collective bargaining;

4- work toward eliminating all forms of forced and compulsory labour;

5- work toward the effective elimination of child labour;

6- work toward eliminating discrimination in respect of employment and occupation;

7- support a precautionary approach to environmental challenges;

8- undertake initiatives to promote greater environmental responsibility;

9- encourage the development and diffusion of environmentally friendly technologies;

10- commit to working against corruption in all its forms, including extortion and bribery.

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

Continued pursuit of the 2030 Agenda Sustainable Development Goals (SDGs).

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

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

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

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

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

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

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

During 2021, Zignago Vetro also asked an external company to audit its approach to the SDGs.





4.16 Summary of coverage indices for relevant topics

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

Coverage Indicator	2021				Objective 2022	Objective 2030
	Italy	Poland	France	Group		
Environment						
% operating sites with an environmental risk assessment in place	100%	100%	0%	80%	100%	100%
% ISO 14001 certified operating sites	100%	100%	0%	80%	100%	100%
Workplace Security						
% of operating sites with an occupational safety risk assessment in place	100%	100%	100%	100%	100%	100%
% ISO 45001 or OHSAS 18001 certified operating sites	0%	0%	0%	0%	-	100%
% workforce represented by a joint management-worker health and safety committee	100%	100%	100%	100%	100%	100%
Working Conditions						
% workforce covered by regular, formal collective bargaining agreements regarding working conditions	100%	100%	100%	100%	100%	100%
% workforce covered by formally elected representatives (Union Representative/Workers' Representative Body, etc.)	100%	100%	100%	100%	100%	100%
Human Rights						
% of operating sites subject to SB human rights audits and verifications	100%	100%	100%	100%	100%	100%
Corporate Ethics						
% of operating sites subject to SB audits and verifications on ethics	100%	100%	100%	100%	100%	100%
Career Management						
% of workforce subject to assessment (individual or group) on performance and professional development in 2021	100%	100%	100%	100%	-	-
% workforce with a professional development plan (workers included in training, wanting to change career, or considered for promotions or pay band upgrades)	100%	100%	100%	100%	100%	100%
Performance-Related Pay						
% of Executives with bonuses linked to the achievement of ESG objectives	100%	100%	100%	100%	100%	100%
Training						
% workforce in receipt of professional and/or personal development training in 2021 (participation in at least 1 course)	100%	100%	100%	100%	-	-
% workforce trained on environmental topics in 2021	23.4%	97.5%	1.2%	49.2%	-	-
% workforce trained on worker safety in 2021	100%	93.4%	100%	98.4%	-	-
% workforce trained on business ethics in 2021	19.2%	5.7%	33.1%	16.1%	-	-
% workforce trained to prevent discrimination and human rights violations in 2021	19.2%	5.7%	33.1%	16.1%	-	-
Supply Chain Management						
% contracts/purchase orders with ESG clauses	100%	100%	100%	100%	100%	100%
% buyers trained on ESG topics in the last 2 years	100%	100%	100%	100%	100%	100%
Response rate among suppliers assessed with ESG questionnaire	30%	91%	100%	66%	100%	100%





5. GLASS: A SUSTAINABLE RAW MATERIAL

Glass has no equal: it is hygienic, healthy, eco-friendly, infinitely recyclable, and safe. It is both an ancient and very current material, made of recycled glass, sand, sodium, calcium carbonates, and other elements – all 100% natural materials. According to a FEVE study, 91% of European consumers believe glass is the best packaging material¹. Glass boasts unique qualities in terms of health, taste, and sustainability:



MADE OF 100%
NATURAL MATERIALS



RANKED BY 91% OF EUROPEANS AS
THE BEST PACKAGING MATERIAL

FOOD SAFETY

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



TRANSPARENCY, ELEGANCE, AND IDENTITY

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

PERFECT PRESERVATION

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



TOTALLY AND INFINITELY RECYCLABLE

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





5.1 Glass: the true champion of the circular economy

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



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

INFINITELY RECYCLABLE



SUSTAINABLE BY NATURE

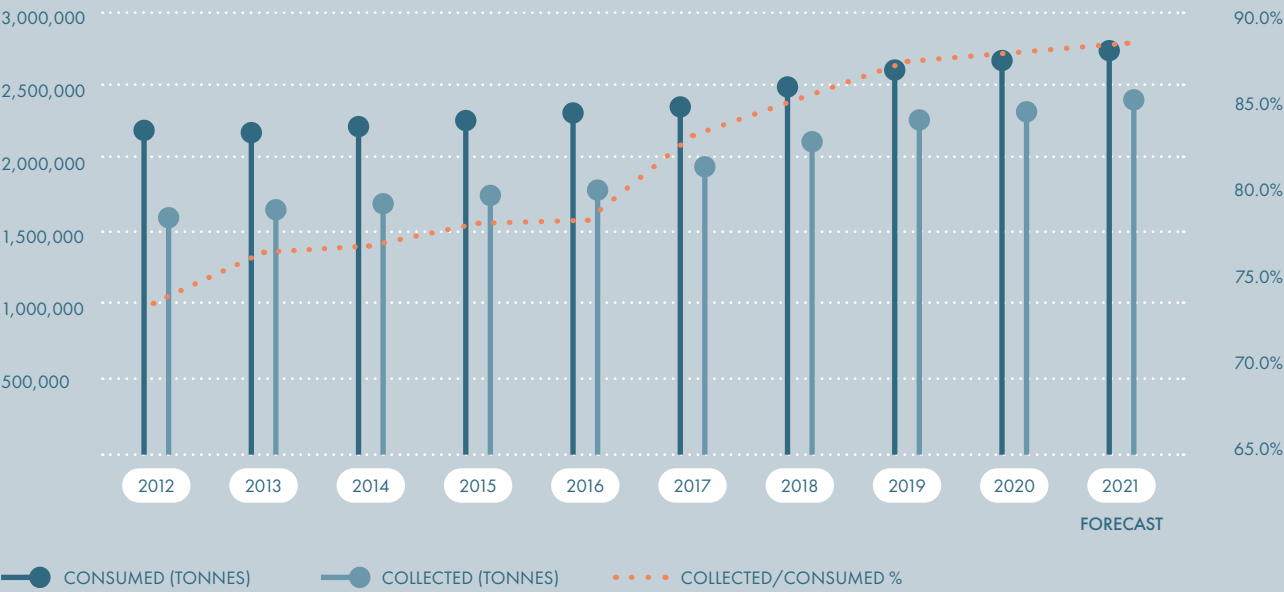




The recovery and reuse of glass by the glass container manufacturing industry has been remarkable in Italy over the last few years.

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

Glass consumption and collection in Italy



The above data show that while the consumption of glass packaging has steadily increased in Italy in the last ten years – and particularly in the last five years – the collection rate (and subsequent recycling rate) has accelerated, reaching 88.2% in 2021 (source: Co.Re.Ve.).



88.2%

FORECASTED COLLECTION AND RECYCLING RATE IN 2021 IN ITALY



2012

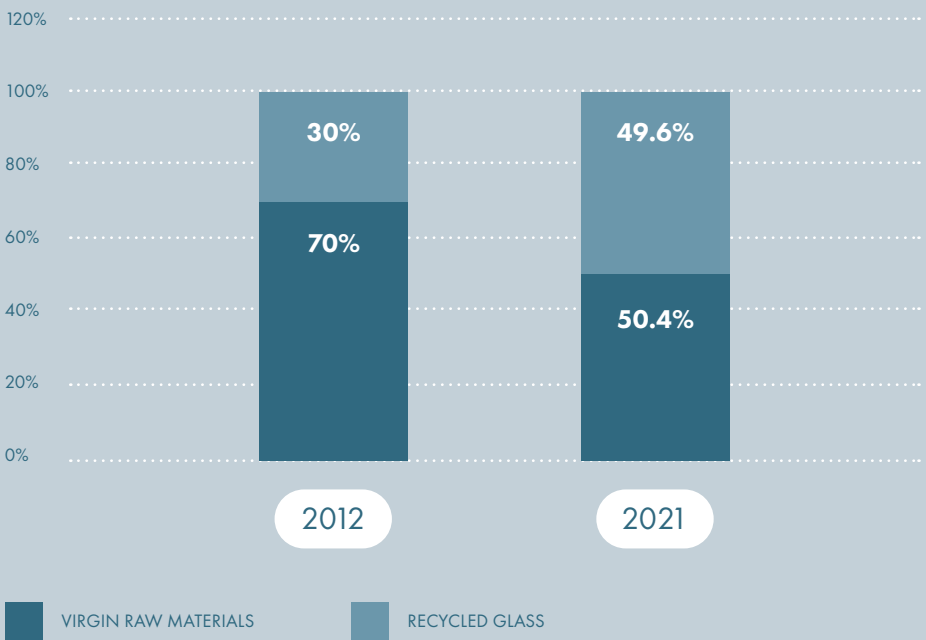
A DEEP EVOLUTION IN THE
USE OF GLASS CULLET

2021

Zignago Vetro has been a real trailblazer in this regard. In fact, during the period under review, the Company significantly increased the reuse of cullet in its production processes.

The following graph shows the Zignago Vetro Group’s use of cullet as a primary material to make glass containers from 2012 to 2021:

Composition of raw material use - Zignago Vetro Group



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

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

1. Vetreco:

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



2. Vetro Revet:

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



3. Julia Vitrum:

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



Altogether, the above three companies have a treatment capacity of about 800,000 tonnes of raw glass per year, equal to about one third of the total raw glass collected in Italy in 2021. This makes Zignago Vetro a leading player in Italy’s cullet reuse sector.



5.1.1 Glass born of glass: a circular path

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

1. Consumer:

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



2. Collection of used glass:

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



3. Co.Re.Ve. System:

The Co.Re.Ve. (Glass Recovery Consortium) is a national body that has the task of managing the recovery of glass for its subsequent sale to recyclers. In 2021, about 88.3% of the cullet collected on Italian territory was managed by the "Co.Re.Ve. system". Co.Re.Ve. sells cullet to recyclers via two possible types of contracts: a system of online auctions, which represents the vast majority of the volumes managed; or a system of direct agreements between public bodies and private recyclers.

4. Treatment centres:

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



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



A. Pre-sorting:

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

B. Cleaning:

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



C. Selection:

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



D. Reclamation of other materials:

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



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



5. Sending the “furnace-ready” cullet to the glassworks:

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



5.1.2 Glass recycling: a key component of sustainability

Glass recycling is an activity that makes glass highly sustainable. According to what publications by Enea, Eni, Enel and IASM, with the sponsorship of the Ministry of Industry (source: Co.Re.Ve.), glass recycling in glass production, i.e. substituting the use of virgin raw materials (sand, soda, limestone, dolomite, feldspar, etc.) with cullet, provides significant environmental benefits, the most significant being:

**Reduced consumption
of natural resources**
(natural raw materials),
resulting in less mining.



**Reduction of energy
consumption**, achieved
by replacing traditional raw
materials, featuring much higher
energy costs, than the cullet used
in their place.

Reduced emissions
from glass-melting furnaces as a
result of direct savings achieved
through the use of cullet.

Saving on raw materials

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

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

Based on data provided by Co.Re.Ve., in 2020, the total production of glass containers in Italy was about 4.3 million tonnes. Of this production, about 73.5% was achieved through the use of cullet, about 68% of which came from urban recycling and the remainder from other sources.

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

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



VIRGIN RAW MATERIALS



GLASS CULLET

Energy saving

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

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

CO₂ emission reduction

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

According to the data provided by Co.Re.Ve., calculated by the Glass Experimental Station, in 2020 the reduced use of soda, marble and dolomite led to a reduction of about 553,000 tonnes of CO₂ emissions.

Added to these emission savings are those resulting from the lower direct consumption of energy, quantified, according to Co.Re.Ve. data (calculated by the Experimental Glass Station) to about 374,000 less tonnes of CO₂ emitted.



Consequently, again according to Co.Re.Ve. data, in 2020 the use of cullet lowered direct CO₂ emissions by about one third.

Zignago Vetro’s ESG Strategy: reduction in the consumption of virgin raw materials and increase in recycling

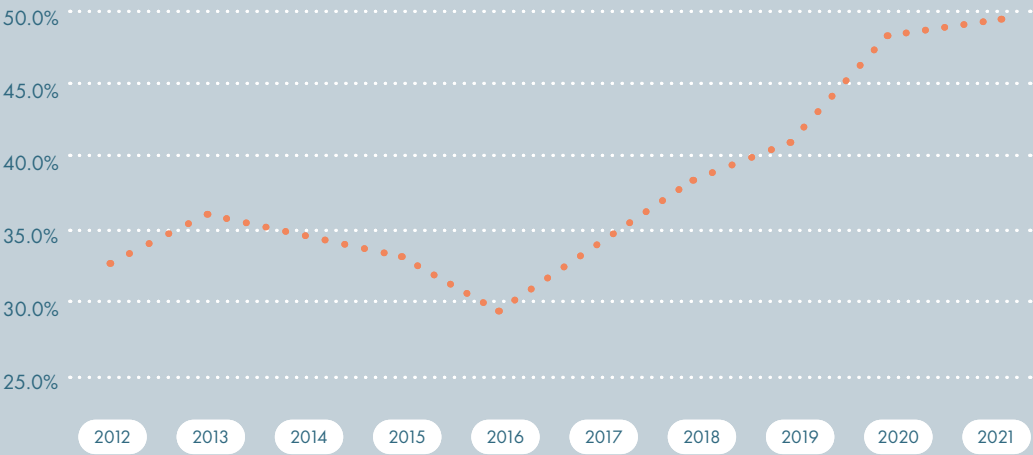
As explained in the previous paragraphs, over the past ten years Zignago Vetro has adopted a significant strategy - including from an ESG point of view - by constantly reducing its use of virgin raw materials and simultaneously continuing to increase the use of recycled glass.

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

Overall, in the above 3 companies, Zignago Vetro has invested, considering its own shareholding, approximately Euro 30 million.

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

Zignago Vetro Group: % scrap (PCR) / packaged glass



30

MLN EURO
INVESTED

in the companies Vetreco, Vetro
Revet and Julia Vitrum

49.6%

PCR USED FOR
PRODUCTION

In 2021



Zignago Vetro is also an active part of several actions whose purpose is to increase clients’ and consumers’ awareness of recycling: the company collaborates with glass associations on both national (Assovetro and Coreve) and European levels (FEVE) in order to promote the quality and quantity of collected glass; it also joined FEVE’s “Close the Glass Loop” initiative to reach – by 2030 – a 90% average collection rate for recycled glass².

The activities described above are all part of the pursuit of Zignago Vetro’s corporate strategy, through which Zignago Vetro expects 70% of the total glass it produces to comprise external post-consumer recycled material (PCR) by 2030 (+41.1% compared to 2021).

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

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

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

In 2021, the percentage of PCR scrap used for glass production increased further to 49.6% (48.0% in 2020 and 41.9% in 2019). Despite this further improvement, the company did not exceed its ambitious stated target for the year 2021 (of 52%), due to the limited availability of PCR for white glass production in the market.

The Group’s target for 2022 is for 52.0% of all glass produced to originate from PCR glass cullet.

52%

PCR USED FOR PRODUCTION

Target 2022

70%

PCR USED FOR PRODUCTION

Target 2030



DEEP GREEN COLLECTION,
FOR SUSTAINABLE COSMETICS

In line with Zignago Vetro’s commitment to making increasingly sustainable products, 2017 saw the introduction of the “Deep Green Collection” product line, consisting of cosmetic containers made from almost entirely recycled green glass.

Zignago Vetro was the first and only glass company to make this type of product, which immediately captured the market’s interest.

This type of container, other than providing increased UV protection to the content, is produced with percentages of recycled glass reaching up to 90%, enabling up to a -36% reduction in CO₂ process emissions compared to the same article in transparent glass.



6. 2021 IN BRIEF

Below is a summary of the most significant KPIs for the Group, in terms of economic, environmental and social performance. These indicators will be analysed in greater detail in Chapter 10.



ENVIRONMENT



SOCIAL



GOVERNANCE

KPIs	2019	2020	2021	CHANGE 2020/2021
REVENUE*	420.5	406.6	493.0	+21.2%
EBITDA*	118.1	106.6	130.3	+22.2%
EBIT*	69.2	53.8	75.8	+40.9%
Technical investments (Mln€)*	66.1	42.7	83.8	+96.3%
Group ROI*	15.53%	12.84%	15.17%	+18.1%
PCR glass cullet as % of glass produced	41.9%	48.0%	49.6%	+3.3%
Total energy/molten glass (kWh eq/kg)	2.008	1.995	1.936	-3.0%
% Renewable electricity out of total	40.6%	44.3%	44.6%	+0.7%
Water consumption/molten glass (m ³ /tonne)	3.57	2.87	1.93	-32.8%
CO ₂ Emissions (Scope 1 + Scope 2)/ molten glass (tonne CO ₂ /tonne)	0.542	0.514	0.502	-2.3%
Indirect CO ₂ emissions (scope 3)/ molten glass (tonne CO ₂ /tonne)	0.267	0.274	0.278	+1.5%
Total waste/ molten glass (kg/tonne)	8.95	10.27	9.79	-4.7%
Number of environmental accidents	0	0	0	-
Group employees at December 31, 2021	1,733	1,686	1,766	+4.7%
Employees, Italy	752	727	725	-0.3%
Employees, other countries	981	959	1,041	+8.6%
Work-related injuries	46	45	54	+20.0%
Training hours	16,874	18,884	23,999	+27.1%

* This figure is based on the Management View, which also includes Vetri Speciali, Vetreco and Julia Vitrum.
Key IFRS data, with Vetri Speciali, Vetreco and Julia Vitrum consolidated at equity: Turnover 362.4 million; EBITDA 114.4 million; EBIT 70.7 million and Technical investments 61.9 million. For the definition of the management view and the reconciliation with the financial statements drawn up in accordance with IFRS, reference should be made to the Directors' Report at December 31, 2021



7. ZIGNAGO VETRO:
IDENTITY OF A GROUP
THAT CONTINUES TO GROW
AND EVOLVE

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



PRODUCTION FLEXIBILITY
AND EFFICIENCY



CUSTOMER SERVICE



PRODUCT AND PROCESS
INNOVATION



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

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

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

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

Today, the Zignago Vetro Group is one of the main producers of hollow glass containers in Italy and is one of the most important international companies in its sector. This result is the result of steady growth, thanks both to the development of its own plants and the acquisition of

manufacturing glass companies and plants, many of which were dealing with situations of dire financial insolvency. Zignago Vetro has been able to integrate the newly acquired businesses, restoring development and profitability, safeguarding jobs and also developing the referential socio-economic context. Since 1987, five production plants have been acquired – and a new one has been built – which today operate within the four glass companies of the Group, distributed among Italy, France, and Poland. They were carefully curated developments, following a prudent investment logic and efficient allocation of capital. Moreover, starting from 2011, the Group has integrated its glass-related activities with those dedicated to glass collection and recycling: this was a fundamental step for the sustainable development and for the glass production. Indeed, glass is a packaging material that is 100% recyclable an infinite number of times, without deteriorating the quality of the new container.

Today, the Group operates two glass recovery plants and a third is under construction. This will allow Zignago Vetro to further strengthen its significant sector position within Italy.

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



2007

LISTED ON THE ITALIAN
STOCK EXCHANGE

Present in the STAR segment





Portogruaro
Facility:
F&B + C&P

Acquisition of facilities for the
production of special containers,
then merged into **Vetri Speciali**



Vetresco:
cullet recycling

Julia Vitrum
cullet recycling

Listing on the Italian
Stock Exchange

Acquisition of
Zignago Vetrol Polska in
Poland: C&P + F&B

Vetro Revet:
cullet recycling

1979

1987

1994

1995

2002

2004

2007

2011

2013

2017

2019

Acquisition
of the **Empoli**
facility: F&B

Acquisition of
Zignago Vetrol Brosse
in France:
luxury perfumery



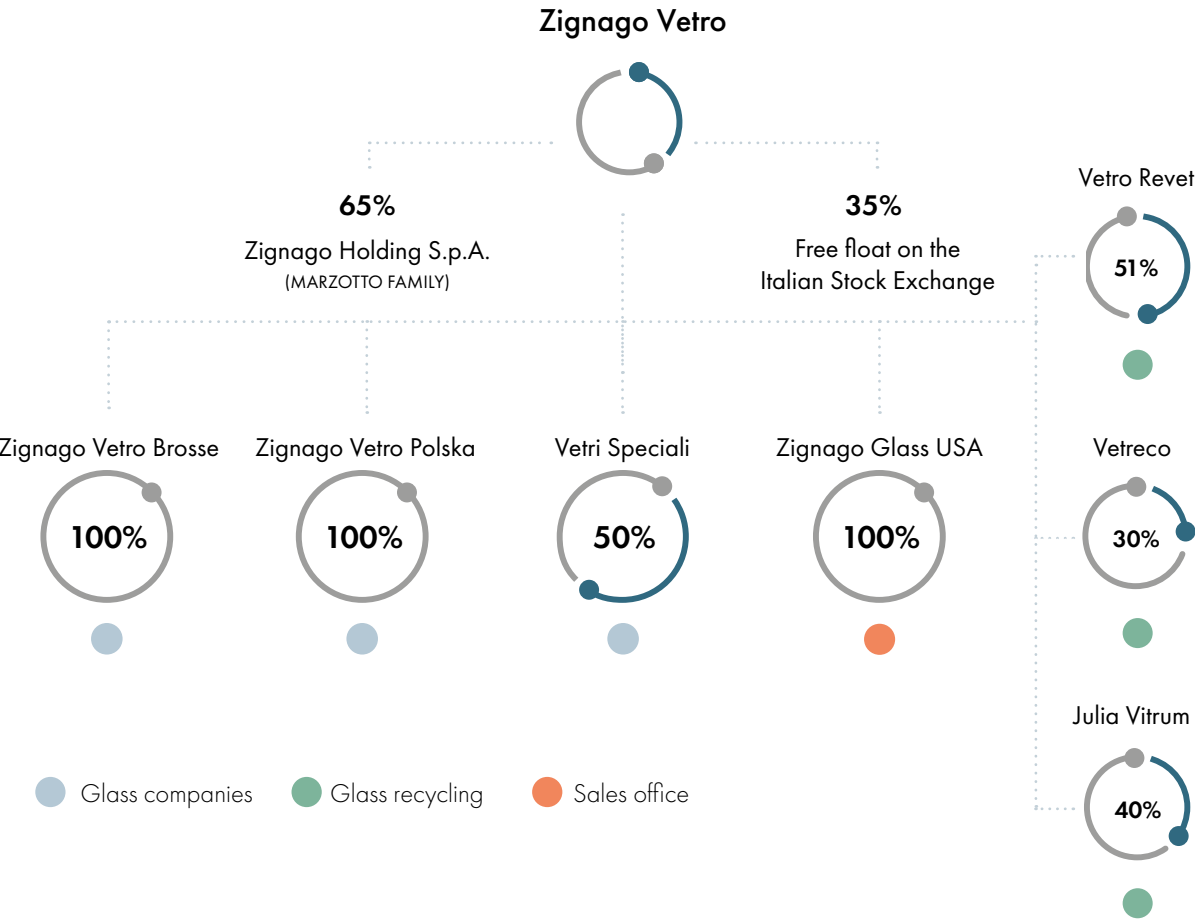


7.1 Structure and activity of the Zignago Vetrol Group

The Zignago Vetrol Group is now one of the leading companies in the production and commercialisation of glass containers both in Italy and globally. The growth of the Group has featured a progressive diversification of its activities in various market sectors, ranging from beverages, food, cosmetics, perfumery, special containers and pharmaceuticals. This makes Zignago Vetrol the most

diversified glass group in the world. The Group's growth occurred and even today continues to be based on some strategic principles and business models that focus on flexibility and efficiency in production, on customer service, and on innovation. All these characteristics were made possible by the expertise gained over the years in all the business units that form the Group.

Structure of the Zignago Vetrol Group
Activity and ownership shares



2021 (€m)	MARKET SEGMENTS	PRODUCTS	MAIN FEATURES	COMPETITIVE ADVANTAGES
ZIGNAGO VETRO Sales Euro 272.8 m	Food & Beverage Perfumery and Cosmetics		Flexibility, efficiency and technical expertise, key to success Focus on selected segments for food & beverage, cosmetics & perfumery	Flexibility Quality
ZIGNAGO VETRO BROSSE Sales Euro 46.2 m	Luxury Perfumery		Extraordinary range of high quality and efficient products Focus on the luxury perfumery market	Quality Innovation
ZIGNAGO VETRO POLSKA Sales Euro 60.4 m	Food & Beverage Perfumery and Cosmetics		Wide range of customised products for global, glass container, market niches for cosmetics, perfumery and food & beverages	Customisation Small batch production
VETRI SPECIALI Sales Euro 125.2 m	Special Containers		Special highly-customised glass containers, produced in very small batches with a strong focus on efficiency	Customisation Small batch production
VETRECO Sales Euro 6.6 m VETRO REVET Sales Euro 9.3 m JULIA VITRUM Sales Euro 0.6 m	Glass cullet Recycling		State-of-the-art technology to process scrap to the highest standards of colour separation, to produce the highest-quality finished scrap	Located in strategic areas with strong growth potential



Business units



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



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



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



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



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

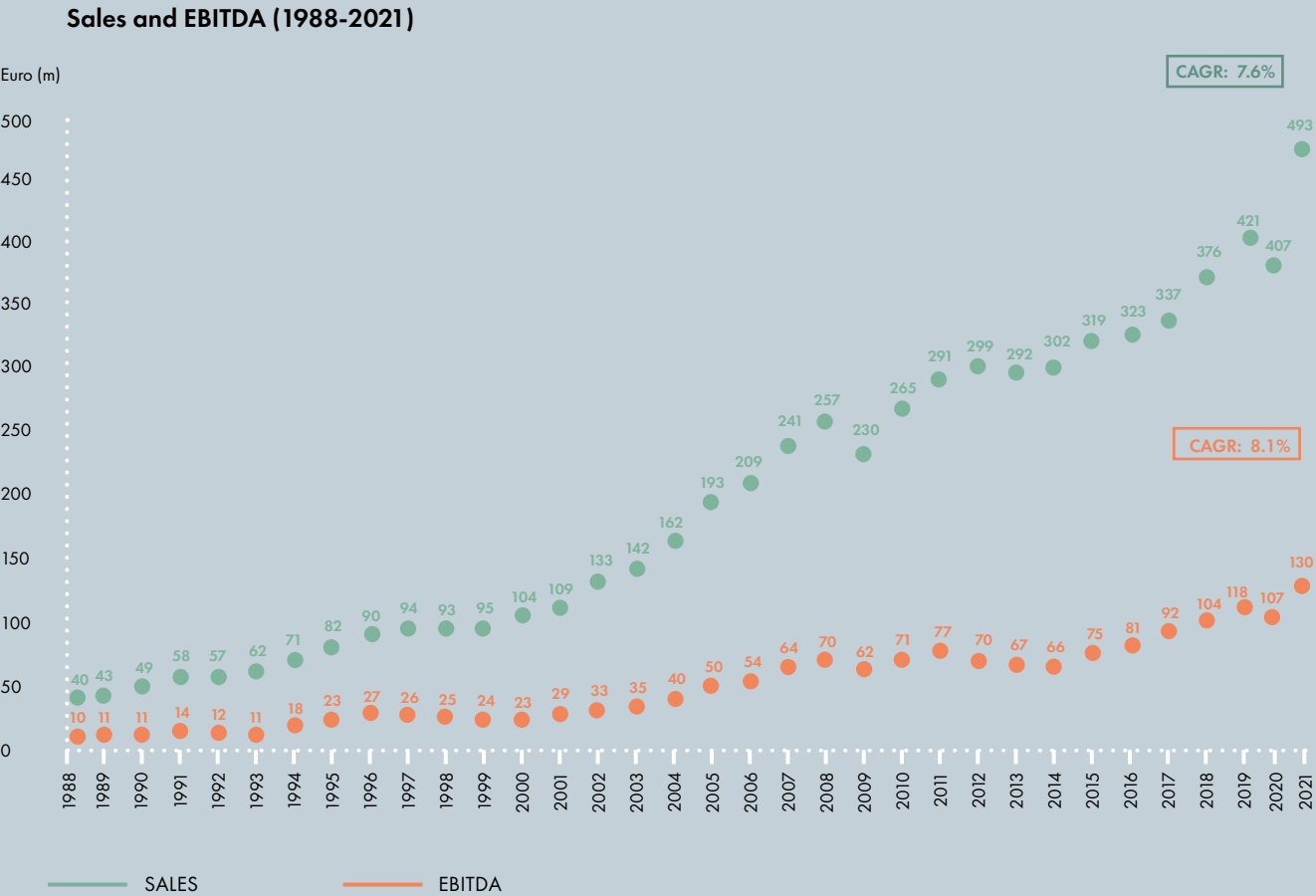
Vetreco S.r.l. and **Vetro Revet S.r.l.** are companies that operate in the areas of processing and commercialisation of glass cullet intended for the reuse in glass companies. Vetreco operates in central-southern Italy, while Vetro Revet operates mainly in central Italy. As of September 2021, these two companies were joined by Julia Vitrum S.p.A., which operates mainly in the north-eastern regions of Italy.

The historic growth and evolution of the Group goes together with a steady growth not only in turnover, but also in economic-financial results.

The Zignago Vetro Group in brief (2021)*

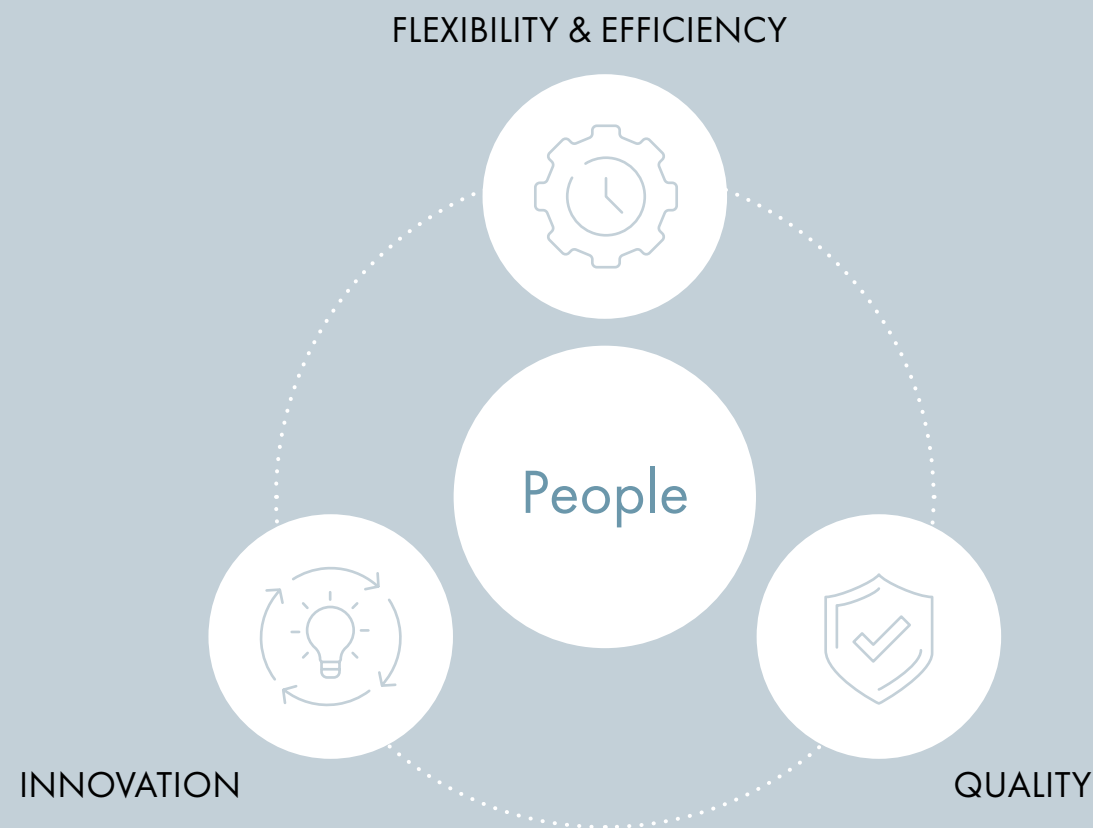


*This figure is based on the Management View, which also includes Vetri Speciali, Vetreco and Julia Vitrum.





7.2 The business model and strategic orientation



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

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

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

- decoration services - silk-screen printing and lacquering
- on glass containers, produced by Zignago Vetro Polska, which over the years has created and developed a department capable of providing the market and Group companies with high quality services;
- processing and marketing of cullet originating from urban waste collection: this activity has been constantly expanding over the years and is part of the Group's growth lines for the near future, thanks also to the start-up in September 2021 of Julia Vitrum, a new company operating in the north-east of Italy.

The Group wants to **maximise the recycling of glass** because it represents a significant source of savings in terms of consumption of raw materials and energy, as well as a reduction in climate altering emissions.

Glass recycling is therefore one of the key points of the Group's sustainability strategy.



2021
START-UP OF
JULIA VITRUM

In September



7.3 The Mission, the Vision, and the Values

As early as 2008, the Zignago Vetro Group adopted its own Code of Ethics, which defines the underlying inspirational and behavioural principles of the process for value creation (for shareholders, for employees, and for the community in general) and the development of business. These principles must be implemented in a long-term and sustainable manner through fair relationships with clients and suppliers and with respect for the dignity of all people who, through their work, contribute to the success of the company itself³. The Code of Ethics is subject to constant updating and revision in relations with contributions received from stakeholders, as well as with the evolution of legislative measures, international best practise and, finally, according to the know-how acquired in the application of the Code itself. The following is a significant excerpt from that document:

7.3.1. MISSION

In pursuing its mission to produce and sell hollow glass containers in various market segments, and in the food, beverage, cosmetics, and perfume segments in particular, the Zignago Vetro Group is inspired by the United Nations 2030 Agenda, an initiative launched by more than 150 world leaders, who met in 2015 to contribute to global development, to promote the well-being of people, and to protect the environment.

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

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

The Zignago Vetro Sustainability Report has been drafted with the express intention of providing feedback and measuring the Group's progress towards making an increasing contribution to the achievement of the 2030 Agenda Goals.

7.3.2. VISION

Zignago Vetro Group's vision is to be a manufacturer known for the quality of the products and services it offers to customers, in particular in terms of innovation, creativity, flexibility and reliability, through a fully committed and pervasive effort focused on continuous improvement.

An integral part of this vision is Zignago Vetro Group's commitment to placing value on the human factor, through the contribution of both individual and collective action, which it considers fundamental for the success of the business. In this regard, the Group has an approach to human resources based on equal opportunities regardless of gender, ethnic origin, religion or political ideology.

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

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

7.3.3. VALUES

The founding values shared by the Group are:

1. rigour in the performance of work at all levels;
2. transparency in internal and external relations;
3. an ethical approach to corporate conduct;
4. passion in the implementation of the Group's mission;
5. sustainability as an integral part of the strategy of Zignago Vetro Group.



since
2008

the Zignago Vetro
Group has adopted
a Code of Ethics



8. GOVERNANCE ESG

The ESG Committee (from left to right):

Maurizio Guseo
(Chair of Zignago Vetro Brosse),

Roberto Cardini
(Chief Executive Officer),

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

Roberto Celot
(Chief Financial Officer and
Investor Relations),

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

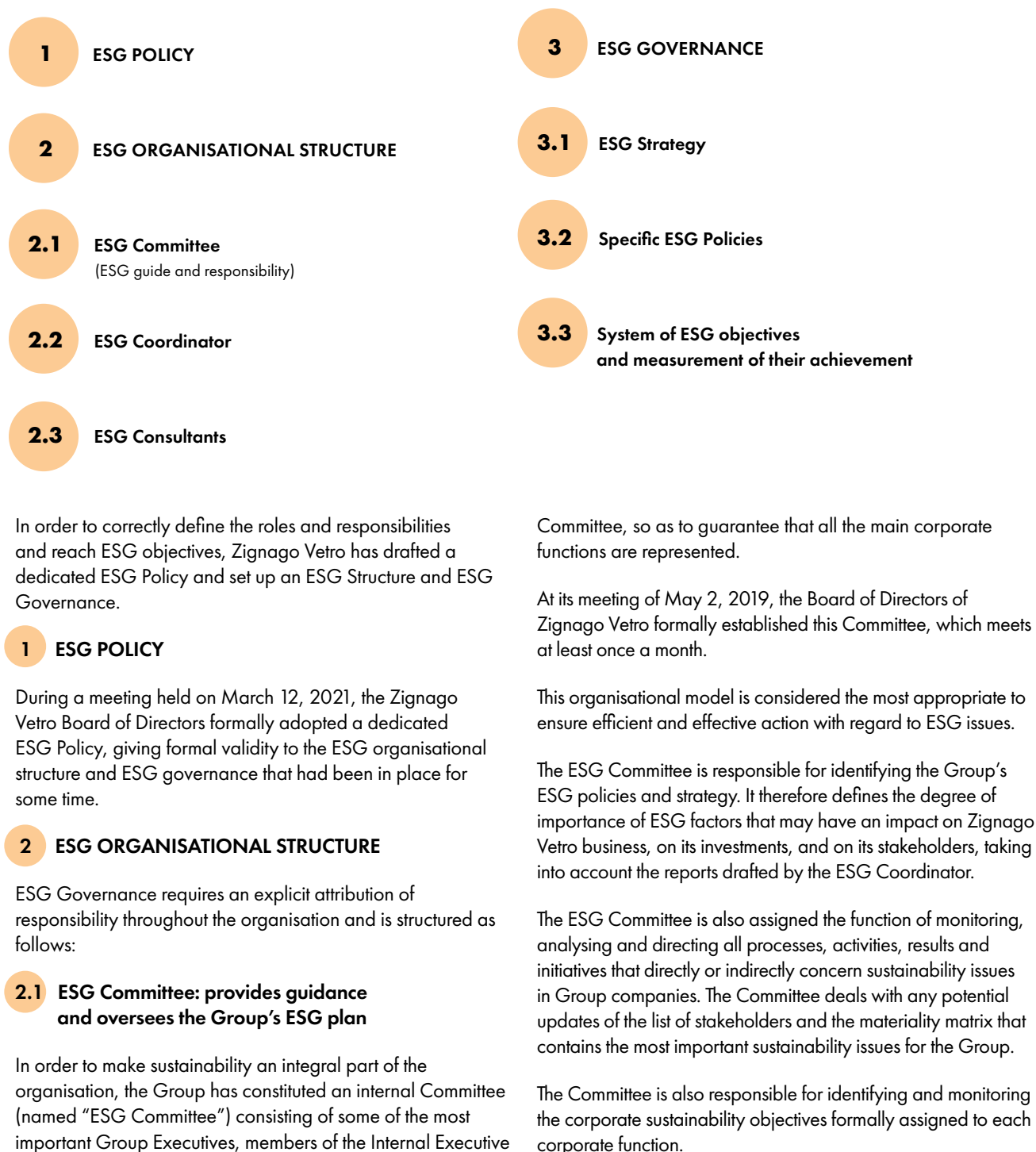
Sergio Pregliasco
(Technical Director),

The Committee also includes
Leonardo Gestri
(Director of Human Resources).





8.1 ESG policy, organisational structure, and governance



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

2.2 ESG Coordinator

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

2.3 ESG Consultants

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

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

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

3 ESG GOVERNANCE

3.1 ESG Strategy

Zignago Vetro has adopted a formal system of strategic guidelines relating to the main ESG topics. In this regard, reference is made to Chapter 10 of this document.

3.2 ESG Policies

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

Consistently with the descriptions above, the objective of Zignago Vetro ESG Policy is to affirm and clarify how said

principles will be integrated into the industrial and operational process of all the businesses.

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

- the optimisation of all corporate activities and the creation and assessment of new business opportunities deriving also from the correct management of sustainability issues over the long term, as well as from ESG opportunities in a broader sense, in order to attract investors and clients;
- reducing costs, increasing efficiencies and resource savings and limiting exposure to contingent liabilities;
- reducing economic, financial and reputational risks through a thorough understanding of all key non-financial metrics;
- the periodic ESG reporting system for stakeholders;
- an engagement and reporting commitment with the stakeholders in case of events with significant fall-out on ESG matters (ESG material events);
- collaboration with ESG consultants and external experts.

3.3 System for defining ESG objectives and measuring their achievement

The Zignago Vetro ESG Governance system has made it possible to adopt specific management methods of ESG issues for some time.

More specifically, a Roadmap defining objectives and the timing deemed necessary for implementing them is defined and updated annually.

Zignago Vetro operates with a corporate system of formalised annual objectives, assigned to each corporate function and approved by the Chief Executive Officer.

Specific ESG objectives are identified among these targets.

The achievement of these objectives is regularly monitored (reporting system) at least once a year.



For a good number of higher variability targets, monitoring is conducted monthly.

Since 2020, this system of ESG objectives is also associated with the incentive payment policies for Executives and managers.

The aforementioned reporting system continues to evolve, with a view to constant improvement.

Specifically, in addition to ESG reporting for internal management purposes, and in addition to statutory reporting, it is evolving as follows:

- for all stakeholders, we are preparing the quarterly/half-yearly communication regarding the main sustainability and ESG improvements achieved during the period, comparing them to the same time span of the previous year;
- for all stakeholders, we are rebuilding the ESG section of the Corporate website, which is expected to present increased contents and details, including general principles, policies and documents, news and presentations;
- for trade unions, there will be periodic communications on topics such as numerousness, contractual categories and types, organisation of labour, workloads, welfare and contract management with external companies.





8.2 Risk management and opportunities from an ESG viewpoint

The Group companies have adopted a policy of continuous management of business risks concerning all company departments in order to closely monitor, identify and mitigate such risks with the aim of protecting the interests of shareholders and other stakeholders.

In particular, the Group companies have implemented a dedicated Internal Control and Risk Management System, which provides a set of rules, procedures and organisational

structures for the identification, measurement, monitoring and management of all the main risks.

For the development of the entire framework, Zignago Vetro makes use of external consultants specialised in ESG and environmental issues and may continue to do so in the future.

8.3 Organisational model pursuant to legislative decree no. 231/2001 and ISO management systems

Since 2007, Zignago Vetro has adopted the Organisation, Management, and Control Model pursuant to Italian Legislative Decree No. 231/2001. The supervision of the actual functioning and updating of this Organisation Model is required of the Supervisory Board, which is nominated by the Board of Directors.

The areas to which the scope of the Organisation Model ex 231/2001 extends are, among others:

- managing workplace safety;
- pollution, disaster, and environmental crime;
- discharges of industrial waste water;

- waste management;
- temporary deposit of hazardous waste;
- remediation of contaminated sites;
- registers and forms of waste loading/unloading;
- emission limits and air quality;
- safeguarding of stratospheric ozone.

We also declare that, although not required by the laws of Countries of reference, the ESG Committee is now studying the possibility of extending the logics and structures of the Zignago Vetro 231 Model also to the companies abroad.



Zignago Vetro has adopted an Organisation, Management, and Control Model



8.4 Summary of the Zignago Vetro certified management systems

Management systems are in place for each facility:

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

Even if excluded from this document, it is hereby declared that even Vetri Speciali has adopted an Environmental

Management System based on ISO 14001:2015 model, which takes into account the “AIA” (Autorizzazione Integrata Ambientale/Integrated Environmental Authorisation) prescriptions of the individual regions and Vetri Speciali sites. This system falls under the category of “Special Part E - Prevention of Environmental Offenses” of the Organisational Management Model, as per Legislative Decree No. 231/2001.

In addition, a programme has been launched to gradually introduce a comprehensive certification system.

The details of the programme for glass manufacturing facilities are shown in the table below:

CERTIFICATIONS	ZV Fossalta	ZV Empoli	ZV Polska	ZV Brosse	VETRO REVET
ISO 9001	✓	✓	✓	✓	✓
ISO 14001	✓	✓	✓	2022	✓
ISO 50001	2023	2023	✓	-	Not significant
ISO 45001	2024	2023	2025	2026	2024
FSSC 22000	2022	✓	2023	-	Not applicable
UNI EN 15593	✓	SUBSTITUTED BY FSSC 22000	✓	-	Not applicable

8.5 Summary of the Zignago Vetro ESG assessments

The Group has committed to “EcoVadis”, a sustainability performance monitoring platform, and to CDP⁵, an international non-governmental organisation dedicated to the development of the green economy and, in particular, to mitigating climate change.

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



	Ecovadis	CDP	Sustainalytics (since 2021)	Morningstar (since 2021)	Gaia (since 2020)	MSCI (since 2020)
2021	83/100 – Platinum	B *	11.9	Regional Top – Rated Badge	77/100	BB
2020	62/100 – Silver	B *	-	-	62/100	BB
2019	59/100 – Silver	B *	-	-	-	-
2018	55/100 – Silver	B *	-	-	-	-
2017	50/100 – Silver	B *	-	-	-	-

Additionally, we note that Zignago Vetro is also a member of the SEDEX platform, a sustainable supply chain reporting tool. In addition, the Group is periodically audited on ESG issues by its clients or by third party auditing firms. These audits and their outcomes are tracked in the company’s management systems and considered important tools for sharing with customers, as well as sources of stimulus for continuous improvement.

*Increasing score within the same range



9. GROUP STAKEHOLDERS AND THE MAIN SUSTAINABILITY TOPICS

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



STAKEHOLDERS



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

- 1. Employees
- 2. Customers
- 3. Shareholders
- 4. Communities and local authorities
- 5. Suppliers
- 6. Trade associations
- 7. Regulatory bodies

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

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

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

new Zignago Vetro website.

This Sustainability Report has been drawn up in light of the results of the stakeholder survey in order to map out their needs, interests and expectations with regard to the Group, and thus to update the relevant sustainability topics and how they interconnect with corporate objectives.

A summary of this project is provided in the materiality matrix below.

Zignago Vetro believes that it is particularly important to update, through periodic assessments, sustainability issues that are relevant to the Group and its stakeholders, by also involving the main corporate functions with the purpose of identifying the more significant aspects for the organisation from an environmental, social, and economic viewpoint.

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

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

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



9.1 The materiality matrix

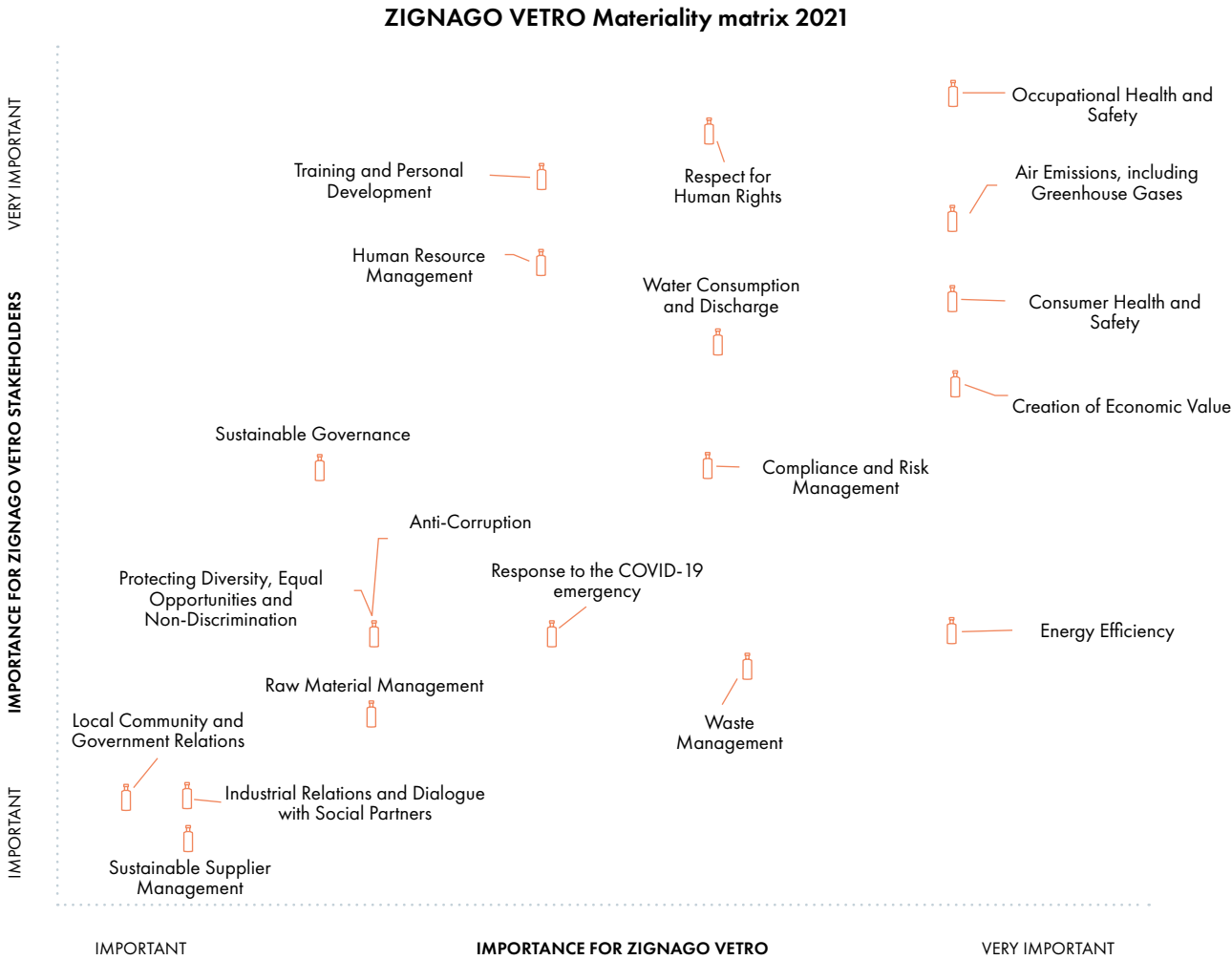
All topics suggested in the online survey were ranked from “important”, to “very important” to priorities and appear in the matrix whose parameters are relevance for the Group and relevance for stakeholders.

Two topics related to social sustainability and one topic related to environmental sustainability stand out in particular from the shortlist of the first three material topics:

- Occupational health and safety;
- Respect for human rights;
- Atmospheric emissions, including greenhouse gases.

The stakeholders involved in the initiative also suggested additional sustainability topics that were not included in the survey but were perceived as particularly important to the organisation and the context in which it operates:

SOCIAL TOPICS	ENVIRONMENTAL TOPICS	FINANCIAL TOPICS
Management and development of human capital	Energy from renewable sources	Long-term business sustainability



These issues were included in the analysed materiality matrix.

In the following paragraphs, the sustainability issues presented above will be discussed in depth and analysed in the light of the risks and opportunities resulting from their management.

In addition to what will be more extensively illustrated in the paragraphs below, it is also important to declare that the above-mentioned potential risks deriving from the sustainability issues identified, are mitigated above all by the fact that the company, since the first months of 2008, has been using an organisational Model pursuant to the Italian Legislative Decree No. 231/01 (hereinafter also referred to as the “231 Model”), equipped with a Code of Ethics. For more information, see also Chapter 10, where the introduction of an organisational structure is given, along with a system of procedures and powers, general principles, rules of conduct and control tools, as well as training and informative activities and a disciplinary method, overall aimed at ensuring that crimes outlined in the Italian Legislative Decree No. 231/2001 are not committed.

The Board of Directors also appointed a Supervisory Board, which was entrusted with the duties of monitoring the correct functioning of the Model and its development and reports to the Board of Directors and Board of Statutory Auditors on a half-yearly basis.

The 231 Model is consistently updated. The updated model is version 8.0 and was approved by the Board of Directors of the Company on July 29, 2021.

The Code of Ethics, in line with best international practice, sets out the principles and founding ethical values of the company, as well as the conduct regulations and legislation. The Code of Ethics, which is an integral part of the Organisation, Management and Control Model as per Legislative Decree No. 231/01, is binding for the conduct of Directors, employees and all collaborators of the Company. A specific procedure for the recording of potential violations of the Code of Ethics and 231 Model was set up.



10. THE MAIN ESG TOPICS AND THE 2030 AGENDA

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



ENVIRONMENT



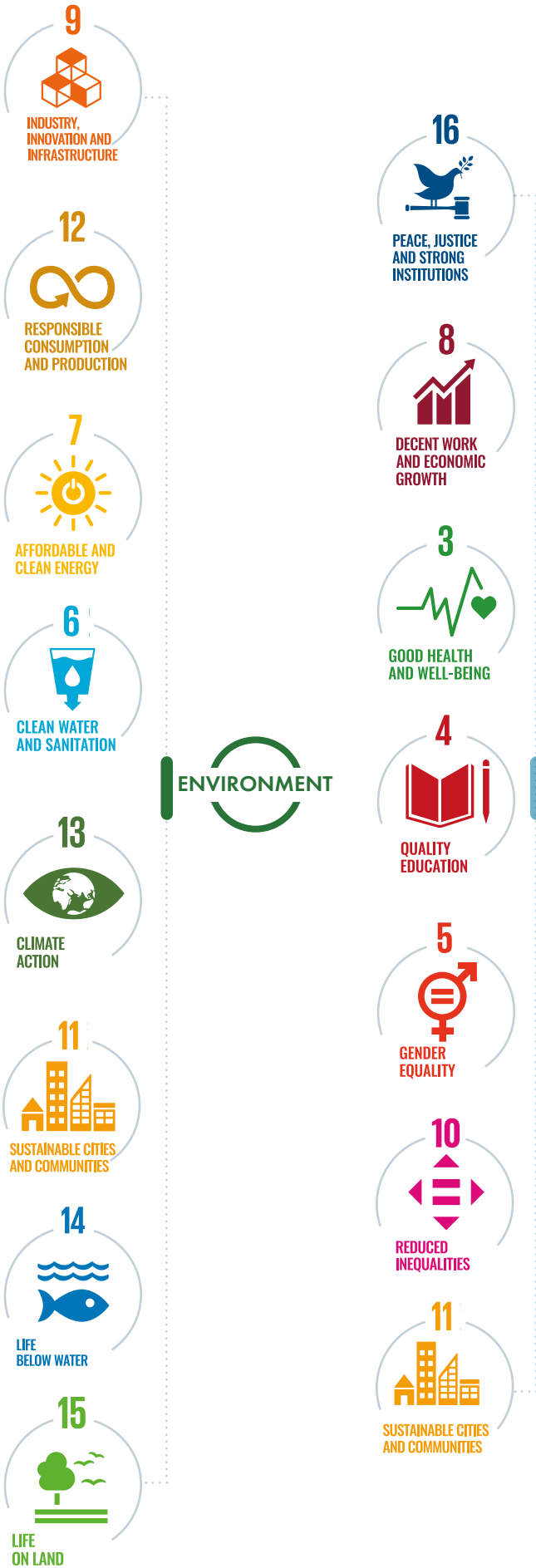
SOCIAL



GOVERNANCE



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



ENVIRONMENT

SOCIAL

GOVERNANCE



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

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

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

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

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



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



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

- Training for all workers on issues related to diversity, equity and inclusion
- Quarterly production of ratios and KPIs to monitor the Group's social, economic and financial performance



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



- Allocation of financial resources for technological innovation
- Specific training and/or professional development opportunities for workers in roles at risk of being replaced by transformative technologies
- Fixed-term contracts; less than 5%
- Hiring programme for young workers



- Offer internships and/or apprenticeship contracts to young people
- Integration of the Human Rights promulgated by the United Nations into the Code of Ethics
- Improvement with regard to the rate and severity of work-related injury
- Direct or indirect actions aimed at infrastructure development
- Direct or indirect actions aimed at improving the national, physical or technological infrastructure
- Offering financial incentives or financing options to SMEs, especially at the local level
- Quarterly monitoring of specific KPIs to improve environmental impact, with systematic activities to improve them
- Almost 50% of the Company's sales are produced using recycled raw material



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



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

Consequently, the process of selecting the most significant goals for Zignago Vetro followed a punctual analysis of the 2030 targets established to complement each goal, and the verification of their application within the Zignago Vetro system: the targets that are most coherent with the corporate improvement objectives in the short (2022) and medium-long term (2030) were selected.

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

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

PILLAR	SDGs	MATERIAL TOPIC	RISKS/ OPPORTUNITIES	ACTION TAKEN/ OBJECTIVES ACHIEVED	KPIs	OBJECTIVES 2021 - 2022	OBJECTIVES 2030
ENVIRONMENT	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Raw material management and Eco conceptions	Resource consumption Energy consumption Pollutant emissions	Investments in technologies for glass recycling Increase in percentages of recycled glass	See Paragraph 10.1.1	See Paragraph 10.1.1	See Paragraph 10.1.1 and Chapter 11
	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Packaging Management	Resource consumption	Increased use of recycled packaging or packaging containing recycled material	See Paragraph 10.1.2	See Paragraph 10.1.2	See Paragraph 10.1.2 and Chapter 11
	11 SUSTAINABLE CITIES AND COMMUNITIES	Sustainable management of the supply chain Supplier and procurement selection policies	Creation of a positive social fabric	Local supplier selection policies	See Paragraph 10.1.3	See Paragraph 10.1.3	See Paragraph 10.1.3 and Chapter 11
	7 AFFORDABLE AND CLEAN ENERGY	Energy efficiency	Process energy consumption	Investment in innovative melting furnaces Plant revamping Self-produced electricity from renewable sources Increased use of recycled glass	See Paragraph 10.1.4	See Paragraph 10.1.4	See Paragraph 10.1.4 and Chapter 11

PILLAR	SDGs	MATERIAL TOPIC	RISKS/ OPPORTUNITIES	ACTION TAKEN/ OBJECTIVES ACHIEVED	KPIs	OBJECTIVES 2021 - 2022	OBJECTIVES 2030
ENVIRONMENT	6 CLEAN WATER AND SANITATION	Water withdrawal and discharge management	Process water consumption Compliance with regulations on water discharge	Technological investments in systems to recirculate process water Introduction of environmental matrix monitoring systems impacts (ISO 14001)	See Paragraph 10.1.5	See Paragraph 10.1.5	See Paragraph 10.1.5 and Chapter 11
	13 CLIMATE ACTION	Management of atmospheric emissions including greenhouse gases (GHG)	Pollutant emissions	Technological investments to improve process efficiency and reduce greenhouse gas emissions Increased percentage of recycled glass	See Paragraph 10.1.6	See Paragraph 10.1.6	See Paragraph 10.1.6 and Chapter 11
	13 CLIMATE ACTION	Efficiency of transport and logistics of raw materials and finished products	Pollutant emissions Packaging circularity	Rationalisation of transport Transport by rail Reduction in plastic packaging	See Paragraph 10.1.7	See Paragraph 10.1.7	See Paragraph 10.1.7 and Chapter 11
	11 SUSTAINABLE CITIES AND COMMUNITIES	Waste management	Pollution related to improper management of waste	Introduction of specific procedures to manage waste (ISO 14001) Increase in quantity of waste recycled rather than sent to landfill Technological investments in glass recycling	See Paragraph 10.1.8	See Paragraph 10.1.8	See Paragraph 10.1.8 and Chapter 11
	13 CLIMATE ACTION	Recycling of glass containers	Resource consumption Pollutant emissions	Investments in and increased capacity to recycle glass cullet	See Paragraph 10.1.9	See Paragraph 10.1.9	See Paragraph 10.1.9 and Chapter 11
	13 CLIMATE ACTION, 14 LIFE BELOW WATER, 15 LIFE ON LAND	Biodiversity and preventing pollution	Pollutant emissions Impact on the ecosystem	Prevention of environmental accidents and emergencies	See Paragraph 10.1.10	See Paragraph 10.1.10	See Paragraph 10.1.10 and Chapter 11
	14 LIFE BELOW WATER	Environmental initiatives	Group involvement in the ecosystem	Various environmental initiatives	See Paragraph 10.1.11	See Paragraph 10.1.11	See Paragraph 10.1.11 and Chapter 11



PILLAR	SDGs	MATERIAL TOPIC	RISKS/ OPPORTUNITIES	ACTION TAKEN/ OBJECTIVES ACHIEVED	KPIs	OBJECTIVES 2021 - 2022	OBJECTIVES 2030
SOCIAL	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Respect for human rights	Discrimination Corporate reputation	Code of Ethics Legislative Decree No. 231 system Supplier Code of Conduct and questionnaires	See Paragraph 10.2.1	n.a.	n.a.
	8 DECENT WORK AND ECONOMIC GROWTH	Management of human capital	Protection and creation of jobs	Recruitment policies Labour management initiatives Corporate welfare programme Work/life balance	See Paragraph 10.2.2	See Paragraph 10.2.2	See Paragraph 10.2.2 and Chapter 11
	3 GOOD HEALTH AND WELL-BEING	Protection of health and safety in the workplace	Worker safety	Increase in safety oversight Technological investments Employee awareness campaigns	See Paragraph 10.2.3	See Paragraph 10.2.3	See Paragraph 10.2.3 and Chapter 11
		Consumer health and safety	Safeguarding consumers from risks linked to use of products	Certifications: UNI EN 15593	See Paragraph 10.2.4	See Paragraph 10.2.4	See Paragraph 10.2.4 and Chapter 11
	4 QUALITY EDUCATION	Training and employee development	Adequacy of skills to meet the needs of the business Improvements in business performance Company culture	Specific training for staff Zignago Vetro Academy Managerial training Training on Legislative Decree No. 231/01 Training on sustainability awareness	See Paragraph 10.2.5	See Paragraph 10.2.5	See Paragraph 10.2.5 and Chapter 11
	5 GENDER EQUALITY	Protection of diversity equal opportunity and non-discrimination	Diversity of treatment	Introduction of a Code of Ethics for both Zignago Vetro staff and suppliers	See Paragraph 10.2.6	See Paragraph 10.2.6	n.a.

PILLAR	SDGs	MATERIAL TOPIC	RISKS/ OPPORTUNITIES	ACTION TAKEN/ OBJECTIVES ACHIEVED	KPIs	OBJECTIVES 2021 - 2022	OBJECTIVES 2030
SOCIAL	10 REDUCED INEQUALITIES	Reduced inequalities	Contribute directly/ indirectly to eliminating the possibility of certain segments of society to participate in social, cultural political and economic life and make a useful contribution	Improve reach within and support the income growth of the poorest sections of society Strengthen and promote social, economic and political inclusion for all Ensure equal opportunities	See Paragraph 10.2.7	See Paragraph 10.2.7	See Paragraph 10.2.7
	11 SUSTAINABLE CITIES AND COMMUNITIES	Dialogue with social partners and initiatives for the local community	Involvement of the Group in local communities	Investments for the well-being of the local community Various initiatives in support of local communities	See Paragraph 10.2.8	See Paragraph 10.2.8	n.a.
		Creation and distribution of economic value	Inappropriate allocation of resources Creation of shared value	Increased profitability for the Company and dividends Increase in resources allocated at work generally High fiscal contribution	See Paragraph 10.2.9	See Paragraph 10.2.9	See Paragraph 10.2.9 and Chapter 11

PILLAR	SDGs	MATERIAL TOPIC	RISKS/ OPPORTUNITIES	ACTION TAKEN/ OBJECTIVES ACHIEVED
GOVERNANCE	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Governance structure	Structure and operation that are capable of ensuring outstanding levels of management	Achieved/ Compliant
		Remuneration system	Adequate remuneration to incentivise results	Achieved/ Compliant
		Internal Control and Risk Management System and compliance	Ensuring stakeholders maximum possible control over risks	Achieved/ Compliant
		Fiscal transparency and combatting corruption	Compliance with laws	Achieved/ Compliant
			Avoid penalties Corruption Damage to corporate image	Introduction of Legs. Decree 231 organisational system



SDGs	MATERIAL TOPICS
	Raw material management and eco-conception
	Packaging Management
	Sustainable management of the supply chain
	Supplier and procurement selection policies
	Energy efficiency
	Water withdrawal and discharge management
	Management of atmospheric emissions including greenhouse gases (GHG)
	Efficiency of transport and logistics of raw materials and finished products
	Waste management
	Recycling of glass containers
	Biodiversity and preventing pollution
	Environmental initiatives

10.1 Environment

10.1.1 RAW MATERIAL MANAGEMENT AND ECO CONCEPTIONS

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

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

Using recycled glass in the composition has a triple benefit:

- **Savings on resources:** containing the consumption of virgin raw materials and stimulus to develop the circular economy.
- **Energy savings:** a composition with a high percentage of cullet makes it possible to lower the fusion temperature of the glass and save energy (up to -3% of energy consumption for every +10% of cullet).
- **Lower CO₂ emissions:** in addition to a lower fuel consumption for fusion, the use of cullet enables the use of lesser quantities of other raw materials (carbonates) that release CO₂ during the fusion process.

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

The cullet used in glassworks mainly consists of Post Consumer Recycling (PCR) materials, and a small portion of production waste. As such, an important indicator of the level of glassware circularity is the ratio of PCR cullet to glass produced. **In 2021, 49.6% of the glassware produced by the Zignago Vetro Group consisted of PCR material, with usage up +3.3% on 2020.**

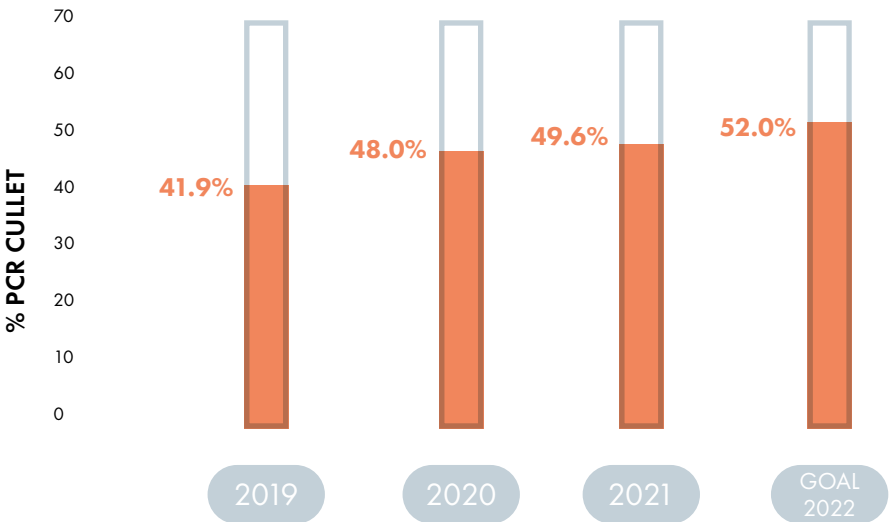
Nevertheless, due to difficulties in finding scrap on the market, particularly clear cullet, the target set for 2021 was not met.

In 2017, Zignago Vetro adopted an Eco-conceptions formula by creating the Deep Green Collection line, the world's first cosmetics and perfumery line made of coloured glass with a very high percentage of PCR scrap (about 90%). This product line has been well recognised and appreciated by the market and shows encouraging prospects for further development.

As part of its ongoing product research, between 2010 and 2021 Zignago Vetro continued to develop a series of lightweight products that possess all of the same original characteristics. Nearly 30% of containers were reduced in weight in the period. In 2021 alone, lighter items resulted in a reduced use of glass equal to over 2,200 tonnes.

GLASS RECYCLING KPIs	2019	2020	2021	Δ% 21/20	2021 Goal	2022 Goal	Strategic goal 2030
PCR glass cullet as % of glass produced	41.9%	48.0%	49.6%	+3.3%	52.0%	52.0%	70.0%

% PCR glass cullet used as raw material over the last 3 years





PRODUCT STEWARDSHIP MANAGEMENT SYSTEM AND LIFE CYCLE ASSESSMENT (LCA)

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

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

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

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

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

All these input parameters, combined with the item-specific data and that of the specific production campaign, are processed according to the main standards considered as best practice (PEF, ISO 14067...), so that the main environmental impact (CO₂ emissions, atmospheric ozone effect, toxicity for humans, contribution to acidification or eutrophication, etc.) indicators for each product can be determined, related to its life cycle.

DEEP GREEN COLLECTION, FOR SUSTAINABLE COSMETICS

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

This type of glass, other than providing increased UV protection to the content, is produced with percentages of recycled glass reaching up to 90%, enabling up to a -36% reduction in CO₂ process emissions compared to the same article in white glass.

These containers provide up to 99% natural UV protection, reduce CO₂ emissions by up to -36% and are made from up to 90% recycled glass.



10.1.2 MANAGEMENT AND RECYCLING OF PACKAGING

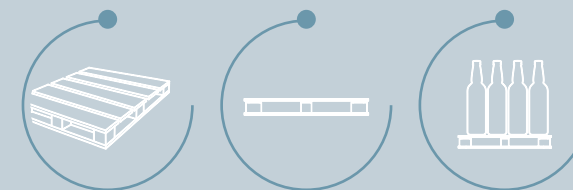
Zignago Vetro operations require the use of packaging in order to deliver the finished product to the customer, as well as protecting it against the risk of damage or loss of quality.

The packaging typically used is:

- Pallets;
- Interlayer pads;
- Heat-shrinkable polyethylene;
- Cardboard boxes and trays.

Pallets

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



Interlayer pads

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



Heat-shrinkable material

This is a plastic film in polyethylene used to seal the pallet once it has been prepared and is ready for storage and subsequent delivery. It is used both to keep the containers firmly anchored to the supports and to guarantee the quality of the containers (for instance, by keeping them safe from intrusion by foreign bodies such as dust, insects, etc.).



Boxes and trays

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





RECYCLING OF ZIGNAGO VETRO PACKAGING

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

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

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

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

In 2021, the recovery rate at Group level was nearly 75% of pallets used, while the percentage reused was more than 70%, net of the quantities discarded because of deterioration.

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

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

In 2021, the recovery rate at Group level was nearly 91% of interlayer pads used, while the percentage reused was more than 78.9%, net of the quantities discarded due to deterioration.

It is interesting to note that interlayer pads that are not reused are not sent to landfill but to a channel that recycles plastics in order to produce new interlayer pads, so the interlayer pads purchased are calculated to contain more than 41% recycled material.

Heat-shrinkable material: for this packaging material the Group has for some time been adopting a process of using heat-shrinkable film from recycling. This purchasing policy has been progressively rolled out to all Group facilities. In 2021 the share of recycled heat-shrinkable material reached almost 32%, and in some plants accounted for more than 70%. Zignago Vetro is determined to continue with this purchasing policy and further increase the percentage of recycled material.

Paper and cardboard: for this packaging material too, the Group has launched a purchasing policy targeting the use of recycled materials, achieving very impressive percentages: in 2021 over 73% of the boxes and trays used were produced using recycled material.

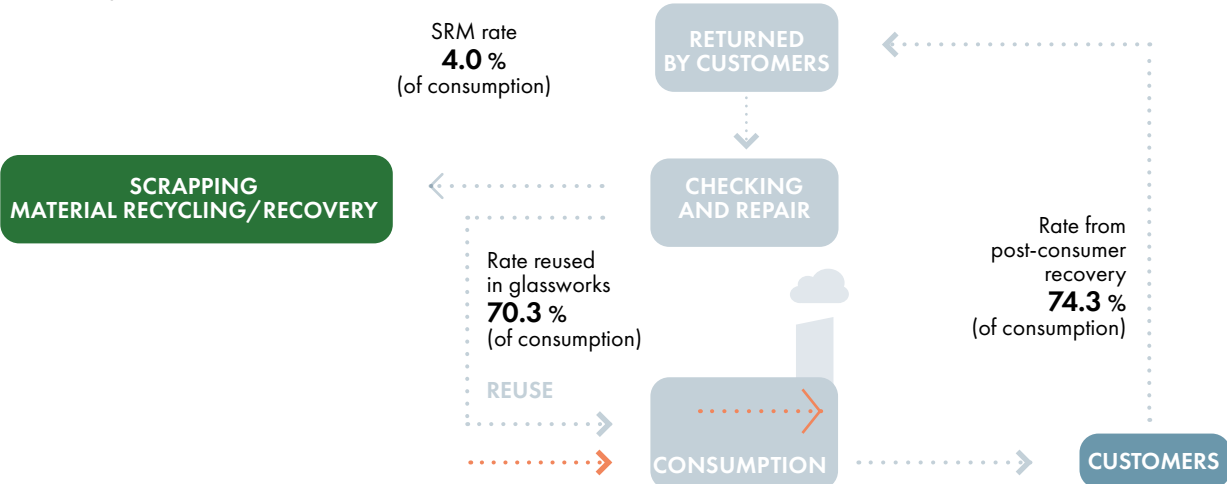
For the second year Zignago Vetro is disclosing in the Sustainability Report the main KPIs offering the best summary of the results achieved by the Group’s policies on packaging reuse:

	INTERLAYER PADS			HEAT-SHRINKABLE MATERIAL			PALLET			PAPER AND CARDBOARD		
	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021
% Packaging reused	64.6%	79.6%	78.9%	-	-	-	62.6%	66.2%	70.3%	-	-	-
% Packaging sent for recovery in other chains	7.1%	7.5%	11.7%	-	-	-	4.1%	5.7%	4.01%	-	-	-
% of recycled material in packaging used	41.2%	42.3%	41.4%	25.9%	26.1%	31.9%	-	-	-	64.8%	72.8%	73.5%

The reuse cycle is shown in the graphic below:

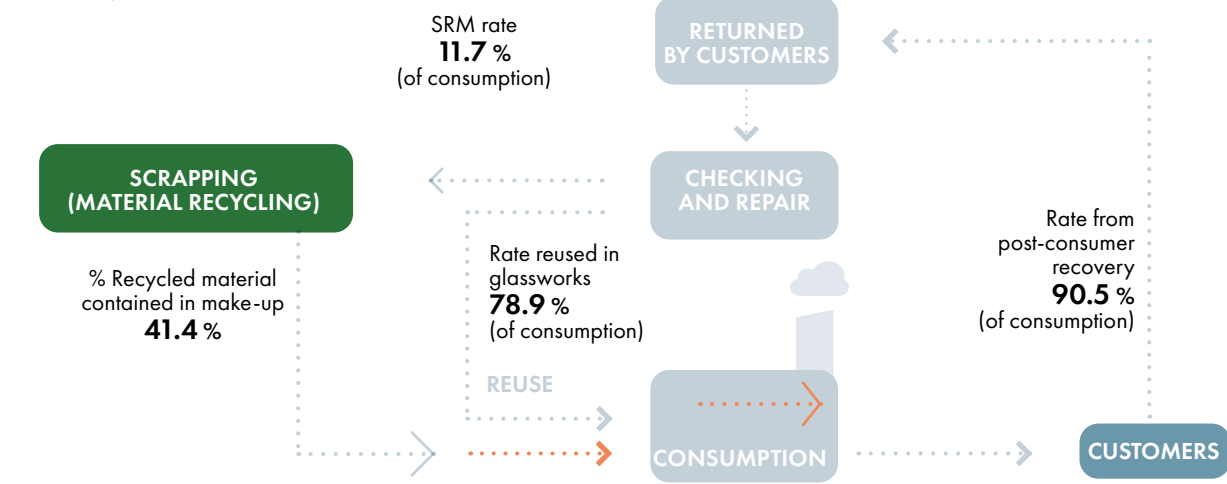
PALLET

SRM RATE
(Secondary Raw Material)



INTERLAYER PADS

SRM RATE
(Secondary Raw Material)





MATERIALS END-OF-LIFE WASTE MANAGEMENT

As extensively highlighted in the relevant section, the use of recycled glass, driven by sustainability but also by its undeniable cost-effectiveness, has now almost reached 50% of the total glass produced by the Group.

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

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

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

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

compliance with its commitment to the fight against climate change, a reduction in indirect emissions and, in some cases, a capital gain from the sale of the materials.

Proceduralising the activities carried out by the Environment, Safety, Quality and Purchasing function was preceded by a review and assessment of all materials used and an analysis of their characteristics, including minimum conditions for use and useful life defined in number of months or years.

Using this mapping process for each product or material that has reached the end of its cycle, “alternative and sustainable” disposal methods have been identified with respect to traditional ones.

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

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

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

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

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

10.1.3 SUSTAINABLE SUPPLY CHAIN MANAGEMENT

10.1.3.1 STRENGTHENING THE SUSTAINABLE SUPPLY CHAIN MANAGEMENT SYSTEM

In 2021, Zignago Vetro, in line with the commitment highlighted in the ESG Policy, further strengthened the Stewardship process and engagement with its suppliers.

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

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

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

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

10.1.3.2 SUPPLIER CODE OF CONDUCT

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

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

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

- The key points of the Supplier Code of Conduct include:
- the specific commitment not to purchase minerals from areas of conflict (so-called Conflict Minerals). A declaration regarding the origin of materials (the Conflict Minerals Reporting Template - CMRT - as per the Responsible Minerals Initiative) will be requested from suppliers of materials that could potentially be affected (tin, tungsten, tantalum, gold and their derivatives);
 - the commitment to pay a minimum wage;
 - the commitment to guarantee a maximum limit of daily working hours;



- the supplier’s commitment not to engage, in turn, those suppliers who do not guarantee:
- free participation in trade unions;
 - the presence of minimum workplace safety measures;
 - a ban on child labour, except in cases explicitly provided for by law;
 - the prohibition of forced labour;
 - a policy that requires suppliers not to indirectly engage with other suppliers who might inflict corporal or similar punishment on their employees.

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

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

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

KPIs ON THE CODE OF CONDUCT FOR SUPPLIERS AND CONTRACTORS		2019	2020	2021	Δ% 21/20	2021 Goal	2022 Goal	Strategic goal 2030
% of active suppliers subject to the Supplier Code of Conduct*	%	100%	100%	100%	0%	100%	100%	100%
% of contracts/purchase orders with ESG clauses*	%	100%	100%	100%	0%	100%	100%	100%

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





10.1.3.3 SUPPLIER ESG ASSESSMENT

Since 2021, there has been a specific Group procedure and questionnaire for selecting and assessing suppliers on the basis of ESG issues.

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

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

Thus, Zignago Vetro can make an assessment of the various suppliers, subdivided by type of product and service, and the supplier is motivated to introduce a self-assessment process, and provided with some of the tools necessary for developing an ESG action plan.

The Zignago Vetro online “Supplier Sustainability Assessment” questionnaire, first of all, asks for general data, such as the company name, location, email, website, group, in any, product or service type, and a signature to affirm the truthfulness of the given answers.

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

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

- governance documents, such as the Code of Ethics and the Code of Conduct;
- 231 Organisational Model;
- ESG Policy;
- description of any sustainability plan;
- voluntary Sustainability Report or Non-Financial Statement;
- privacy policy effectiveness;
- energy manager, and relevant certifications (particularly: ISO 14001, SA8000, ISO 45001 (or OHSAS 18001), ISO 37001 and ISO 50001;

- legal disputes, in any, and their description;
- carbon footprint;
- energy and water consumption, and saving and efficiency measures;
- waste disposal methods and circular processes;
- waste management assessment;
- circularity in the production process or end-of-life of materials and products;
- protecting diversity;
- defence of human rights, and relevant certification;
- health and safety management;
- safety management system;
- ISO certifications and quality;
- welfare;
- disability;
- labour management;
- engagement with local communities;
- work with suppliers;
- internal auditing and compliance;

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

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

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

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

SUPPLIER ASSESSMENT ESG KPIs		2019	2020	2021	Δ% 21/20	2021 Goal	2022 Goal	Strategic goal 2030
% of the Group’s inventory turnover from relevant suppliers assessed in terms of ESGs	%	N/A	N/A	64.7%	-	>75%	>75%	>75%
% response rate from suppliers concerning ESGs	%	N/A	N/A	61.0%	-	100%	100%	100%
% of suppliers suspended for non-compliance with ESG principles	%	N/A	N/A	0%	-	0	0	0
% buyers trained on ESG topics in the last 2 years	%	100%	100%	100%	0%	100%	100%	100%

The ESG assessment of suppliers, in the manner described above, is integrated into their overall assessment carried out regularly by each of the Group companies, according to their own internal procedures. This makes it possible to verify and analyse all the main supplier selection and assessment indicators, from price through to service and supply quality, delivery times, process sustainability, and ethical and human and social rights compliance. The Group is also considering placing increasing emphasis on ESG issues in periodic supplier audits. The annual tool used to assess these commitments is the Management Review.



10.1.3.4 CONFLICT MINERALS

As per its Conflict Minerals Policy, the Group verifies that products purchased from its suppliers do not contain conflict minerals. This is done by using the above described ESG assessment questionnaire to monitor suppliers at risk of using conflict minerals in their processes, with particular reference to the 3TG minerals, that is, those containing tin, tantalum, tungsten or gold. Should a supplier declare use of even one of these minerals in the digital questionnaire, the software flags an alert, triggering an in-depth analysis of their origin, in the interests of protecting Zignago Vetro.

Accordingly, the Group’s stated goal is not to be involved, even indirectly, in any supplies from countries listed at risk by the United Nations. When flagged, the supplier must certify that the minerals do not come from conflict areas, preferably by providing a Conflict Minerals Reporting Template (CMRT), as per the Responsible Minerals Initiative (RMI). In case of any doubt, Zignago Vetro may subject the supplier to a further Due Diligence process.

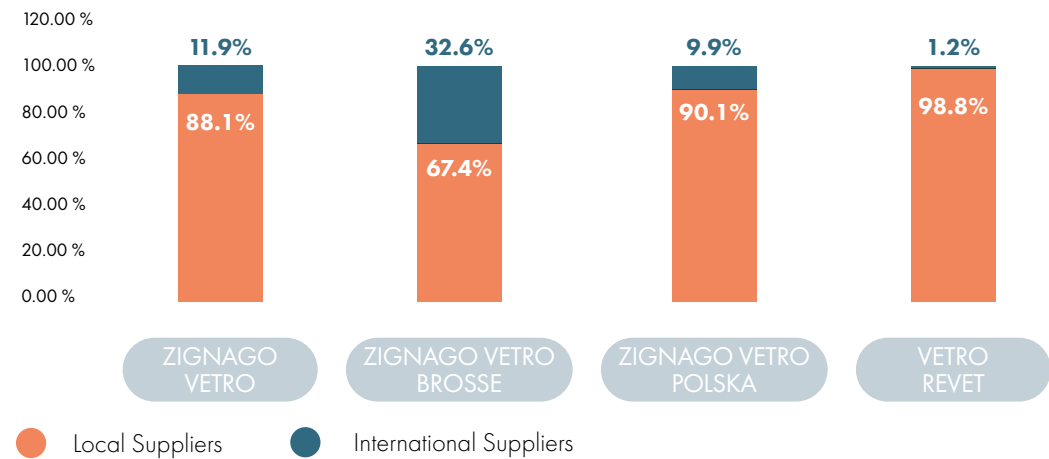
CONFLICT MINERAL KPIs		2019	2020	2021	Δ% 21/20	2021 Goal	2022 Goal	Strategic goal 2030
% of suppliers using 3TG minerals for which a CMRT (or other certificate of provenance) is available	%	100%	100%	100%	-	100%	100%	100%

10.1.3.5 SUPPLIER LOCATION

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

We note that as the Group’s plants are located in the Eurozone (Italy, France and Poland), the purchase of raw materials takes place almost exclusively through suppliers located in areas near the Group’s production plants. 86.8% of purchases come from local suppliers.

Local / International Suppliers



10.1.4 ENERGY EFFICIENCY

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

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

- investment in innovative technologies and materials for the engineering and construction of more energy efficient fusion furnaces;
- ongoing revamping of auxiliary plants with increasingly efficient and sustainable solutions;
- installation of a turbine recovery boiler and photovoltaic panels for the self-production of electricity from thermal waste and renewable sources;

- increase in the use of glass cullet to reduce the energy demands for the fusion process;
- extension of the use of LED light bulbs for indoor lighting.

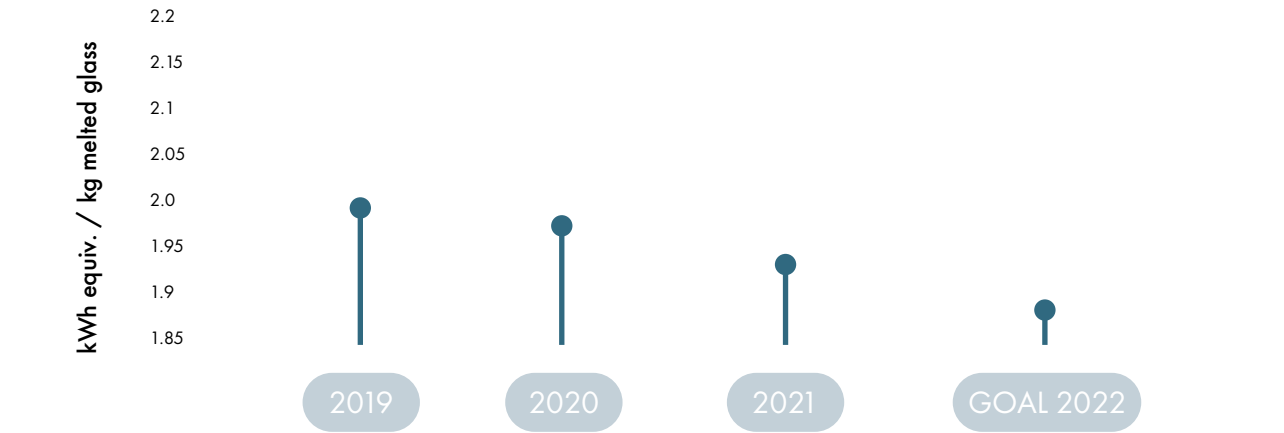
These optimisation measures have made it possible to **further reduce energy consumption in 2021 in glass production (by -3.0%)**, thanks mainly to the deployment of new efficient technologies installed with a new furnace in the Fossalta plant, ordinary and extraordinary maintenance of the oldest furnaces to prevent deterioration, and the ongoing increase in cullet used. In this regard, the Group has always implemented maintenance plans to keep its plants running efficiently.

Zignago Vetro’s goal for 2022 is to reduce consumption by a further -2%, through the activities planned and defined using the energy audits conducted and the energy management systems in development at the Group’s plants.

ENERGY KPIs		2019	2020	2021	Δ% 21/20	2021 Goal	2022 Goal	Strategic goal 2030
Total energy consumed	MWh equivalents	1,115,929	1,125,078	1,172,401	+4.2%	-	-	-
Total energy / molten glass	kWh equiv. / kg melted glass	2.008	1.995	1.936	-3.0%	1.985	1.897	1.646

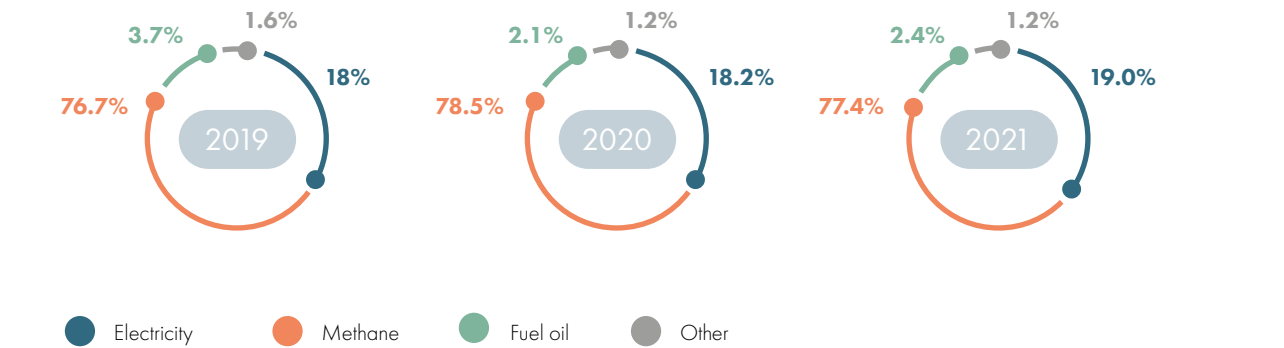


Total specific energy consumption



PRODUCTION SITE	ZV Fossalta	ZV Empoli	ZV Polska	ZV Brosse
Energy efficiency actions in 2021	<ul style="list-style-type: none">Energy efficiency audit of Furnace 13% increase in PCR cullet used (+13.4%)LED lightingDevelopment of an ISO 50001 certifiable energy management system	<ul style="list-style-type: none">Auxiliary technology efficiency, particularly in compressed air managementExtraordinary maintenance of furnacesPercentage of PCR cullet used maintained at values >55%LED lighting	<ul style="list-style-type: none">Introduction of an ISO 50001 certified energy management systemImproving efficiency of auxiliary technologiesSignificant increase in % PCR cullet used (+95.0%)	<ul style="list-style-type: none">Automatic furnace refurbishment in 2020Significant increase in % PCR cullet used (+110.0%)

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



During the period between 2019 and 2021 the Group, given the expansion of its spindle capacity with the installation of a new furnace in the Fossalta plant, increased its energy consumption in absolute terms while reducing specific consumption in relation to the quantity of molten glass.

In order to make this consumption more sustainable, as well as improving energy efficiency, greater use was also made of sources such as methane and electricity, whereas the use of BTZ fuel oil was decreased.

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

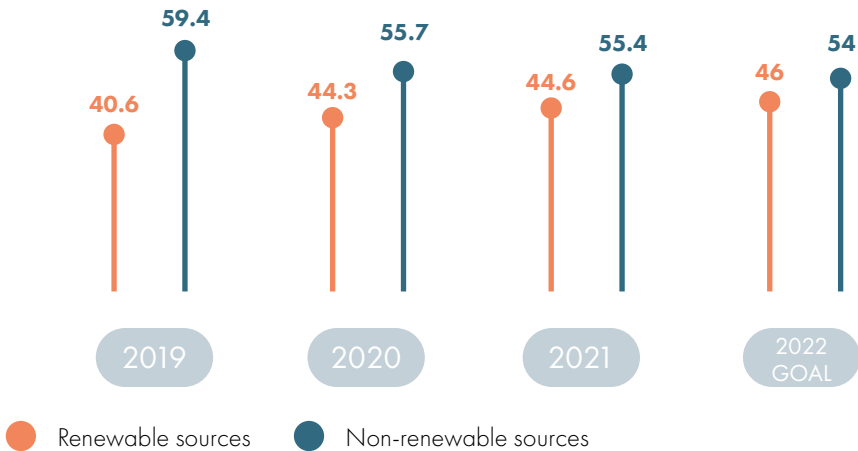
Following the significant increase in 2019, in 2020 and 2021 the percentage of electricity from **renewable sources** rose again by +0.7% compared to the previous year, reaching **44.6%** of the total energy consumed, thanks to:

- **direct supply** of electricity consumed by the Fossalta di Portogruaro plant **from Zignago Power**;
- installation of **photovoltaic panels** for a total of 11,260 square metres in the Fossalta di Portogruaro and Empoli plants;
- use in the Fossalta di Portogruaro plant of a **steam turbine** to recover the heat contained in the furnace fumes for the production of electricity.

Despite the considerable improvements in this indicator, the value reached was slightly below the 2021 target because self-produced amounts were lower than the amounts forecast at the start of the year. This was due to weather conditions not conducive to photovoltaic energy production.

RENEWABLE ENERGY KPIs	2019	2020	2021	Δ% 21/20	2021 Goal	2022 Goal	2030 Strategic Goal
% EE from renewable sources over total	40.6%	44.3%	44.6%	+0.7%	46%	46%	100%

Percentage of electricity from renewable and non-renewable sources





**ZIGNAGO POWER
FOR RENEWABLE ENERGY**

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

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

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

The biomass used is a renewable energy source, as per Legislative Decree No. 387/2003. Qualifying in Italy as a Renewable Sources Powered Plant (IAFR), under current regulations, the plant is incentivised for the energy it produces on a par with other renewable sources, such as solar, wind, hydroelectric, geothermal and biogas. The plant is, in fact, considered to have net zero CO₂ emissions, since its fuel comes from organic carbon biomass, produced by plants that have absorbed equivalent quantities of CO₂ during their lifespan.

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

vicinity of where it is produced, and distributed via the Group’s own network, minimising any losses or waste.

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

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

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

Another important aspect, from a sustainability perspective, according to the “cascading use” principle is that the Zignago Power plant uses biomass that cannot otherwise be used by other “higher value” activities, since it derives from agricultural waste (e.g. pruning), forest maintenance waste (e.g. branches and twigs), or virgin wood processing waste (e.g. sawmill residues from cutting quality wood for the furniture industry). Woody material is also sourced from storm debris, such as the trees felled by the recent violent storm Vaia. If these raw materials were not used as an energetic and economic resource, for example, if the plant were not there, they would, otherwise, simply be disposed of, and represent harmful environmental risks, such as dumping, forest fires, and similar.

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





10.1.5 WATER WITHDRAWAL & DISCHARGE MANAGEMENT

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

Zignago Vetro’s commitment through the introduction of technological upgrades has been constant and over the years has led to **important reductions in terms of water intake and discharges**, as illustrated in the table below:

WATER KPIs		2019	2020	2021	Δ% 21/20	2021 Goal	2022 Goal	Strategic goal 2030
WATER CONSUMPTION	Mm³	1,984	1,617	1,166	-27.9%	-	-	-
	m³/ton of molten glass	3.57	2.87	1.93	-32.8%	2.52	1.79	0.8
Surface water (rivers, lakes, etc.)	% of total consumption	62.1%	62.8%	53.7%	-14.5%	-	-	-
Well groundwater	% of total consumption	35.2%	34.0%	41.9%	+23.2%	-	-	-
Mains water supply	% of total consumption	2.8%	3.2%	4.4%	+37.5%	-	-	-

During 2021 the value of specific water consumptions per tonne of molten glass reduced further compared to the previous year, with a decrease of -32.8%.

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

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

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

The most recent upgrade of a plant to this standard was in 2020 in the Fossalta plant, where the cooling waters of furnaces 11 and 12 were connected to the closed-circuit system already set up for the new furnace 13.





Thanks to these connection works and other initiatives, such as the replacement of open-cycle vacuum pumps, the Group was able to exceed its savings target for 2021, decreasing total consumption by -27.9%, and specific consumption by -32.8%.

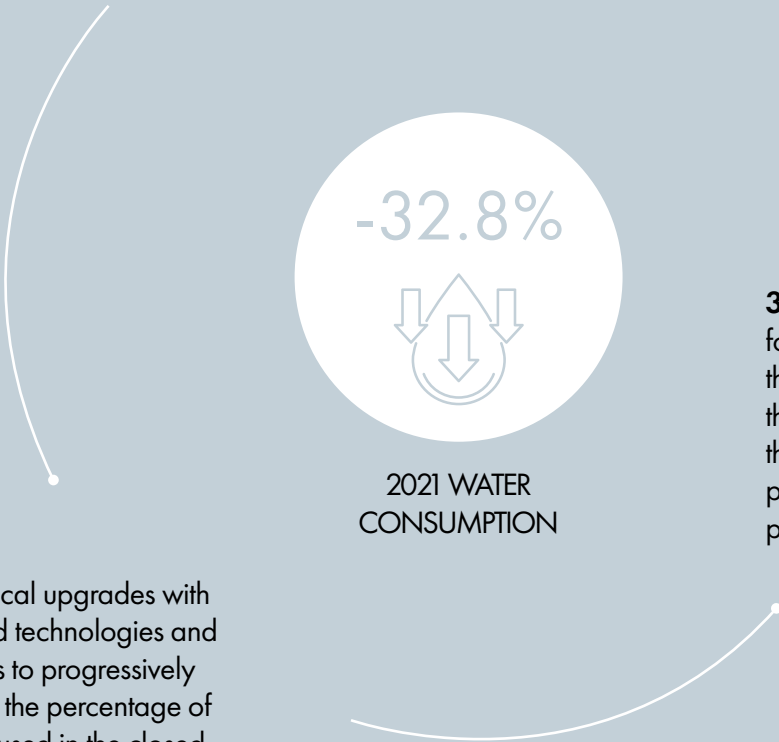
In strategic terms (ESG Roadmap) Zignago Vetro calls for a detailed wastewater management plan (Effluent Management) that includes, among other things:

1. procedures aimed at managing and reducing the use of water in general, effusions and chemical agents;

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

2. technical upgrades with identified technologies and initiatives to progressively increase the percentage of water reused in the closed circuit;

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



PRODUCTION SITE	ZV Fossalta	ZV Empoli	ZV Polska	ZV Brosse
Actions to reduce water intakes in 2021	<ul style="list-style-type: none">• Closed-cycle cooling water system installation for Furnaces 11-12• Liquid ring vacuum pump replacement with new air-cooled system• Monitoring of the water network and the main consumption• Regulation of largest users	<ul style="list-style-type: none">• Drawn water softening system installation• Monitoring of the water network and the main consumption• Regulation of largest users	<ul style="list-style-type: none">• Monitoring of the water network and the main consumption• Regulation of largest users	<ul style="list-style-type: none">• Monitoring of the water network and the main consumption• Regulation of largest users

WATER DISCHARGE					
		2019	2020	2021	Δ% 21/20
TOTAL DISCHARGES	Mm³	1,788	1,613	1,178	-27.0%
	m³/tonne of molten glass	3.22	2.86	1.94	-32.2%
Of which:					
Sewerage	%	15%	22.8%	26.8%	+17.5%
Surface water discharges	%	85%	77.2%	73.2%	-5.2%

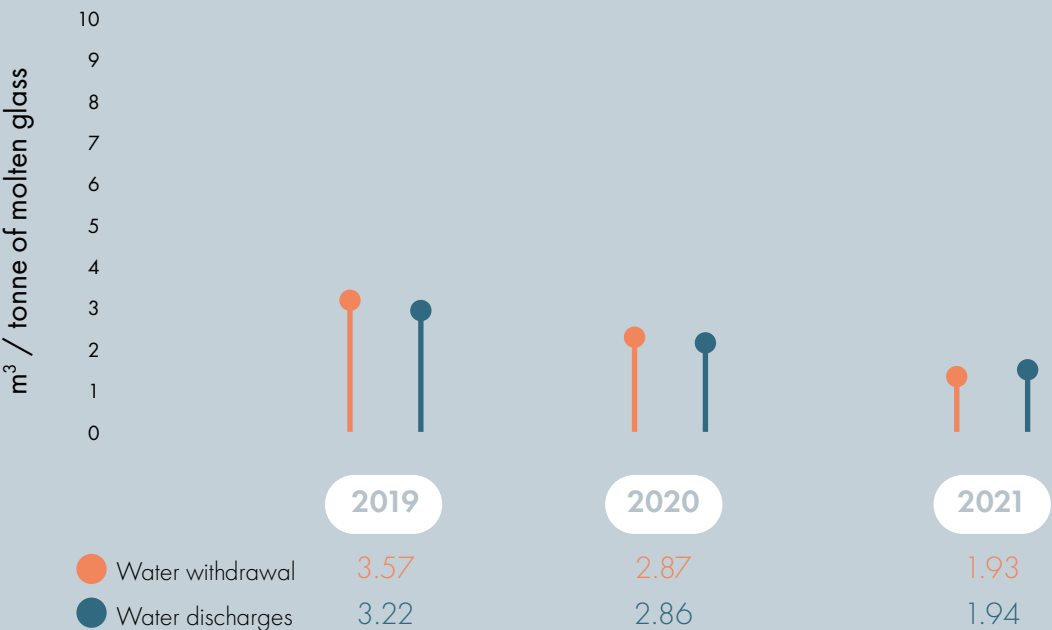


Commenting on the above data, it should be noted that surface discharges mainly derive from the cooling of production plants and from stormwater runoff. These amounts are therefore variable depending on the meteorological conditions, but have fallen in absolute terms due to the reduction in process water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

We note that surface water discharges are subject to legal limitations that are much more restrictive than those established for sewage discharges.

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

Total water withdrawal and discharge in the last 3 years



10.1.6 AIR EMISSIONS MANAGEMENT

Plant production activities require the use of melting furnaces, which involves the emission of volatile substances, in particular greenhouse gases (GHGs) and mainly CO₂.

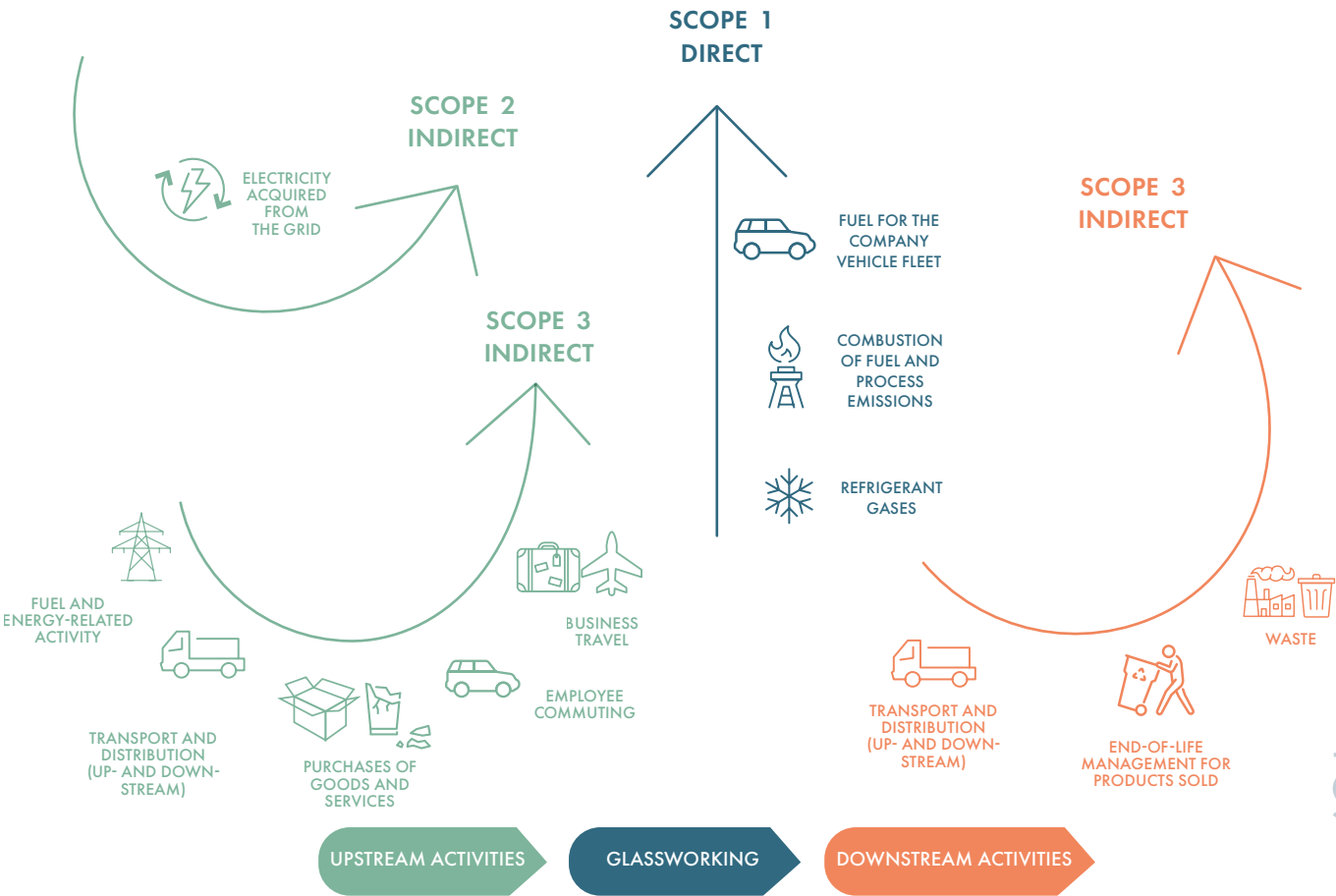
Zignago Vetro, using the data for 2019, has produced its own GHG Inventory in accordance with the GHG Protocol Accounting and Reporting Standard, in which a third party has reported and verified all the direct and indirect emissions from its industrial activities, and specifically:

- Scope 1 emissions, i.e. those directly generated by production processes;
- Scope 2 emissions, i.e. those indirectly originating from the electricity consumed in production processes;
- Scope 3 emissions, i.e. all other indirect emissions linked to production processes (see para. 10.1.6.2).

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

Zignago Vetro has committed to various initiatives with a view to reducing CO₂ emissions:

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





**CARBON FOOTPRINT /
GHG MANAGEMENT**

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

In particular, Carbon Intensity, measuring CO₂ emissions per product unit, is one of the monthly monitored KPIs for the achievement of the goals of the Zignago Vetro ESG business plan.

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

Zignago Vetro’s Carbon Intensity goals are both consistent with ESG Policy principles and fall within the scope of the EU Emissions Trading System (ETS). Gradual, systematic and non-volatile improvements in this area can release important savings for the Group on the CO₂ quota market.

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

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

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

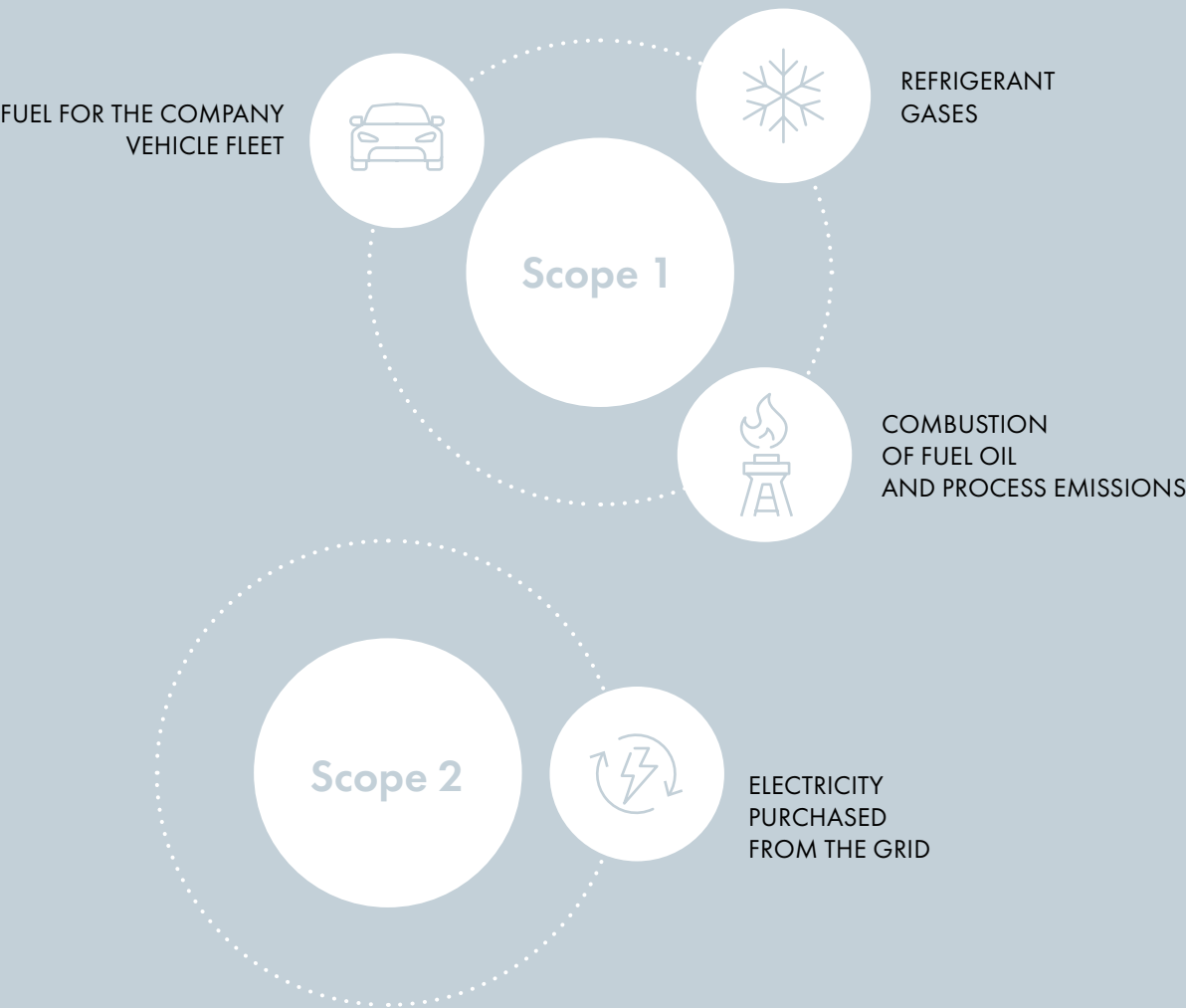


Lower emissions and
higher energy savings



10.1.6.1 SCOPE 1 AND 2 GHG EMISSIONS

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



CO ₂ EMISSIONS KPIs		2019	2020	2021	Δ% 21/20	2021 Goal	2022 Goal	Strategic goal 2030
CO ₂ EMISSIONS (Scope 1+Scope 2)	tonnes of CO ₂	301,194	289,927	304,181	+4.9%	-	-	-
CO ₂ EMISSIONS (Scope 1+Scope 2)	tonnes of CO ₂ /tonne of molten glass	0.542	0.514	0.502	-2.3%	0.509	0.497	0.351

The results in terms of specific emissions show a further slight improvement over the previous year. This is considered positive, since, in 2021, the actions taken by the Group (listed in the following table) were significantly offset by the natural loss of efficiency of the plants due to the ageing of furnaces and their refractory thermal insulation.

Overall, the Group has significantly improved its emissions performance over the last three years, achieving a specific emissions reduction of -7.4% on 2019.

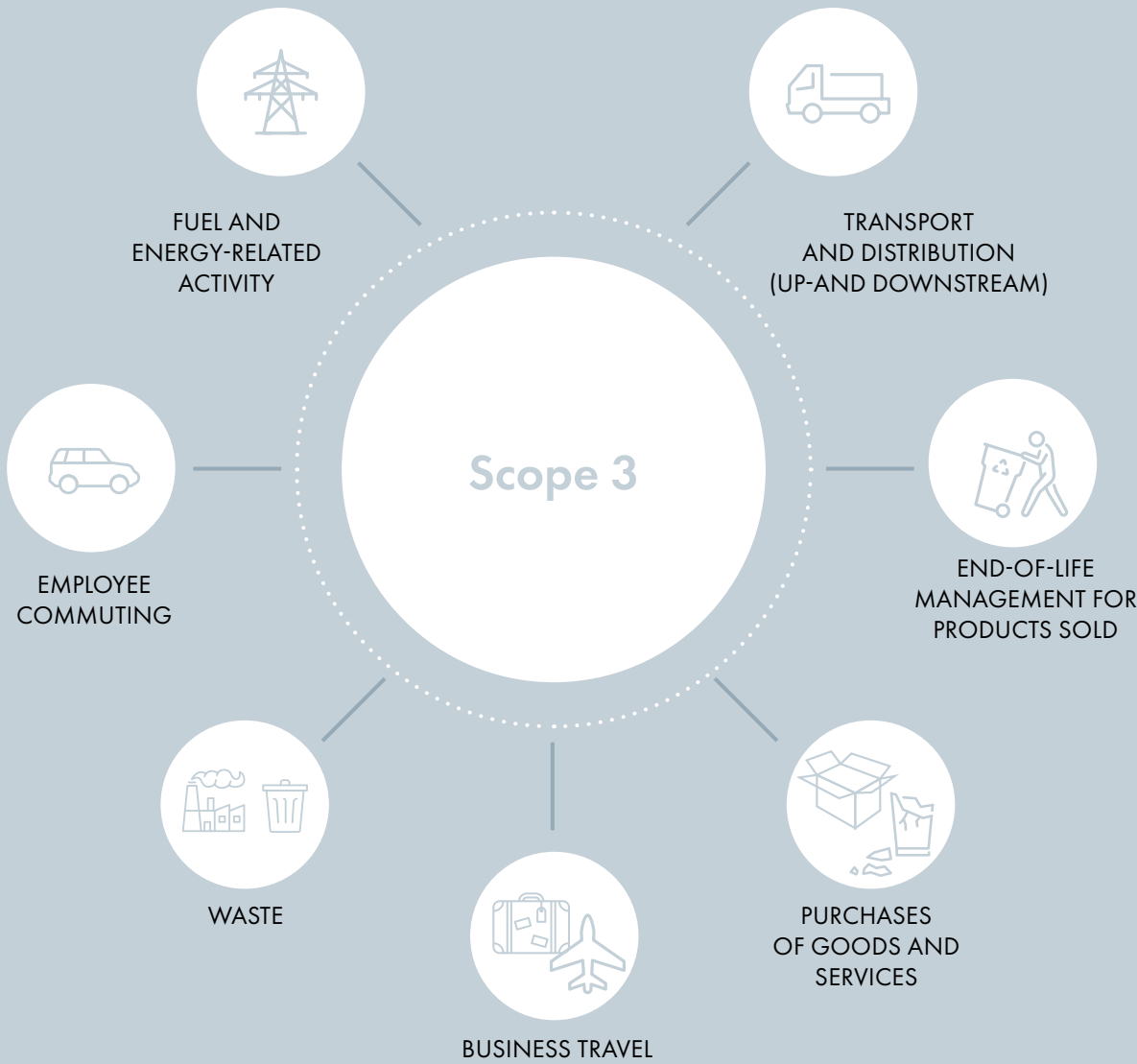
Nonetheless, absolute emissions increased slightly, due to an increase in production capacity, with the installation of the new Furnace 13 in February 2019, and its subsequent operational commissioning.

The Group’s strategic goals include specific CO₂ emission reductions (Scopes 1 & 2) of -1% by 2022 and as much as -30% by 2030, through energy efficiency improvements, increased glass cullet use, continuous plant modernisation, and the introduction of new technologies.

PRODUCTION SITE	ZV Fossalta	ZV Empoli	ZV Polska	ZV Brosse
Actions to reduce Scope 1 and Scope 2 emissions in 2021	<ul style="list-style-type: none">Specific energy efficiency audit of Furnace 13% increase in PCR cullet used (+13.4%)Reduction in use of fuel oil in the energy mix	<ul style="list-style-type: none">Auxiliary technology efficiency, particularly in compressed air managementExtraordinary furnace maintenanceContinued use of Post Consumer Recycled (PCR) waste at > 55%Increased solar energy production	<ul style="list-style-type: none">Introduction of an ISO 50001 certified energy management systemImproving efficiency of auxiliary technologiesSignificant increase in % PCR cullet used (+95.0%)	<ul style="list-style-type: none">Automatic furnace refurbishment in 2020Significant increase in % PCR cullet used (+110.0%)



10.1.6.2 SCOPE 3 GHG EMISSIONS



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

- Acquisition of goods and services
- Extraction and transporting of energy resources
- Transport of raw materials and finished products

- Processing of waste produced
- Business trips
- Employee commuting
- Processing of products at end of life

The results of these initial campaigns are reported in the table below. From 2020 to 2021, there was a +1.5% growth in Scope 3 specific emissions, mainly due to improvements in the reporting of indirect processes, increases in emission factors of the aforementioned categories, and other secondary phenomena, such as increases in commuting emissions due to reduced remote working.

CO ₂ EMISSIONS KPIs		2019	2020	2021	Δ% 21/20	2021 Goal	2022 Goal	Strategic goal 2030
CO ₂ EMISSIONS (Scope 3)	tonnes of CO ₂	148,361	154,424	168,440	+9.1%	-	-	Engagement with parties responsible for at least 80% of Scope 3 emissions
	tonnes of CO ₂ / tonne of molten glass	0.267	0.274	0.278	+1.5%	-	-	

Analysis of these indicators, collected in significant and consolidated database, over a multi-year period, builds on an awareness of the need to engage with the value chain’s main partners, and promote initiatives to reduce indirect emissions in any way related to Group operations. This is why Zignago Vetro has set itself the goal of directly engaging with partners responsible for at least 80% of Scope 3 emissions by 2030, and urging them to implement opportune improvement actions.

the Group’s plants have invested in the best abatement technologies available, capable of guaranteeing a wide margin of compliance with the limits imposed by law. For these parameters, the indicator used was therefore the number of times these limits were exceeded per year, which - as evident from the following table - was zero.

Zignago Vetro’s continuous commitment to technological progress in terms of pollutant abatement is evident in its 2022 plans for the introduction of advanced process control continuous emissions monitoring systems (EMS), and the installation and commissioning in the Group’s main plants of new DeNOx systems with Selective Catalytic Reduction (SCR), in order to further reduce nitrogen oxide emissions.

10.1.6.3 OTHER POLLUTANT EMISSIONS

Concerning other emissions, more specifically NOx and SOx and dust (considerably less than those of CO₂), all

NOX, SOX AND DUST KPIs		2019	2020	2021	2021 Goal	2022 Goal	Strategic goal 2030
Instances of non-compliance with legal limits for NOx, SOx and dust emissions	tonnes of CO ₂ / tonne of molten glass	0	0	0	0	0	0



10.1.7 RAW MATERIAL & FINISHED PRODUCT TRANSPORT & LOGISTICS EFFICIENCY

Currently, transport for the Group and for the glass industry in general is mainly carried out by road. The Zignago Vetro strategic Roadmap calls for the introduction and delivery of the "multimodal" project launched in 2019. This project is based on willingness to diversify the means of transport, also with alternative and more sustainable ones, for the purpose of reducing CO₂ emissions.

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

Currently the system is already in operation and permits delivery by rail of some of the sand delivered to the Fossalta and Poland plants. In 2021 the use of multimodal transport produced a saving of -30.4% (equal to 176.2 tonCO₂eq) in CO₂ emissions compared with transporting the same material solely by road.

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

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

10.1.8 WASTE MANAGEMENT

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

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

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

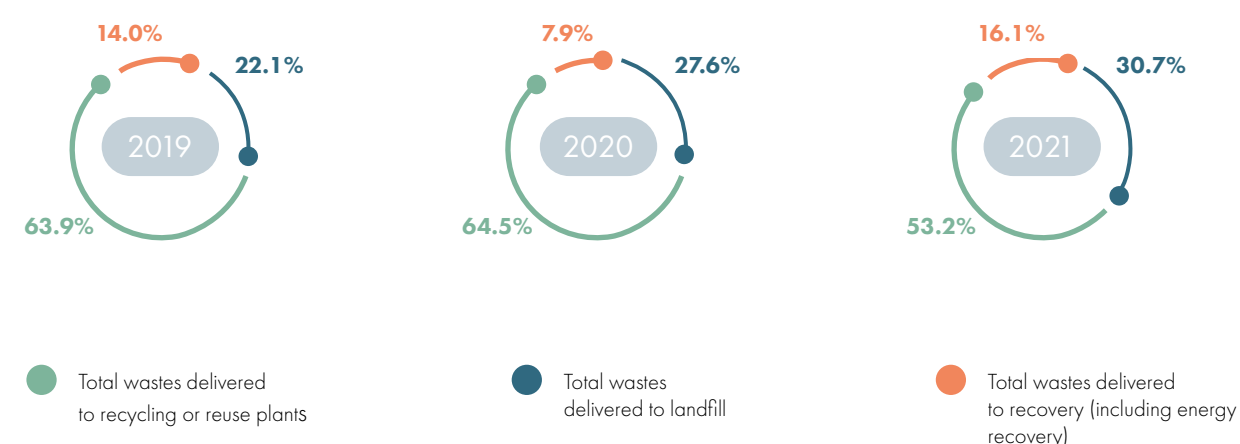
- packaging reuse and recovery systems as described in paragraph 10.1.2;
- recycling of all glass cullet of production departments in the vitrifiable mix;
- recycling of part of the dusts produced from the treatment of fumes by means of electrofilters in the vitrifiable mix;
- delivery to recycling of all the materials that make up the packaging of finished products, raw materials, and supply materials to various plants (paper, plastic, metal). The materials are collected in a differentiated way and delivered to companies specialised in the reuse and recycling of the materials.

Below is the data concerning the transfer of waste from routine activity⁶ in the Group's glass plant:

		2019	2020	2021	Δ% 21/20
TOTAL WASTE	tonnes	4,972.0	5,793.1	5,931.9	+2.4%
TOTAL WASTE/MOLTEN GLASS	kg/ tonne	8.95	10.27	9.79	-4.7%
Total waste delivered to landfill	%	22.1%	27.6%	30.7%	+11.2%
Total waste delivered to recovery (including energy recovery)	%	14.0%	7.9%	16.1%	+103.8%
Total waste delivered to recycling or reuse plants	%	63.9%	64.5%	53.2%	-17.5%
TOTAL HAZARDOUS WASTE	tonnes	880.4	985.5	857.5	-13.0%
TOTAL HAZARDOUS WASTE/MOLTEN GLASS	kg/ tonne	1.58	1.75	1.42	-18.9%
Hazardous to landfill	%	66.1%	84.3%	83.4%	-1.1%
Total hazardous waste delivered to recovery (including energy recovery)	%	33.7%	14.1%	15.0%	+6.4%
Total hazardous waste delivered to recycling or reuse plants	%	0.2%	1.6%	1.6%	-
TOTAL NON-HAZARDOUS WASTE	tonnes	4,091.6	4,807.6	5,074.4	+5.5%
TOTAL NON-HAZARDOUS WASTE/MOLTEN GLASS	kg/ tonne	7.36	8.52	8.38	-1.6%
Total non-hazardous waste delivered to landfill	%	12.7%	15.9%	21.8%	+37.1%
Total non-hazardous waste delivered to recovery (including energy recovery)	%	9.8%	6.7%	16.3%	+143.3%
Total non-hazardous waste delivered to recycling or reuse plants	%	77.5%	77.4%	61.9%	-20.0%



Total waste by destination



In 2021, ordinary waste generated per tonne of molten glass decreased by -4.7%, compared to 2020.

This decrease, in specific per product unit terms, is even more marked concerning hazardous waste (-18.9%), while non-hazardous waste decreased only slightly (-1.6%). The trend is in line with hazardous substance and waste reduction goals, while the total volume trend depends on factors such as the production mix, returned or re-selected product volumes, ordinary and extraordinary plant maintenance,

and increased cleaning and sanitisation in working environments.

Much of the waste produced (amounting to 69.3%) is delivered to recycling, reuse, or recovery (including energy recovery), while only the residual fraction (the remaining 30.7%) is sent to landfill. Below is a summary table of the Group's waste destination KPIs and goals:

WASTE KPIs		2019	2020	2021	Δ% 21/20	2021 Goal	2022 Goal	Strategic goal 2030
Total waste directed to landfill	%	22.1%	27.6%	30.7%	+11.2%	0%	0%	0%
Total waste sent for recycling, reuse or recovery (including energy recovery)	%	77.9%	72.4%	69.3%	-4.3%	100%	100%	100%

This demonstrates the **ongoing attention that the Group pays to waste management in terms of ecology and circularity**. Despite the efforts made, the last three years have been affected by congestion in waste recovery routes, such as to prevent further increases in the recycling, reuse or recovery rate, which, however, have remained at a high level. In any case, Zignago Vetrol's short- and long-term waste management strategy continues to include the following fundamental goals:

- the optimisation of processes to reduce waste produced;
- commitment to the reduction of hazardous waste through the replacement of chemical substances used with less dangerous substances;
- the favouring of forms of recycling or recovery compared to disposal in a landfill.

10.1.9 GLASS CONTAINER RECYCLING

As already cited, the Group pursues the principle of circularity and the reduction of waste, also by investing and operating in the glass treatment segment and through the valorisation of the same.

In this area, Zignago Vetrol operates through the following companies:

- Vetrol Revet S.r.l., with head offices in Empoli, of which it owns 51% of the capital stock;
- Vetreco S.r.l., with head offices in Supino (FR), of which it owns 30% of the shares;
- Julia Vitrum S.p.A., with head offices in San Vito al Tagliamento (PN), of which it owns 40%. This company was formed in 2019, and became operational in September 2021.

The aforementioned companies process glass cullet mainly from urban collection, carry out a cleaning treatment and separation of foreign materials (ceramic, plastic, metal, etc.), in order to obtain a material, defined as "end of waste", ready to be reused in the glass sector as a secondary raw material.

In 2021 these companies processed about 465,000 tonnes of glass waste, representing, overall, one of the largest enterprises in this sector in Italy.

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

		2019	2020	2021	Δ% 21/20
RAW GLASS CULLET FROM URBAN COLLECTION PROCESSED IN THE PLANT	tonnes	105,610	114,000	121,205	+6.3%
Furnace-ready cullet produced with the "end of waste" designation for reuse in glass manufacture	tonnes	77,109	90,240	98,702	+9.4%
Energy consumption/mass of furnace-ready cullet produced	kWh/ton	105.7	67.78	62.36	-8.0%
Water intakes/mass of furnace-ready cullet produced	m ³ /ton	0.018	0.023	0.023	0.0%
Scope 1 and 2 emissions/mass of furnace-ready cullet produced	ton CO ₂ eq/tonnes	0.036	0.022	0.020	-9.1%
Scope 3 emissions/mass of furnace-ready cullet produced	ton CO ₂ eq/tonnes	0.132	0.107	0.099	-7.5%



From 2019 to 2021 the percentage of glass recovered from treated cullet increased noticeably, reaching about 1'81%.

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

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

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

10.1.10 BIODIVERSITY AND PREVENTION OF LOCAL POLLUTION

In its company policy Zignago Vetro has formalised its commitment to reducing the environmental impact of its operations, with particular attention to protecting biodiversity and respecting the local ecosystem. In that connection the company takes all appropriate steps to minimise as far as possible the harmful effects of the production process. Over the years, expansions of production sites have always been limited to areas already used for industry, and appropriate environmental impact assessments have been carried out to ensure that there is no adverse impact on protected areas or typical habitats for local fauna. Procedures and mechanisms are then put in place in 100% of production sites to manage any incidents that might involve pollution of the local environment, and 80% of sites have an ISO 14001 certified Environmental Management System. These systems incorporate specific prevention measures and maintenance plans to guarantee the efficiency of pollutant abatement and containment processes. For the Italian plants, an emergency environmental service is also active, providing a rapid response to unexpected events and swift re-establishment of the previous environmental conditions.

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



BIODIVERSITY AND LOCAL POLLUTION KPIs		2019	2020	2021	Δ% 21/20	2021 Goal	2022 Goal	Strategic goal 2030
Environmental incidents at production sites	nr	0	0	0	0.00%	0	0	0



10.1.11 ENVIRONMENTAL INITIATIVES

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

The environmental initiatives carried out in 2021 are as follows:

- **FRIENDS OF GLASS:** Together with Assovetro and FEVE, we have promoted the European Friends of Glass Campaign since 2018. This focuses on various local activities to raise awareness of glass packaging, especially on the issues of health, taste and sustainability.
- **Communication activities in collaboration with Assovetro** to raise awareness of the characteristics and properties of glass containers; during 2021 the significant collaboration with Assovetro continued, raising public awareness of the advantages of using and recycling glass containers. This is also in view of a broader awareness campaign that will continue in 2022, declared by the UN as the International Year of Glass.
- **MEGLIOINVETRO:** in collaboration with ASSOJETRO and COREVE the Company maintains a platform brimming with news, information, facts, and research on the world of glass. In 2021 the social profiles of the platform significantly increased in popularity, number of subscribers and shares by users compared with the previous year.
- **CLOSE THE GLASS LOOP:** in collaboration with Assovetro, the European campaign coordinated by FEVE has been promoted. This promotes the sustainability of glass packaging and supports the circular economy. The target is to achieve a 90% collection rate of sorted glass for recycling by 2030 in all EU countries.
- **Collaboration with Assovetro** to produce and publish the second Sustainability Report by the sector association.
- **UN Global Compact:** In 2021, Zignago Vetro joined the UN global Compact project, reflecting the Group's commitment to continue a concrete entrepreneurial effort targeting long-term sustainable growth. Zignago Vetro reinforces its commitment to sustainability that began with the achievement of and continuous improvement on the Sustainable Development Goals (SDGs), the goals set out by the United Nations 2030 Agenda.
- **Treedom Project:** in addition to its 400-tree forest in Kenya, the Group added another 2,315 trees in 5 different countries around the world. The initiative allows an abatement of more than 825,000 kg of CO₂ and also helps to support local communities obtain alternative income solutions from agriculture.
- **Planting of trees near the ZVP plant:** annual activity carried out near the Zignago Vetro Polska plant in order to raise employee awareness of environmental sustainability and with a view to upgrading the green areas surrounding the plant.
- **Clean-up activities in locations adjacent to Zignago Vetro Polska:** environmental cleaning activities to remove litter in the environment (employees themselves were involved in the activity).
- **Electric Mobility Incentives:** Zignago Vetro has increased the number of charging stations dedicated to electric cars, expanding the company vehicle fleet with hybrid or full electric vehicles. The charging points use 100% renewable energy from Zignago Power.
- **Sustainable viticulture award:** In 2021, Zignago Vetro launched a significant partnership with Gambero Rosso, Italy's leading food and wine multimedia publishing group. The Group was the main sponsor of the launch event of the Italian Wine Guide 2022 in Rome, awarding the prize for sustainable viticulture to the most deserving winery in Italy.
- **Marevivo Project:** funded seabed cleaning activities by the Marevivo association. Thanks to the support of Zignago Vetro the Marevivo association removed 200 meters of ghost nets from the seabed in the area of the Formiche archipelago, near Grosseto, at a depth ranging from 45 to 50 meters. Ghost nets are a major risk to the marine ecosystem, as they pose a serious danger to marine wildlife, which can become trapped in them; over time, abandoned nets also release deteriorating microplastics, which can be ingested by animals.

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

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



SDGs	MATERIAL TOPIC
	Respect for human rights
	Human resource management
	Workplace health and safety
	Consumer health and safety
	Personnel training and development
	Diversity, equal opportunities and non-discrimination
	Reduced inequalities
	Dialogue with social partners and community initiatives
	Creation and distribution of economic value

10.2 Social

10.2.1 RESPECT FOR HUMAN RIGHTS

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

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

HUMAN RIGHTS KPIs		2019	2020	2021	Δ% 21/20	2021 Goal	2022 Goal	Strategic goal 2030
Rulings against ZVG in cases of child or forced labour	No.	0	0	0	-	0	0	0
Rulings against ZVG in cases of discrimination or harassment	No.	0	0	0	-	0	0	0
Rulings against ZVG regarding other human or civil rights violations	No.	0	0	0	-	0	0	0

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

	2019	2020	2021
Freedom and Equality	0	0	0
Discrimination	0	0	0
Right to Life	0	0	0
Slavery	0	0	0
Torture	0	0	0
Freedom of Movement	0	0	0
Freedom of Thought	0	0	0
Freedom of Expression	0	0	0
Right of Public Assembly	0	0	0
Social Security	0	0	0
Workers' Rights	0	0	0



10.2.2 HUMAN RESOURCE MANAGEMENT

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

- Ensure the involvement of employees (within the scope of their duties) by effectively providing information, education and training activities to help increase awareness of their roles and responsibilities.
- Efficiently organise and manage career development to ensure that all staff are adequately trained and evaluated to enhance the skills and knowledge of each member of personnel.

- Promote open communication by creating opportunities for dialogue between staff representatives and trade unions. 55 meetings were held with unions in 2021, covering topics related to second-level bargaining and sharing strategies to prevent and counter the spread of COVID-19.

- Foster optimal working conditions and support work-life balance (remote working, flexible schedules, exchanges and participation).

- Ensure fair and equitable remuneration consistent with and in accordance with regulations and collective agreements, in addition to ensuring that the gender pay gap is addressed.

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

Employees by professional category divided by age group

AGE	2019					2020					2021				
	<=18	<=29	From 30 to 50	>=51	Total	<=18	<=29	From 30 to 50	>=51	Total	<=18	<=29	From 30 to 50	>=51	Total
Executives	0		9	14	23	0		10	13	23	0		8	14	22
Managers	0	4	42	23	69	0	4	45	20	69	0	4	44	21	69
White collar	0	21	180	54	255	0	29	174	60	263	0	29	169	70	268
Blue collar	0	213	755	418	1,386	0	240	704	387	1,331	0	234	714	459	1,407
Total	0	238	986	509	1,733	0	273	933	480	1,686	0	267	935	564	1,766
Of which temporary	0	19	77	41	137	0	31	27	20	78	0	44	78	50	172

As provided for in its Code of Ethics and in the policies adopted in the social field, the Group opposes the use of child labour in any form. Recruitment procedures in place at all companies prohibit the selection of candidates under the

age of 18 for any job position. In addition, checks during the candidate registration phase allow their requirements to be verified and violations to be avoided.

Instances of child labour identified:

CHILD LABOUR KPIs		2019	2020	2021	Δ% 21/20	2021 Goal	2022 Goal	Strategic goal 2030
Workers under 18 years of age	No.	0	0	0	-	0	0	0

Employees by geographical area at 31.12.

	2019	2020	2021
ITALY	752	727	725
FRANCE	296	260	332
POLAND	685	699	709
TOTAL	1,733	1,686	1,766

Breakdown by contract

	2019	2020	2021
PERMANENT	1,419	1,445	1,436
M	1,060	1,083	1,059
F	359	362	377
FIXED-TERM	314	241	330
M	182	85	137
F	132	156	193
TOTAL	1,733	1,686	1,766

Incoming turnover by geographical area (excl. temporary employees)

%	2019	2020	2021
ITALY	7.1%	6.9%	6.3%
FRANCE	8.0%	10.17%	7.3%
POLAND	16.4%	10.19%	3.5%
TOTAL	10.8%	8.7%	5.4%

NUMBER	2019	2020	2021
ITALY	50	49	45
FRANCE	22	27	19
POLAND	97	64	22
TOTAL	169	140	86

Outgoing turnover by geographical area (excl. temporary employees)

%	2019	2020	2021
ITALY	4.1%	2.7%	3.8%
FRANCE	6.5%	4.1%	1.5%
POLAND	6.6%	6.2%	5.6%
TOTAL	5.5%	4.3%	4.1%

NUMBER	2019	2020	2021
ITALY	29	19	27
FRANCE	18	11	4
POLAND	39	39	35
TOTAL	86	69	66



New hires by gender (excluding temporary staff)

NUMBER	2019	2020	2021
MALE	110	90	61
FEMALE	59	50	25
TOTAL	169	140	86

Resignations by gender (excluding temporary staff)

NUMBER	2019	2020	2021
MALE	55	50	49
FEMALE	31	19	17
TOTAL	86	69	66

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

NUMBER	2019			2020			2021		
	M	F	Total	M	F	Total	M	F	Total
PART TIME	5	5	10	9	1	10	2	2	4
FULL-TIME	1,237	486	1,723	1,158	518	1,676	1,194	568	1,762
Total	1,242	491	1,733	1,167	519	1,686	1,196	570	1,766

Social Dialogue - Number of Trade Union Meetings

WORKING CONDITIONS AND UNIONS KPIs		2019	2020	2021	Δ% 21/20	2021 Goal	2022 Goal	Strategic goal 2030
Trade union meetings	No.	39	49	55	+12.2%	-	-	-
Rulings against ZVG in cases of violation of workers' rights	No.	0	0	0	-	0	0	0
Rulings against ZVG regarding violations of workers' freedom of association	No.	0	0	0	-	0	0	0

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

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

Zignago Vetro undertakes to create and maintain the conditions necessary to ensure that, in all the countries in which

the Group operates, the skills, competences and knowledge of each employee are valued and developed so as to ensure personal growth and the achievement of corporate objectives.

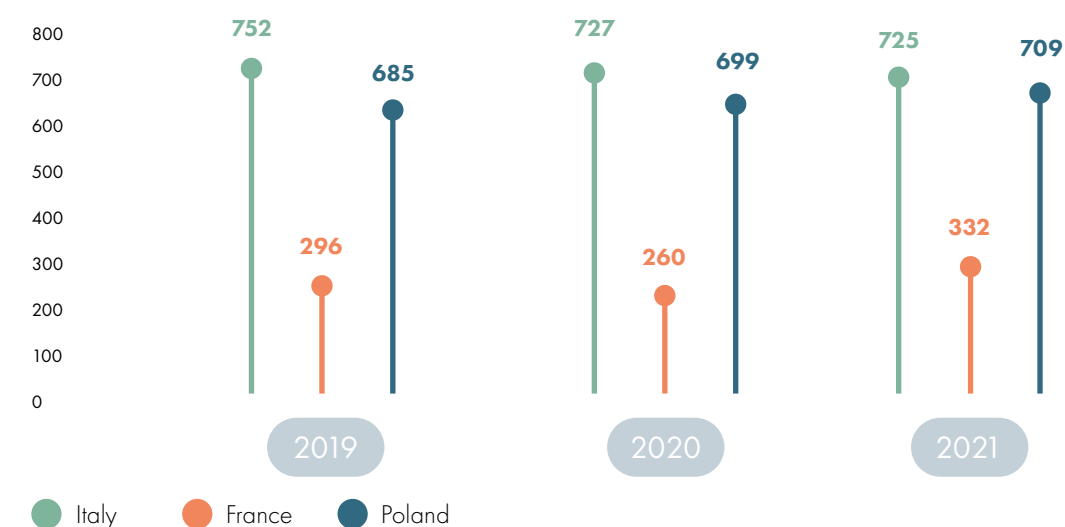
Any form of discrimination is explicitly prohibited by the Code of Ethics.

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

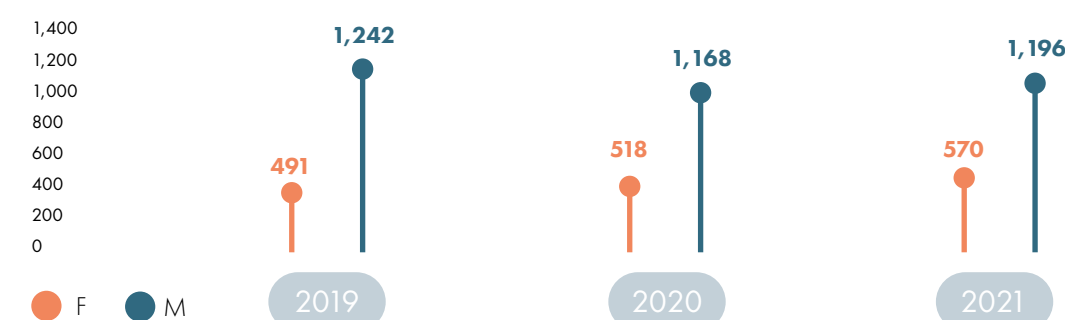
The Group's total workforce **at December 31, 2021 is 1,766, a net increase of 80 (+4.7%) employees on the previous year.**

During 2021, a total of 86 employees joined the Group, most of whom were under 29 years old. **The incoming turnover rate was 5.4%.**

Workforce over the last 3 years by geographical area

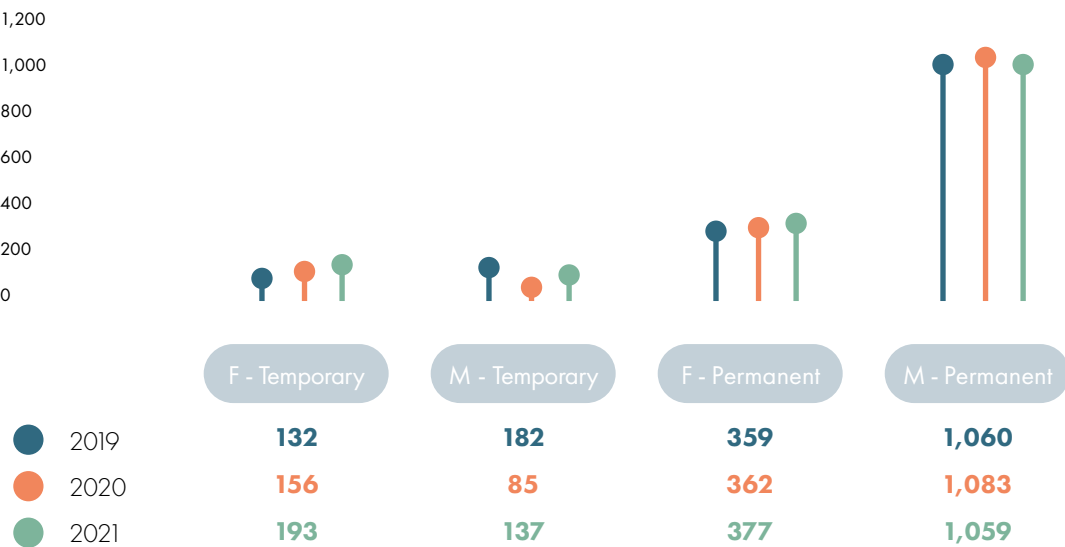


Workforce over the last 3 years by gender

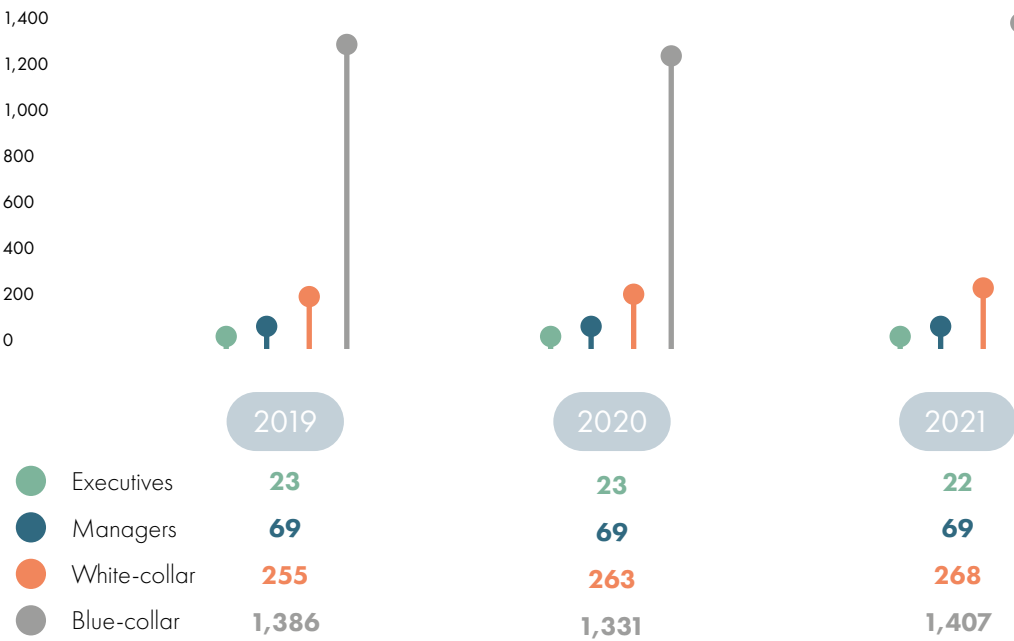




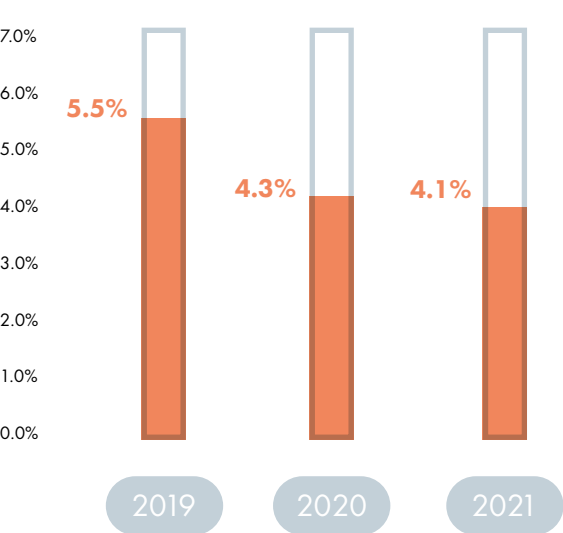
Workforce over the last 3 years by contract type



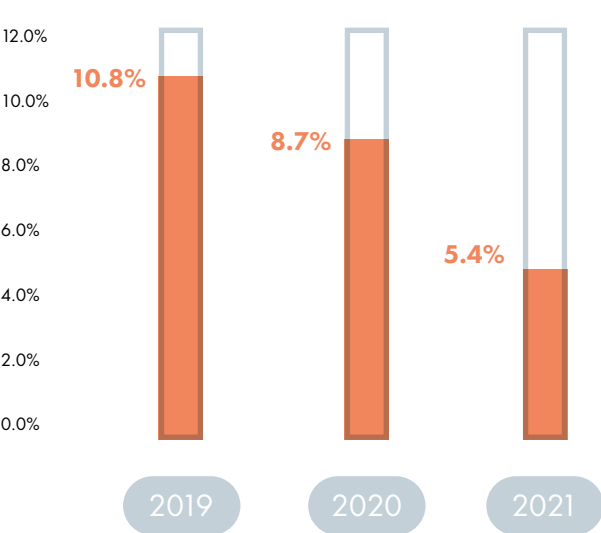
Workforce over the last 3 years by professional category



Outgoing turnover rate



Incoming turnover rate



EMPLOYMENT CONTRACTS

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

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

EMPLOYMENT CONTRACT KPIs		2019	2020	2021	Δ% 21/20	2021 Goal	2022 Goal	Strategic goal 2030
% workforce covered by regular, formal collective bargaining agreements regarding working conditions	%	100%	100%	100%	-	100%	100%	100%



GREEN MOBILITY MANAGEMENT

The ESG Committee is recognising the increasing importance of sustainable mobility activities, aware that they can contribute directly or indirectly to the reduction of emissions and can also be a valuable tool to improve corporate welfare.

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

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

This plan was preceded by an assessment of the employees and their mobility needs, of the structural conditions of the Zignago Vetro Group's main plant and, finally, of the mobility options present in the areas concerned.

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

The HWTP, albeit with variations between facilities, showed that an extremely high number of employees use private transportation to get to work, primarily due to the distance of workplaces from public transportation stations. Specifically, the figure for Fossalta was 93.3% and almost 100% for Empoli. At Fossalta, 60.4% of employees take less than 15 minutes to get to work, and approximately 85% less than 30 minutes. In Empoli, 85% of employees take less than 30 minutes to get to work, but the majority take more than 15 minutes. The choice of a private vehicle over the use of public mobility services is therefore essentially linked to greater flexibility and availability of public transport.

The calculation of the type of vehicles used, the average distance travelled per day for return journeys, and the average time taken, enabled an accurate assessment of CO₂ emissions, broken down according to the means of transport used.

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

Among the measures considered:

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

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

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

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

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



CORPORATE WELFARE

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

- has undertaken actions aimed at developing and favouring a positive work/life balance;
- has introduced forms of welfare and insurance coverage for non-work situations;

- has launched a corporate welfare plan (CWP), in addition to the company's supplementary agreement.

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



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

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

WORK-LIFE BALANCE

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

99.8% of the personnel were on a full-time contract, while the remaining 0.2% benefited from part-time working arrangements, with the aim of facilitating the management of a work-life balance.

In the extraordinary context of the pandemic COVID-19 emergency, during 2020 Zignago Vetro introduced smart working on an emergency basis for all tasks compatible with this way of working. This work methodology was extended for the entirety of 2021 and a possible permanent extension is being considered.

10.2.3 WORKPLACE HEALTH AND SAFETY

The companies of the Group pay the utmost attention to issues of workplace health and safety and their prevention.

In this regard, Zignago Vetro is well aware of all legal obligations and takes all necessary (or simply appropriate) measures to:

- analyse all current risks;
- implement all the prevention and protection measures necessary to minimise risks.

One of the Group's main objectives is to totally eliminate work-related injuries.

In this respect, all the Group companies are actively engaged in systematically monitoring health, safety and accidents in the workplace, and in investing energy, resources and time in the continuous training of their employees, through a structured and formalised KPI system.



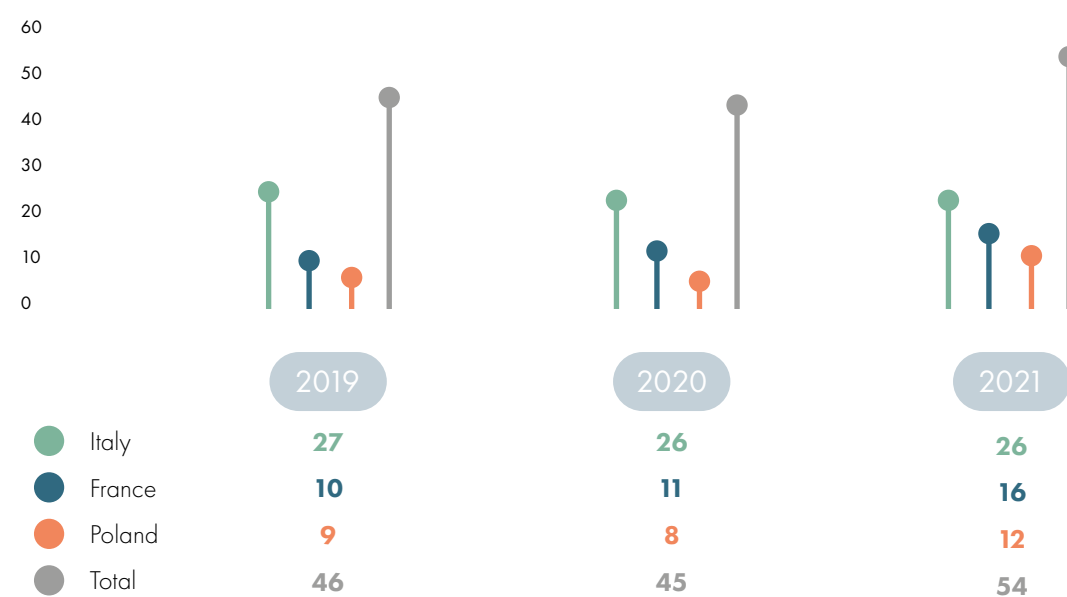


SAFETY AT WORK KPIs		2019	2020	2021	Δ% 21/20	2021 Goal	2022 Goal	Strategic goal 2030
Injuries	No.	46	45	54	+20.0%	0	0	0
Frequency index	$Nr_{inj}/hr_{worked} \cdot 10^6$	16.59	17.15	19.27	+12.4%	0	0	0
Severity index	$d_{lost}/hr_{worked} \cdot 10^3$	0.773	0.626	0.769	+22.8%	0	0	0

Injury rate by country

NUMBER	2019	2020	2021
ITALY	27	26	26
FRANCE	10	11	16
POLAND	9	8	12
TOTAL	46	45	54

Injury rate by country

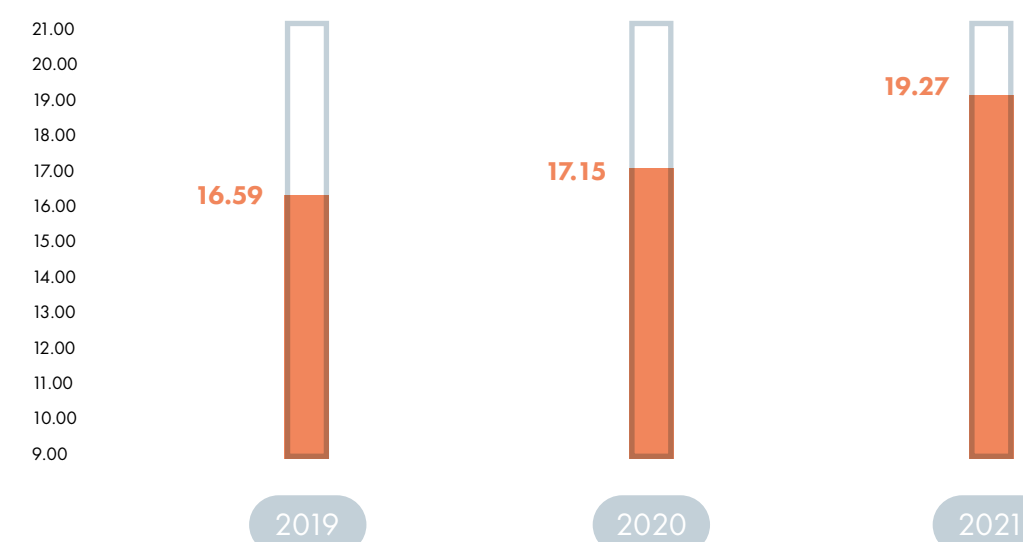


After years of significant and steady reduction, injuries in the Group increased to 54 in 2021. This trend is largely due to the increase in events at the plants in Poland and France.

At the same time, there was also an increase in the Group's overall ratios, with the frequency index at 19.27 (+12.4%

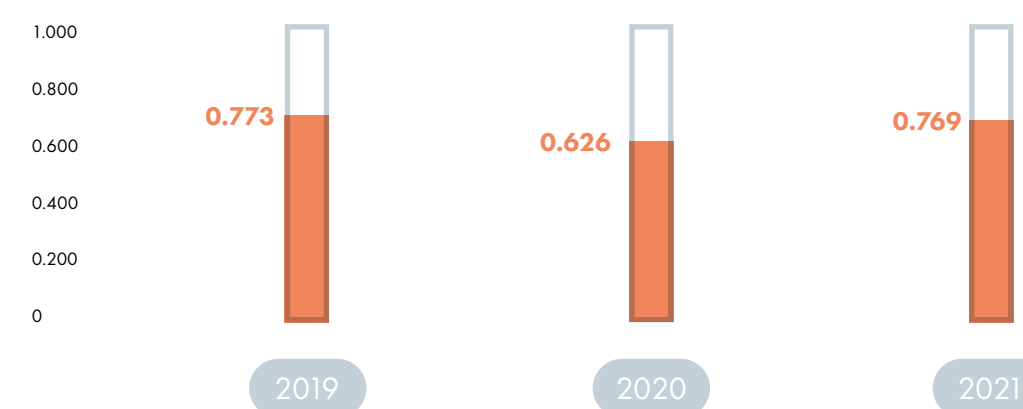
on 2020) and the severity index at 0.769 (+22.8% on 2020). Again, the higher rates are due to plants in Poland and France, while for Italian sites both indices continue the downward trend they have followed since 2019, notably with a halving of the severity index.

Injury frequency index



$$fi = (No. injuries / No. hours worked) * 1,000,000$$

Injury severity index



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



Safety training increased both in terms of the total number of hours administered (+24.8%) and the number of hours of training per head (+13.2%) due to the enhancement of both individual (role) and induction training plans for new recruits.

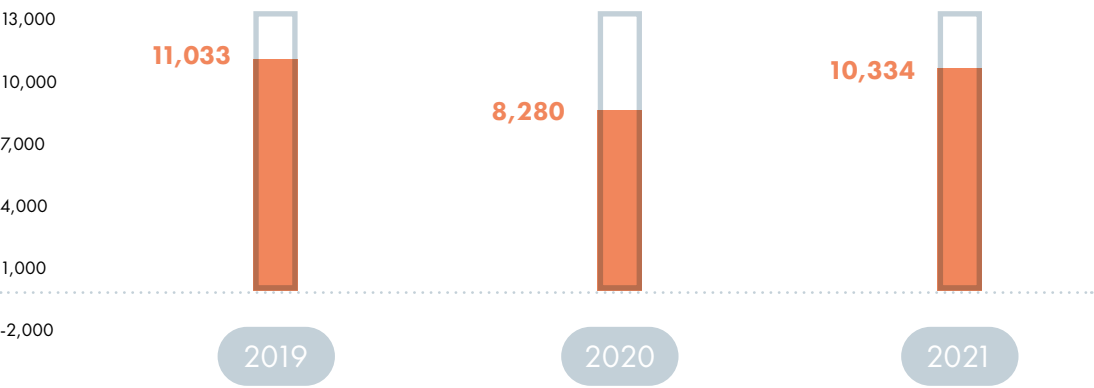
Where possible, e-learning and distance learning were used to minimise the risk of COVID-19 infection.

The Group’s commitment to health and safety in the workplace may be seen in various activities, among the most important of which are:

- development of a safety culture through training, awareness-raising and monitoring of staff;
- technological innovation for the use of safer plants in line with the best technologies;
- establishment of an ISO 45001-compliant security management system, including an upcoming certification project.

	2019	2020	2021	Δ% 21/20
Hours of training on workplace safety	11,033	8,280	10,334	+24.8%
Per capita hours of training on workplace safety	7.0	5.3	6.0	+13.2%

Hours of training on workplace safety



We note that the Group is committed to guaranteeing the safety of all external workers more or less continuously present at its sites, through proper management of contracts,

continuous coordination and exchange of information and operating instructions designed to minimise all direct or interference risks.



Quantity increase in total hours provided for safety training



EXTERNAL WORKER SAFETY KPIs		2019	2020	2021	Δ% 21/20	2021 Goal	2022 Goal	Strategic goal 2030
Injuries (external workers)	No.	N/A	N/A	3	-	0	0	0
Frequency index (external workers)	$Nr_{inj}/hr_{worked} \cdot 10^6$	N/A	N/A	9.33	-	0	0	0
Severity Index (external workers)	$d_{lost}/hr_{worked} \cdot 10^3$	N/A	N/A	0.17	-	0	0	0

10.2.4 CUSTOMER HEALTH AND SAFETY

Zignago Vetro adopts and continuously perfects procedures and operating systems designed to:

- adopt a food safety plan for the production of containers, to be based on risk assessment criteria;
- guarantee the highest quality, hygiene and food safety standards for its finished products;
- guarantee the traceability of finished products in order to maximise protection for consumers. Reports of any issue regarding the product are immediately assessed by responsible technical staff, whose mission is to remedy such issues as quickly as possible and with the highest possible degree of customer satisfaction;
- ensure the correct labelling of products.

The Zignago Vetro Group's commitment to food safety may also be seen in the certification of its systems that address these issues.

The Zignago Vetro Fossalta and Zignago Vetro Polska plants have UNI EN 15593 certification: 200811

The Zignago Vetro Empoli plant, with UNI EN 15593 certification up to August 2020, has undertaken a certification path towards the more restrictive and better known standard FSSC22000⁷, which was obtained in 2021.

The voluntary UNI EN 15593 and FSSC 22000 certifications are used by the Group to demonstrate its compliance with Good Manufacturing Practices (GMP)⁸.

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

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

Consumer Injuries reported

	2019	2020	2021
End User	-	-	-
Company/Wholesaler	1	-	-
Total	1	-	-

10.2.5 PERSONNEL TRAINING AND DEVELOPMENT

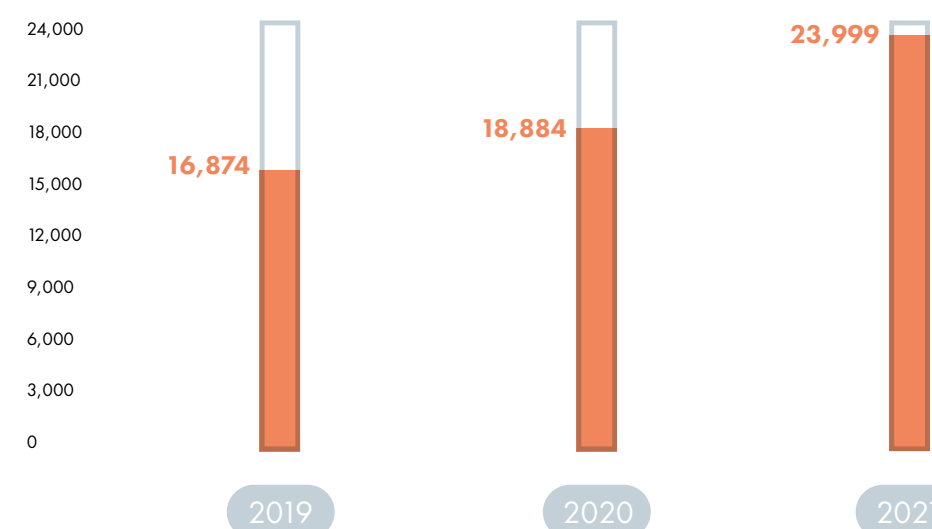
Zignago Vetro has always been attentive to the professional development of its employees and to valuing their talents, which, in the management of human resources, it considers as essential elements.

For each country in which the Group operates, training programs are organised and structured according to the generic and specific needs of all professional categories. The management training programme also provides for

managerial courses, comprising soft skills acquisition and team building activities. Furthermore, the Group organises specific training programs for new hires, as well as general training programs for white-collar workers, middle managers and Executives.

The Group has provided training plans that cover all company areas in detail. These plans are of a recurring nature and concern all the Group's plants.

Training hours



Average training hours by professional category

	2019			2020			2021		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Executives	161	101	262	218	128	346	307.5	134	441.5
Managers	696	177	873	680	116	796	2,118	902.5	3,020.5
White-collar	2,694	917	3,611	2,742	840	3,582	3,992	3,279	7,271
Blue-collar	10,194	1,935	12,129	11,250	2,910	14,160	9,888.5	3,377.5	13,266
Total	13,745	3,129	16,874	14,890	3,994	18,884	16,306	7,693	23,999
Hours / person	9.7			11.2			13.6		



Since
2018

the Group launched
an internal training
programme entitled
Zignago Vetro Academy

Collectively, employees received approximately 24,000 hours of training in 2021, an increase on 2020.

In 2018, the Group launched an internal training programme entitled Zignago Vetro Academy, which is aimed at promoting the interdisciplinary skills, engagement and managerial development of recently hired young employees with the greatest potential. A second edition of the programme is planned for 2022, involving new young specialists.

SUSTAINABILITY AWARENESS TRAINING

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

Training modules dedicated to new recruits have also been developed internally, covering sustainability issues and their application within corporate processes through the Code of Ethics, ESG policies and procedures.

PERSONNEL DEVELOPMENT

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

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

The Group also utilises forms of individual employee appraisal within each function. These are intended to identify each staff member’s strengths and areas for improvement in career advancement or professional growth. Similar individual assessments are also used for the purpose, where applicable, of determining the achievement of function objectives and the related bonus payments.

The following are career development key indicators:

PROFESSIONAL DEVELOPMENT KPIs		2019	2020	2021
% of workforce subject to collective performance evaluation	%	100%	100%	100%
% of workforce subject to individual appraisal on professional performance	%		52%	57.3%

10.2.6 DIVERSITY, EQUAL OPPORTUNITY AND NON-DISCRIMINATION

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

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

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

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

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

	2019	2020	2021
Freedom and Equality	0	0	0
Collective bargaining right	0	0	0
Forced or compulsory labour	0	0	0
Exploitation of child labour	0	0	0
Discrimination regarding job or profession	0	0	0



SOCIAL INCLUSION POLICIES

Zignago Vetrol undertakes to create and maintain the conditions necessary to ensure that, in all the countries in which the Group operates, social inclusion policies are promoted and offer employment and growth opportunities to disadvantaged social groups.

Specifically:

- since 2020 Zignago Vetrol has entrusted the implementation of some communications services to the Futura Social Cooperative, which supports the employment of disabled members of staff;
- Zignago Vetrol Brosse has collaborated with small companies in an area with high unemployment rates since 2017, with the aim of promoting local industrial development;
- Zignago Vetrol launched a partnership with the Noncello Cooperative in 2018, in order to help people with disabilities to contribute to the production sector;
- in 2019, Zignago Vetrol Polska started a project to recruit Ukrainian employees from war zones. The project has the dual purpose of training an adequate number of qualified employees and increasing the Company's social role through social diversity.

10.2.7 REDUCED INEQUALITIES

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

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

On the purely practical side, there are several activities with

non-profit and other charitable organisations that support individuals and families in economically disadvantaged conditions.

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

10.2.8 DIALOGUE WITH SOCIAL PARTIES AND COMMUNITY INITIATIVES

Zignago Vetrol has always paid attention to the development of local communities, through continuous investments in the local area and support for social and humanitarian activities to sustain society and the most disadvantaged social groups.

Specifically, in 2021 the following main projects were financed:

SUPPORT FOR SOCIAL INITIATIVES:

- **distribution of funds to four institutes dedicated to the care of the weakest and sickest people and families in difficulty** in the areas near the Fossalta and Empoli plants;
- **adherence to the Diversity Charters:** Zignago Vetrol has decided to adhere to the Diversity Charters, a project created at the instigation of the European Commission. The Group has always paid great attention to the protection of all its employees in the workplace, without any form of discrimination on the basis of gender, age, disability, ethnicity, religious beliefs or sexual orientation. The commitment signed is to introduce an inclusive human resource management program, with concrete actions and by monitoring progress. The work begins with top management and then involves every level of the organisation, through continuous monitoring to overcome gender stereotypes;

- **fundraising to support disadvantaged families in Poland:** In 2021, Zignago Vetrol Polska continued its fundraising activities for certified families in poverty;

- **support for children in need in Poland:** as part of the Students' Trips project, Zignago Vetrol Polska sponsors organised trips for children who are undergoing psychotherapy and come from families with social problems. The journey is a continuation of and support for the therapy itself;

- **Zignago Vetrol donated an ultrasound scanner to the first aid department of the hospital in Empoli.** This provides great support to the daily work of the department, speeding up and facilitating diagnosis, especially in emergency situations;

- **to celebrate the 10th year of the Zignago Vetrol Group's presence in Poland, a private medical insurance policy, which facilitates access to health care and diagnostic services, was donated to all employees of Zignago Vetrol Polska;**

- **collection among the employees of Zignago Vetrol Polska of used clothes,** which are then turned into a donation to an association chosen by the Company;

- **support for sports associations and other philanthropic activities;**

- **social initiatives:** cooperation with Coop Noncello and Futura Social Cooperative;

- **social inclusion projects;**

- **in addition, the Zignago Vetrol contributed to the financing of other social activities by Zignago Holding.**

SUPPORT FOR CULTURAL INITIATIVES:

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

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

Zignago Vetrol has adopted a precise system for defining the objectives and monitoring the impacts

of its financing activities for projects of this type. On December 18, 2020 the Board of Directors of Zignago Vetrol also decided to adopt a policy to allocate 0.25% of annual consolidated net profit to social, cultural and environmental initiatives.



0.25%

of annual consolidated net profit to social, cultural and environmental initiatives.



ART PATHS PROMOTED BY ZIGNAGO VETRO

The project "Zignago Vetro and Art" was born of the intention of highlighting the artistic paths present in the territory in which we operate, identifying artists who, with their creativity, can create new visions of the world, changing or increasing our perception of the beauty that surrounds us. In this way Zignago Vetro wants to strongly express the intrinsic values of its brand, where research, innovation, technology and sustainability come together in the definition of new production standards.

Each year Zignago Vetro will devote part of its resources to promoting artists, enacting a fruitful art-business exchange that will enrich the world we live in and inspire new collective emotions. Zignago Vetro and Art will be a diffused gallery, with works that we will share to develop a common artistic feeling.



Zignago Vetro
and Art.

"INFINITY"
MAURIZIO D'AGOSTINI 2021

The work inaugurates the path of **"Zignago Vetro and Art"**. In mythology, birds and the concept of infinity are reunited in the figure of the Phoenix which, like glass, is capable of regenerating itself infinitely from its ashes





10.2.9 CREATION AND DISTRIBUTION OF ECONOMIC VALUE

The Group’s ability to produce and redistribute wealth extends beyond shareholders to employees, other stakeholders in general and the social context in which the Group operates.

The economic value generated by the Group from 2019 to 2021 is outlined below:

	2019	2020	2021
[€/’000]			
ECONOMIC VALUE GENERATED BY THE GROUP	342,116	322,685	383,510
Revenues	323,725	306,713	362,437
Other income	0	0	0
Financial income	0	0	0
Adjustment to financial assets	18,087	19,016	20,761
Doubtful debt provision	0	0	0
Exchange rate differences	304	(3,044)	312
Income/charges from sale of property, plant and equipment	0	0	0
Impairments on tangible & intangible assets	0	0	0
ECONOMIC VALUE DISTRIBUTED BY THE GROUP	280,759	271,984	311,664
Operating costs	165,522	168,715	197,508
Remuneration of collaborators	72,130	67,096	71,089
Paid to lenders	1,878	2,308	599
Remuneration of investors	31,563	37,005	31,569
Remuneration of the public sector	9,660	(3,390)	10,674
Charitable donations	0	250	225
ECONOMIC VALUE RETAINED BY THE GROUP	61,357	50,701	71,846

The table above highlights the calculation and distribution of the economic value directly generated and distributed by the Group as a whole.

Economic value represents the total wealth created by Zignago Vetro and subsequently distributed among its various stakeholders.

Specifically:

- Euro 71.1 million was distributed to employees through the payment of wages and salaries, social security contributions, remuneration and benefit programs;
- Euro 197.7 million was spent on operating costs (raw materials, costs for services, etc.).

We note that Zignago Vetro carried out various social and cultural initiatives during 2021 with regard to community investments.

However, there are other indicators that help to measure the Group’s ability to generate economic value, in particular:

• the Group’s operating margin (EBITDA) and return on equity (ROE), inasmuch as they give an indication of the business’ sustainability, of its current and future capacity to remunerate and hire human resources in the general social interest and of the degree of appreciation of its customers for the products it offers, their quality and the services associated with them;

• the distribution of dividends and the increase in Zignago Vetro’s share value. The Company is listed in the STAR segment of the Italian Stock Exchange. This means that, among the other shareholders, there are certain to be savers and general investors for whom the most immediate measure of value creation is the distribution of dividends and the appreciation of the company’s market value.

The tables and graphs below provide a measurement of the value creation indicators mentioned above.

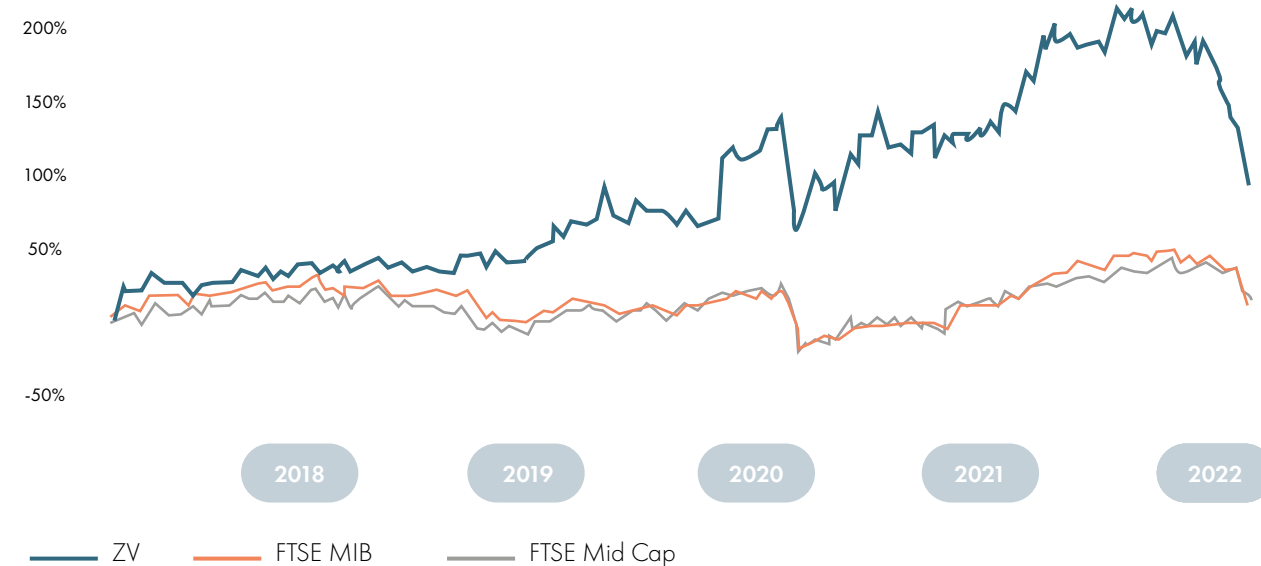
In 2021, Euro 31.6 million was distributed to shareholders in the form of dividends.

EBITDA and DIVIDENDS

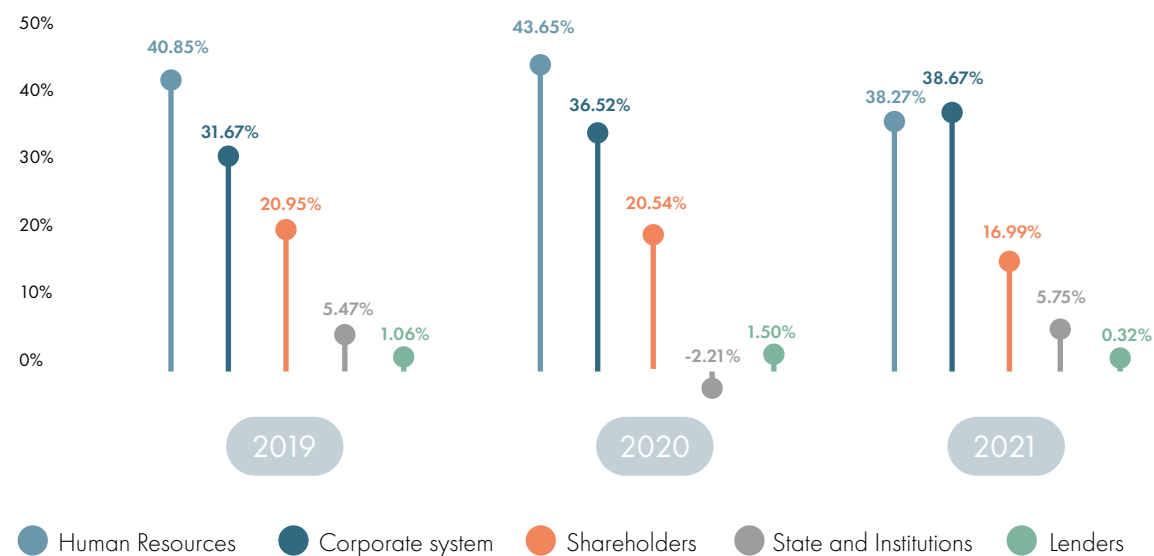




Zignago Vetrol share price trend in the last 5 years



Zignago Vetrol: distribution of economic value:



In Euro thousands	31/12/19 *	31/12/20 *	31/12/21 *
Net profit	53,053	45,556	60,019
Amortisation and depreciation	48,436	51,722	53,722
CASH FLOW	101,489	97,278	113,741
Change in working capital excluding change in Payables to suppliers of fixed assets	(20,623)	(5,737)	9,931
Change in provisions to other non-current assets	1,724	(6,172)	(3,674)
OPERATING CASH FLOW	82,590	85,369	119,998
Net investments	(66,101)	(47,240)	(83,823)
Change in Payables to suppliers of fixed assets	(14,078)	(688)	12,431
Cash flow investments	(80,179)	(47,928)	(71,392)
FREE CASH FLOW	2,411	37,441	46,606
Dividends	(31,569)	(37,005)	(31,569)
IFRS 16	(5,430)	(5,735)	(10,529)
IFRS 2	292	1,049	1,046
Investments	(500)	-	(2,915)
Treasury shares	-	-	-
Other changes	465	(1,533)	2,103
CHANGE IN NET FINANCIAL POSITION	(34,331)	(5,783)	6,647

*This figure is based on the Management View, which also includes Vetri Speciali and Vetreco.

For the definition of the management view and the reconciliation with the financial statements drawn up in accordance with IFRS, reference should be made to the Directors' Report at December 31, 2021

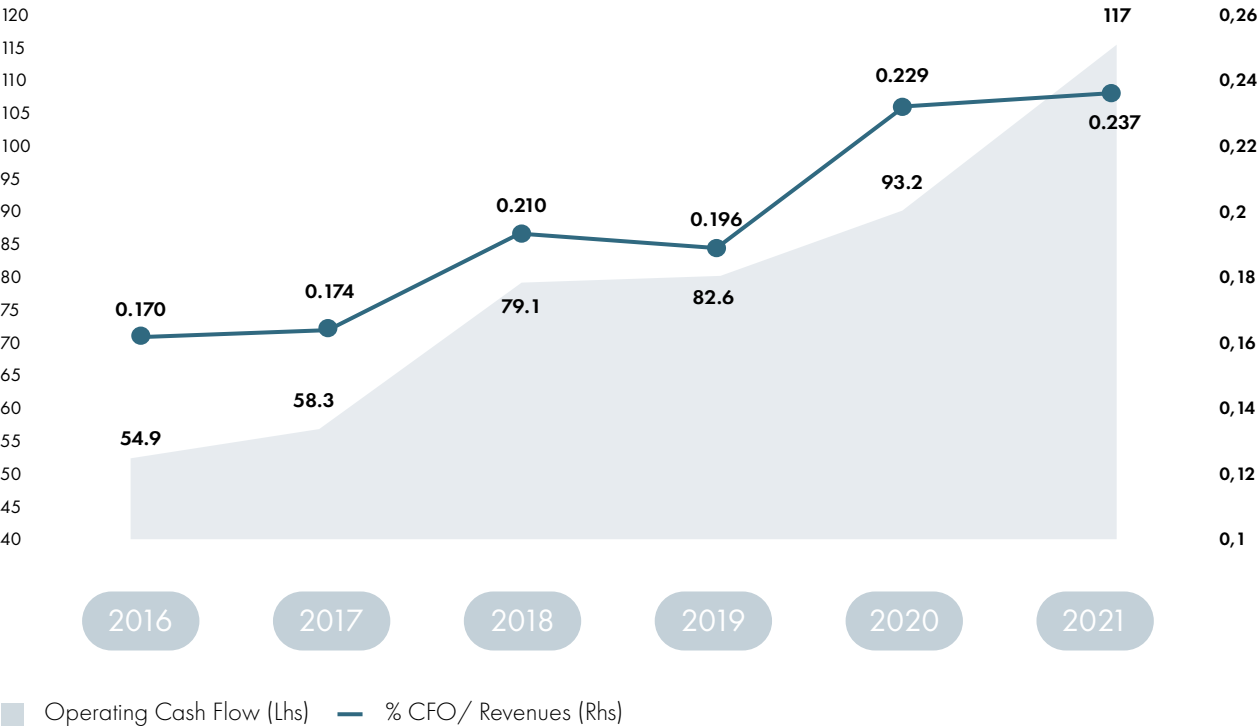


Over the years, the Group has generated an increasing flow of operating cash, which has been allocated to investment activities in order to ensure the Group’s future growth.

That being said, thanks to a significant ability to generate cash flows, Zignago Vetro has continued to pay dividends to its shareholders, in amounts that have been growing constantly, thereby guaranteeing good financial stability.

The graph below illustrates the Zignago Vetro Group’s operating cash generation over the last five years and its ratio to consolidated revenues. This cash flow is net of ordinary maintenance costs, and before investments in fixed assets and dividend distributions. The graph demonstrates that the Group is able to consistently generate a high and growing level of cash flow, such as to justify the investment programme undertaken.

Operating Cash Flow and Cash Conversion - Zignago Vetro Group



SDGs	MATERIAL TOPIC
	Governance structure
	Remuneration system
	The Internal Control and Risk Management System and compliance
	Tax transparency and the fight against corruption

10.3 Governance

10.3.1 GOVERNANCE STRUCTURE

The corporate governance structure of Zignago Vetro is a traditional system comprising of a Board of Directors and a Board of Statutory Auditors; an audit is undertaken by an independent audit firm in accordance with law. The Company, as much as possible in line with the recent regulations introduced and with the principles contained in the Self-Governance Code, has adopted the following governance structure:

- Shareholders’ Meeting;
- Board of Directors;
- Control and Risks Committee;
- Appointments and Remuneration Committee;
- Related Party Transactions Committee;
- Lead Independent Director;
- Board of Statutory Auditors;
- Independent Audit Firm;
- Supervisory Board;
- Executive Officer for Financial Reporting;
- Internal Audit Manager;
- Director in charge of the Internal Control and Risk Management System.

In addition to the below, please refer to the Corporate Governance and Ownership Structure Report at December 31, 2021.



SHAREHOLDERS' MEETING

The Shareholders' Meeting represents all of the shareholders and is called in accordance with the provisions of law and regulations for companies with listed shares to pass motions reserved for them by law or by the Company By-Laws.

The capital structure at December 31, 2021 was as follows:

Shareholder	% of Share Capital
Zignago Holding S.p.A.	65%
Other Shareholders	35%

At the date of the present Report, all of the Company's shares are nominative, freely transferable and indivisible and each - except where indicated below - has a right to one vote at the ordinary and extraordinary Shareholders' Meeting of the Company, as well as other equity and other administrative rights, in accordance with law and the applicable By-Laws.

In 2015, the Shareholders' Meeting of Zignago Vetro introduced multi-vote rights, as required and governed by Italian law, whereby against enrolment of the shareholder in the register kept by the Company in relation to a certain number of shares, and following the conclusion of the maintenance of these shares for a period of 24 months, the shareholder has double voting rights for all such shares. Subsequently, the company's Board of Directors approved the Regulations relating to the shares with multi-vote rights. In 2020 the company amended its By-Laws to bring them into line with legislative changes. Further details are available on the Company's website.

The introduction of multi-vote rights is intended to allow all shareholders who permanently hold shares in the Company - and who therefore express a view regarding medium to long-term investment - to influence the decisions of the Shareholders' Meeting. Therefore, any minority shareholder who intends to avail themselves of said rights can do so upon request pursuant to the relevant procedure and following the uninterrupted maintenance of shares for two years.

At December 31, 2021, the number of voting rights amounted to 145,280,000, of which 114,560,000 were for shares that have already acquired multi-voting rights.

BOARD OF DIRECTORS

The central role in planning the strategy of the company is attributed to the Board of Directors which, in accordance with Article 15 of the By-Laws is composed of between 5 and 15 members. The Shareholders' Meeting decides the number of members on the Board of Directors, their appointments within the above-mentioned limits and the duration of office, which cannot be more than three years. The offices held by the Directors appointed conclude on the date of the Shareholders' Meeting called for the approval of the financial statements of the final year of office and they may be re-elected.

The appointment of the Board of Directors occurs through the voting of slates, which allows the minority shareholders to elect at least one Director.

The minimum shareholding required for the presentation of the slate of candidates is 1% of the ordinary shares, or where otherwise established by Consob regulations, taking into consideration the capitalisation of the share float and of the share ownership of listed companies.

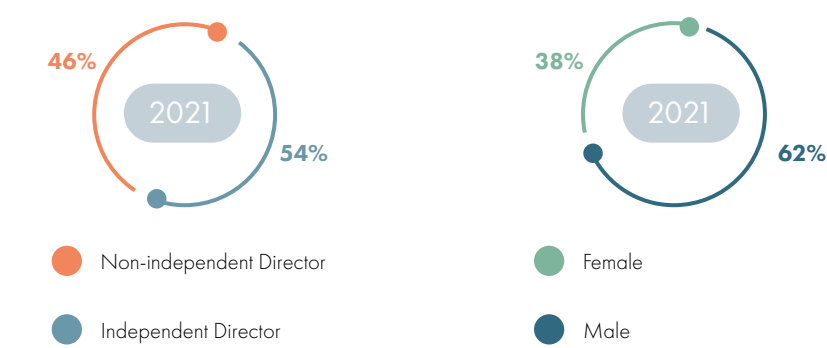
Each slate must indicate at least one independent candidate in possession of the necessary legal requisites, or two in the case of a Board of Directors which is composed of more than seven members.

The composition of the Board of Directors, elected on May 2, 2019, is shown below. Its mandate will end upon approval of the financial statements at December 31, 2021.

Name	Date of birth	<ul style="list-style-type: none"> Executive Non-Exec. Indep. Minority Slate 	Committee: <ul style="list-style-type: none"> Control Risks Appointments and Remuneration Related Parties 	Glass sector experience	Finance sector experience	BoD attendance in 2021	Offices held in other listed companies
Paolo Giacobbo	21.04.49	E	-	YES	YES	100%	-
Roberto Cardini	11.11.55	E	-	YES	YES	100%	-
Gaetano Marzotto	21.12.52	NE	-	YES	YES	100%	1
Stefano Marzotto	24.04.55	E	ARC	YES	YES	100%	-
Nicolò Marzotto	28.09.68	NE	-	YES	YES	100%	-
Luca Marzotto	09.01.71	NE	CRC	YES	YES	100%	1
Ferdinando Businaro	26.02.65	NE	-	YES	YES	100%	-
Alessia Antonelli	22.05.71	NE, I	CRC + RPT	-	-	100%	1
Giorgina Gallo	02.04.60	NE, I	CRC	-	YES	100%	2
Daniela Manzoni	08.02.69	NE, I	ARC	-	-	100%	-
Franco Moschetti	09.10.51	NE, I	ARC	-	YES	100%	4
Manuela Romei	15.02.43	NE, I	RP	-	-	100%	-
Barbara Ravera	21.01.75	NE, I, MS	RP	-	-	100%	-



Composition of the Board of Directors



On March 12, 2021, the Board of Directors of Zignago Vetro S.p.A. approved the “Board of Directors and Internal Committees Regulation” adopted pursuant to Recommendations 11 and 18 of the Corporate Governance Code.

The Board of Directors of Zignago Vetro S.p.A. has carried out a process of self-assessment regarding its composition and functioning in accordance with the recommendations of the Borsa Italiana’s Self-Governance Code, to which the Company adheres. Reference is also made to the letter dated December 21, 2018 sent by the Chairperson of the Corporate Governance Committee to all issuing companies.

The aim of this process was to evaluate the adequate composition and correct functioning of the Board of Directors and its Committees, as these conditions constitute a guarantee with regard to Company balance and stability, as well as a guarantee factor for stakeholders. As such, they represent a key element for generating value for shareholders in the medium-to-long term.

The Board of Directors has therefore assessed its performance with the aim of identifying potential areas of improvement, aimed not only at increasing the efficiency of the management body and committees as a whole, but also at encouraging company development by leveraging skills and professionalism.

With this in mind, the self-assessment process involved the following actions:

- ensuring an assessment of the correct and effective functioning and adequate composition of the Company’s Board of Directors and Committees;
 - the updating of internal regulations, which oversee the functioning of the aforementioned corporate bodies, in order to ensure their suitability in light of any changes that may occur to business activities and the operating context;
 - identification of areas for potential improvement in the Group’s governance bodies, promoting their discussion within the Board of Directors and its Committees;
 - the strengthening of collaboration and trust between individual members and between the strategic supervision and management departments;
 - the encouragement of the active participation of individual members and their contribution to debate among the Board, so that decisions taken by the Board may benefit from the contribution of the various professionals present within the body.
- The Self-Assessment Process was carried out with the following methodology:
- preliminary phase: information and data collection via specific questionnaires;
 - processing phase: analysis of responses and preparation of a summary report, including any suggestions;
 - process results preparation phase: general assessment summary carried out to identify Group governance improvement areas, and taking into account the

recommendations of the Borsa Italiana Corporate Governance Committee Chairperson in the aforementioned letter.

The Self-Assessment Process judged the following material topics adequately covered:

The size and composition of the Board of Directors in relation to the Company’s organisational structure and operations.	●
The competence and time availability of Non-Executive Directors and Independent Directors.	●
The workings of the Board of Directors and the Committees.	●
The adequacy and completeness of documentation and information to support board and committee meetings.	●
The information provided by delegated bodies for assessing ongoing operations and foreseeable developments, particularly those of greatest economic, financial and capital importance, as well as the general scenario of the sector in which the Company operates.	●
The timeliness and effectiveness of the communication of information to support board meetings.	●
The organisational, administrative and accounting structure of the Company, particularly concerning the Internal Control and Risk Management System and the management of conflicts of interest and related party transactions.	●
The various competences of Directors in relation to the risks to which the Company is exposed.	●

CONTROL AND RISKS COMMITTEE

The Control and Risks Committee is composed of three Non-Executive Directors, with sufficient accounting, financial and risk management experience, of which two are independent and have the duty, among others, to identify and evaluate the business issues and risks and carry out the consultative and prepositional functions required by the Self-Governance Code.

For the composition of the Committee, refer to the previous table.

REMUNERATION COMMITTEE

The Appointments and Remuneration Committee is composed of three Non-Executive Directors (of which two independent) with adequate knowledge and experience of finance and remuneration policies, and has the duty to formulate proposals with regard to the remuneration of Chief Executive Officers and those who hold particular offices.

For the composition of the Committee, refer to the previous table.

THE RELATED PARTY TRANSACTIONS COMMITTEE

In 2010, via a special Board of Directors motion, the Company established the Related Party Transactions Committee, which has a vital role in monitoring related party transactions and compliance with the aforementioned procedure. This Committee in fact has the duty to guarantee substantial correctness of the transactions with related parties, through the issue of an opinion on the interest of the company served through the specific transaction as well as the suitability and correctness of the conditions.

The Committee comprises Non-Executive Directors, all three of whom are considered independent in accordance with the Self-Governance Code.

On June 18, 2021, the Board of Directors of Zignago Vetro unanimously approved the “Related Party Transactions Policy”, which became effective on July 1, 2021.



LEAD INDEPENDENT DIRECTOR

As per Article 2 of the Self-Governance Code, the Company has designated a Lead Independent Director. The other Non-Executive Directors, and in particular the Independent Directors, report to the lead Independent Director, for a better contribution to the activities and the functioning of the Board of Directors.

BOARD OF STATUTORY AUDITORS

The Board of Statutory Auditors verifies, among other issues (i) compliance with law and the By-Laws, (ii) respect of the principles of correct administration and in particular on the adequacy of the organisational structure of the Company, of the internal control system as well as the administration and accounting structure and its ability to correctly represent the operational events and (iii) the method for establishing corporate governance regulations which the company declares it is in observance of.

The functions in accordance with law are reserved to the Statutory Auditors. In accordance with Article 20 of the By-Laws, the Board of Statutory Auditors consists of three Statutory Auditors and two Alternate Auditors, shareholders or non-shareholders. Each of the members of the Board of Statutory Auditors must possess the honourability and professionalism requisites and be independent in accordance with law.

The appointment of a Statutory Auditor and an Alternate Auditor, in accordance with the By-Laws (Article 20), is reserved for the minority slate of Shareholders with a minimum holding of at least 1% of ordinary shares or an alternative amount established by Consob, taking account of the capitalisation and Shareholder structure of listed companies.

The Statutory Auditor elected by the minority slate is elected the Chairperson of the Board of Statutory Auditors.

At December 31, 2021, the Board of Statutory Auditors was composed as follows:

Name	Office
Alberta Gervasio	Chairperson
Andrea Manetti	Statutory Auditor
Carlo Pesce	Statutory Auditor
Chiara Bedei	Alternate Auditor
Cesare Conti	Alternate Auditor

INDEPENDENT AUDITORS

The legally-required audit is carried out by an independent audit firm in accordance with applicable regulations, appointed by the Shareholders` Meeting on the reasoned proposal of the Board of Statutory Auditors.

The independent auditors who carry out the audit of Zignago Vetro also carry out the audit of the subsidiary companies.

SUPERVISORY BOARD

The Supervisory Board (SB) is appointed by the Board of Directors and is responsible for ensuring the Organisation, Management and Control Models pursuant to Legislative Decree No. 231/2001 is adequate and efficient, effective and updated.

At December 31, 2021, the Supervisory Board was composed as follows:

Name	Office
Alessandro Bentsik	Chairperson SB
Massimiliano Agnetti	Member
Nicola Campana	Member

EXECUTIVE OFFICER FOR FINANCIAL REPORTING

The Executive Officer for Financial Reporting, among other matters, is responsible for implementing adequate administrative and accounting procedures for the preparation of the parent company accounts, the consolidated financial statements and all other financial documents, certifying, together with the appointed boards, the adequacy and application of these procedures and that the accounting information including interim reports correspond to the underlying accounting documents, records and accounting entries.

INTERNAL AUDIT MANAGER

The Internal Audit Manager is charged with, among other issues, establishing that the Internal Control and Risk Management System is functional and adequate, in addition to verifying the functionality and appropriateness of the Internal Control and Risk Management System.

DIRECTOR IN CHARGE OF THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM (PREVIOUSLY CALLED THE EXECUTIVE RESPONSIBLE FOR THE INTERNAL CONTROL SYSTEM).

The Director in charge of the Internal Control and Risk Management System ensures the correct functioning of the internal control system, and among other matters, proposes to the Board of Directors the appointment and revocation of the Internal Audit Manager position, identifying the principal company risks and implementing the guidelines outlined by the Board of Directors.

He/she may also request the Internal Audit Manager to carry out verifications on the specific operating areas and on compliance with the internal rules and procedures and reports promptly to the Control and Risks Committee (or the Board of Directors) in relation to problem issues emerging in the course of their activities or which they have however become aware of in carrying out their duties.

10.3.2 REMUNERATION SYSTEM

Performance-related pay	●
Medium- to long-term performance-related pay	●
Stock option plans (and similar)	●
ESG performance-related pay	●

PERFORMANCE-RELATED PAY

The remuneration policy of the Company both recognises the contribution of Directors and personnel through a remuneration policy based in part on the reaching of company and individual performance objectives and also seeks to ensure the retention of Directors and strategic personnel.

The remuneration of Executive Directors, Senior Executives, other Executives and a significant portion of company managers is made up of a fixed component and a variable performance-related component, which are suitably balanced according to the Group companies` strategic objectives, risk management policy and specific sector.

The fixed component of this remuneration should sufficiently remunerate the level of professional service of the beneficiary where the variable component was not paid due to the performance objectives not being met, indicated by the Board of Directors for the Executive Directors, or by the Chief Executive Officer for Executives and Senior Managers. With reference to the variable components, the remuneration policy of the Company ensures that a significant part of the remuneration of Executive Directors and Senior Executives is incentive-based, subject to the achievement of company and individual performance objectives.

On this basis the appointments and remuneration committee drew up the proposal for the structure of the remuneration of Directors and Senior Executives of the Company for the years 2019-2021. The Board of Directors approved the remuneration policy of the directors of the Company, in line with the proposal of the Appointments and Remuneration Committee, related to the economic results of the Group and/or the achievement of specific particularly challenging objectives indicated by the Board of Directors or, in the case of Senior Executives, Executives and Senior Managers, by the Chief Executive Officer and is subject to the reaching of objectives, measured on the basis of economic-financial indicators for the Group, including revenues, EBITDA, EBIT and ROI.



MEDIUM - TO LONG-TERM
PERFORMANCE-RELATED PAY

In 2016, the Company introduced performance-related pay linked to the achievement of medium/long-term objectives in order to:

- adopt a motivation and engagement instrument, linking the remuneration of Top Management to the medium/long-term performance;
- align managerial goals with the interests of shareholders, in line with best practice for listed companies and the Self-Governance Code;
- introduce an ongoing remuneration package component which is currently absent, which is:
 - frequently used by the market and appreciated by stakeholders (investors, proxy advisors);
 - effective in terms of retention and attraction.

The incentive-based remuneration plans adopted to date have constituted an incentive and loyalty-building tool which, within the framework of Zignago Vetro’s remuneration policy, has strongly contributed to the Group’s results and have resulted in a contribution to the Beneficiaries following the positive results achieved.

STOCK OPTION PLANS

On March 13, 2019, the Board of Directors, upon conclusion of the 2016-2018 performance-related pay remuneration period, on the proposal of the Appointments and Remuneration Committee, and with the favourable opinion of the Board of Statutory Auditors, approved the proposal to the Shareholders’ Meeting of the stock options plan addressed to Directors and Senior Executives, linked to share value increases on the electronic stock market, and entitled “The Long-term Monetary Incentive Plan 2019-2021”.

The Plan provided for the assignment to beneficiaries, identified by the Board of Directors on the proposal of the Appointments and Remuneration Committee, of options to subscribe or purchase Issuer shares in accordance with the Plan’s terms and conditions. At the same meeting held on March 13, 2019, the Board of Directors, on the proposal of the Appointments and Remuneration Committee, resolved to issue a number of options equal to 1.5% of the capital of the Issuer, corresponding to 1,320,000 shares.

The Zignago Vetro Shareholders’ Meeting, held on May 2, 2019, approved the aforementioned stock option plan.

On December 15, 2021, the Board of Directors of Zignago Vetro verified that the binding condition for the achievement of the plan had been met, and on January 3, 2022, options with subscription rights were granted to each Beneficiary.

For the next three-year period 2022-2024, the Company plans to develop a further incentive plan, inspired by the same principles, to be submitted for approval to the next Shareholders’ Meeting.

ESG PERFORMANCE-RELATED PAY

Finally, from 2020, the Company has linked a significant component of performance-related pay remuneration to the achievement of specific sustainability objectives, drawn from the formalised system of ESG objectives adopted by Zignago Vetro.

The results achieved in 2021 met 97% of the objectives set.

PERFORMANCE-RELATED PAY KPIs		2019	2020	2021	Δ% 21/20	2021 Goal	2022 Goal	Strategic goal 2030
% of Executives with bonuses linked to the achievement of ESG objectives	%	100%	100%	100%	-	100%	100%	100%

10.3.3 THE INTERNAL CONTROL AND RISK
MANAGEMENT SYSTEM AND COMPLIANCE

Code of Ethics	●	The Internal Control and Risk Management System concerns the set of rules, procedures and organisational structures which enable the identification, measurement, management and monitoring of the principal risks. Zignago Vetro S.p.A. has adopted an Internal Control and Risk Management System (hereafter “ICRMS”) which ensures an adequate management of the Company’s risk exposure, not just ensuring correct management of the business, but also the achievement of the strategic objectives identified. In particular the ICRMS, integrated into the more general organisational and corporate governance structures adopted by the Company, oversees the propriety of corporate transactions, promoting efficiency and efficacy of processes, the reliability of financial information, compliance with law and regulations, in addition to the By-Laws and the internal procedures, and guarantees and safeguards the capital base and the value generated by operations. On the basis of these principles, the Board of Directors, also to incorporate the amendments introduced by the 2020 Corporate Governance Code (previously the Self-Governance Code) and to update its model to changing operating conditions and to the altered external environment, approved, with the support of the Control and Risks Committee and the Director in charge of the Internal Control and Risk Management System, the ICRMS Guidelines. In relation to the various actors involved in the controls mechanism, the ICRMS guidelines describe in detail the respective duties and responsibilities. In particular, the set of skills and relative functions is based on the profiling of the following bodies/parties: - the Board of Directors, which directs and assesses of the System’s adequacy; - the Director in charge of the Internal Control and Risk Management System, who oversees the functioning and adequacy of the System, identifies and manages the principal corporate risks, and taking into account the characteristics of the activities carried out by the Company, implements the guidelines drawn up by the Board of Directors, overseeing the design, implementation and management of the ICRMS and verifying its adequacy and efficacy on an ongoing basis;
Adequacy of the organisational structure	●	
Adequate system of powers and duties	●	
Adequacy of the system for setting objectives, budgeting, management control and reporting	●	
Adequacy of the internal communications system	●	
Adequacy of the system of corporate operating procedures	●	
Adequacy of IT systems	●	
Protection of personal data and privacy	●	
Organisational Model 231/01	●	
Adequacy of the Financial Reporting Accounting Control Model (as per Legislative Decree No. 262/2005)	●	
Safety, Environment and Quality Management Model	●	
System for the management and protection of privileged information and internal dealing	●	
Director in charge of the Internal Control and Risk Management System	●	
Internal Audit Manager	●	
Related Party Transactions Policy	●	
System for combatting active and passive corruption	●	
Whistleblowing	●	



- the Control and Risks Committee, with the duty to support the assessments and the decisions of the Board of Directors concerning the Internal Control and Risk Management System;

- the Internal Audit Manager, appointed to verify that the Internal Control and Risk Management System is adequate and operational;

- the Board of Statutory Auditors, which oversees the efficacy of the Internal Control and Risk Management System;

- the Supervisory Board, which guarantees the adequacy of the Organisation and Management Model as per Legislative Decree No. 231/2001, oversees its observance, promotes initiatives for the formation and circulation of the model and periodically informs the Control and Risks Committee and the Board of Directors of any issues encountered, identifying the corrective actions to be undertaken.

In relation to the involvement of the boards and employees in the organisation of the ICRMS, duties and responsibilities are segregated among the separate organisational units or within them, with a distinct separation between the roles of risk management, allocated to the Risk Owners of the various departmental units, and those of risk controllers. Specifically, the monitoring of the correct and effective functioning of the internal control system and the follow up actions required is based on three levels of control:

- first level controls: directed to ensure the correct management of corporate processes. In this regard, the operating units identify and evaluate risks and define specific mitigation actions.

- second-level controls: directed to verify that the first level controls are operative and appropriate to prevent risks. In relation to these categories, the functions proposed for the control of risks define methods and instruments for the management of risks (recording, assessment and monitoring of risks);

- third-level controls: comprise verifications carried out on the design and functioning of the Internal Control and Risk Management System and on the monitoring of the execution of the improvement plans drawn up by management. This category of controls was undertaken by an independent corporate function.

The ICRMS structure defined through these guidelines is structured on the major international models, in particular those established in accordance with Enterprise Risk Management (ERM) and according to a structured analysis and prioritisation of principal risks in the areas of greatest exposure, identified as the strategic, operative, financial and regulatory compliance level and seeks to ensure a unified approach and in line with the operating strategies. This approach, which further identifies and evaluates risks, the control measures and the relative action plans, was undertaken on the basis of the professional experience developed over the years by individuals involved in corporate risk management and however considering the following aspects:

- the nature and level of risk compatible with the strategic objectives of the Company;

- the organisational structure in place;

- the mapping of the risk areas as per Legislative Decree No. 231/2001;

- the analysis of significant processes in relation to control risks and objectives related to administrative-financial disclosure in accordance with Law 262/2005.

In relation to the method to identify and measure risks, the process was developed considering the organisational structure and the businesses of the Company and classifying the risks relating to each, thereafter assessing them through combining the parameters concerning frequency/probability and the gravity of consequences. The risk evaluation analysis and measurement was preliminarily focused on the potential exposure to risk in the absence of any mitigation action, and subsequently focused on the level of "residual" risk, considering the existing controls to subsequently draw up any improvement actions. The principal elements upon which the internal control system of the Company is based are as follows:

The Code of Ethics – in February 2008, the Company adopted a Code of Ethics, in line with best international practice, which sets out the principles and founding ethical values of the Company, as well as the conduct regulations and legislation. The Code of Ethics, which is an integral part of the Organisation, Management and Control Model as per Legislative Decree No. 231/01, is binding for the conduct of Directors, employees and all collaborators of

the company. A specific procedure for the recording of potential violations of the Code of Ethics and 231 Model was set up. The new version of the Code of Ethics is dated July 2021 and incorporates the changes made to the 231 Model with the new version approved by the Board of Directors during the same period.

Organisational structure – The general organisational structure and the appointment of Executives and of their principal operating roles was drawn up by the Chief Executive Officer. The Board of Directors is systematically informed in relation to principal organisational amendments.

Powers and delegations – on May 2, 2019 and October 23, 2020, the Board of Directors attributed powers to management.

The principal conditions adopted for achieving the strategic and operational objectives, as well as the monitoring of the efficacy and efficiency of the activities and the safeguarding of the company's assets, are as follows:

- Drawing up of objectives, budgets, reporting and management control – the Company operates a structured system for the definition of corporate objectives (strategic and operational), for the development of annual budgets, of their interim review, of the monitoring and analysis of the variance between objectives and performance, through a structured system of management control and reporting.

- Internal communication – a system of internal communication which is structured to facilitate and promote the communication of significant information to specific parties within the Company and the Group is operational.

- System of operational procedures – For the correct application of corporate directives and the reduction of risks related to the reaching of corporate objectives, the Company has put in place an ISO procedure which regulates internal processes, governing both the activities carried out within departments and relations with other entities.

- Information Systems – Almost all of the corporate information processes, both operational and accounting and financial, are facilitated by an IT system, based on highly integrated software packages. Since the beginning

of 2019, Zignago Vetro has used the SAP management system, with highly integrated modules that guarantee the maximum congruity, completeness and protection of company information and data. This management system is also currently being implemented in the other Group companies.

- The use of the systems is governed by internal procedures which guarantee security, privacy and correct utilisation by users.

- The availability of data when required is guaranteed by an abundant hardware and software infrastructure.

- Data security and privacy - the confidentiality of data and information is primarily guaranteed through a segregation system based on user profiles and permissions. Security is guaranteed by a hardware and software infrastructure designed with the necessary remit in mind and subject to constant maintenance and undergoing periodic tests.

The platforms and the applications utilised are integrated in order to minimise the introduction of multiple data sets and to render automatic the process flows. The services are supplied by outsourcers.

The principal guides for the achievement of conformity with law and applicable regulations (compliance) and for correct and transparent disclosure to the market are the following:

- Organisational model as per legislative decree 231/01 – in March 2008 the Company approved the Organisational model in accordance with legislative decree 231/01, in order to avoid the possibility of the commission of significant offences under the decree and consequently by the administrative of the Company. The Model adopted provides for an organisational structure, a system of procedures and delegations, general principles, rules of conduct, instruments of control and organisational procedure, as well as training activity and information and a disciplinary system, drawn up in order to ensure the prevention of the commission of offences. The Board of Directors appointed a Supervisory Board, which was entrusted with the duties of monitoring the correct functioning of the Model and its development and reports to the Board of Directors and Board of Statutory Auditors on a half-yearly basis.

The model is continuously updated, with the latest version approved by the Board of Directors on July 29, 2021.



- Model of accounting control as per law 262/2005 in relation to financial disclosure

– In compliance with the above-stated law on the protection of savings, the Company adopted a model for the management of administrative and accounting procedures, for the drawing up of financial and accounting control communications, as well as management regulations, periodic verification and the declaration of adequacy of the model, attributing the responsibility within the organisation in particular to the Executive Officer for Financial Reporting. In particular, the model seeks to provide the reasonable certainty that accounting disclosure is provided to users with a true and correct representation of the facts, and corresponding to the documented results, the books and accounting entries and communications of the company provided to the market.

- **Security, environment and quality** – the Company has adopted a system of organisational structures and procedures dedicated to the management of security of data (which also fulfils the privacy regulation), the protection of the environment, security of plants and personnel and the quality of service provided. The Evaluation Document of Risks is constantly monitored and updated.

- **Confidential information and insider dealing** – The Company has adopted a procedural system for internal management and external communication of confidential information, consistent with the requirements introduced by the EU directive in relation to market abuse. For further information, refer to the section of the Corporate Governance and Ownership Structure Report at December 31, 2021.

Considering the activities carried out by the Control and Risks Committee, by the Supervisory Board, the contribution of the Board of Statutory Auditors, management, the Executive Director appointed to oversee the internal control system, the Internal Audit Manager and the Executive Officer for Financial Reporting, the Board of Directors considers the system of internal control adequate and effective.

Director in charge of the Internal Control and Risk Management System - In order to implement a rigorous internal control system, the Board of Directors, on the proposal of the Chairperson of the Control and Risks Committee, Ms. Antonelli, appointed Mr. Roberto Cardini as Executive Director to oversee the functioning of the

control system. The Board of Directors has assigned functions indicated by the Corporate Governance Code to the Director in charge of the Internal Control and Risk Management System.

The Director in charge of the Internal Control and Risk Management System:

a) identifies the main business risks, taking into account the characteristics of the activities undertaken by the Issuer and by its subsidiaries, and periodically presents them for examination to the Board of Directors;

b) implements the guidelines defined by the Board, and supervises the planning, realisation and management of the Internal Control and Risk Management System, constantly verifying its adequacy and efficiency;

c) adapts the system to the operating conditions and the regulatory and legislative environment;

d) may request that the Internal Audit function undertake verifications on specific operational areas and on the compliance of internal procedures and rules in the execution of business transactions, simultaneously communicating such to the Chairperson of the Board of Directors, the Chairperson of the Control and Risks Committee and to the Chairperson of the Board of Statutory Auditors;

e) reports promptly to the Control and Risks Committee (or to the Board of Directors) with regard to problems and critical issues emerging during the execution of their activities or of which they have become aware, so as to ensure that the Committee (or the Board) may take appropriate initiatives.

Internal Audit Manager - since December 2014, the Internal Audit function has outsourced to Mr. Alessandro Bentsik, previously Chairperson of the Supervisory Board, the verification, on an ongoing basis and in relation to the specific requirements, the operational viability and suitability of the Internal Control and Risk Management System, through an audit plan, approved by the Board of Directors, with the prior approval of the Control and Risks Committee and the Board of Statutory Auditors. The audit plan constitutes a defined though not rigid operating instrument, verifying that the Internal Control and Risk Management System of the Company is functional and adequate, in accordance with Article 6, Recommendation 36 of the Corporate Governance Code. Its flexibility

guarantees the appropriateness of the Plan to quickly incorporate any amendments considered necessary during the year.

The appointment was made on the proposal of the Director in charge of the Internal Control and Risk Management System, with the prior approval of the Control and Risks Committee and the Board of Statutory Auditors.

The Internal Audit Manager reports to the Control and Risks Committee, to the Board of Statutory Auditors and to the Director in charge of the Internal Control and Risk Management System.

He is not responsible for any operational area of the Issuer. In carrying out his/her duties, he/she has direct access to all useful information for the discharge of office and reports exclusively to the Control and Risks Committee.

In 2021, the previously appointed Internal Audit Manager reported periodically on activities to the Control and Risks Committee, to the Chairperson of the Board of Statutory Auditors, to the Chairperson of the Board of Directors and to the Director in charge of the Internal Control and Risk Management System.

During the year, the Internal Audit Manager supported the activities of the Control and Risks Committee.

Related party transactions policy - the Company has adopted a specific procedure for the management of transactions with related parties, in compliance with the new regulatory provisions introduced by the Consob Commission.

The most significant aspects of the new procedure include:

- “related party transactions” are classified as transactions of significant value (concerning transactions exceeding thresholds established by Consob), of insignificant value (those of a value which *prima facie* do not pose significant risk for investor interests and therefore excluded from the application of the new procedure) and those of intermediate value (a residual category comprising transactions with related parties not covered by the first two categories);

- the transparency and market communication regulations are more stringent in relation to significant transactions, requiring publication of a disclosure document;

- the procedural regulations which establish the involvement of the Related Party Transactions Committee for the transaction approval procedure.

As required by the reference legislation, following approval by the Related Party Transactions Committee, in June 2021 the Company’s Board of Directors approved the new Regulation and the new Procedure for the Management of Transactions with Related Parties, verifying their compliance with the legislative provisions.

At the date of this Report, the Committee is composed of:

- **Manuela Romei (Independent)**

- **Alessia Antonelli (Independent);**

- **Barbara Ravera (Independent).**

Considering that no significant events or changes to the shareholder structure have taken place since adoption of the procedure which governs related party transactions, and that the procedure has been demonstrated as effective, no changes have been made by the Company to the procedure.

Topics relating to combating active and passive corruption - Zignago Vetro S.p.A. has formalised and adopted an Organisation, Management and Control Model pursuant to Legislative Decree No. 231/2001. The model analyses and identifies risk areas and control measures to prevent the commission of corruption offences, as per Articles 24 et seq. of Legislative Decree No. 231/2001. In compliance with legislation regarding the administrative responsibility of entities, the Organisational Model adopted by the Company establishes the specific commitment to respect the principles of Legislative Decree No. 231/2001 and of the Code of Ethics, which complies with the Organisational Model.

The Code of Ethics clearly defines a set of values that Zignago Vetro recognises and shares and which it considers essential for the proper conduct of business and Company activities, under the consideration that it can raise awareness and constitutes a guide for all parties that work for and with the company, as well as an integral part of the Organisation, Management and Control model, as envisaged by Article 6 of Legislative Decree No. 231/2001 concerning the administrative liability of legal persons. Zignago Vetro, in its annual audit plan, provides for an analysis of the efficiency of the management and organisational mechanisms adopted to prevent conduct in violation of the regulatory provisions and to the detriment of the Company.



Whistleblowing

Zignago Vetro S.p.A. has adopted an organisational whistleblowing system targeted at reporting incidences of legal non-compliance and fraud against the interests of the Company.

This system came into operation in 2019. Any alleged violation is reported to the Supervisory Board or the Board of Statutory Auditors. In 2021 the policy was updated on the basis of the changes made to the 231 Model and the Code of Ethics.

Below are the main KPIs concerning the Group’s ethical conduct:

ETHICS KPIs		2019	2020	2021	Δ% 21/20	2021 Goal	2022 Goal	Strategic goal 2030
% of operating sites subject to audit by the Supervisory Board	%	100%	100%	100%	-	100%	100%	100%
Rulings against ZVG for corruption or bribery	No.	0	0	0	-	0	0	0
Rulings against ZVG for conflict of interest	No.	0	0	0	-	0	0	0
Rulings against ZVG for fraud	No.	0	0	0	-	0	0	0
Rulings against ZVG for money laundering	No.	0	0	0	-	0	0	0
Rulings against ZVG for anti-competitive practices	No.	0	0	0	-	0	0	0
Rulings against ZVG for breach of information security	No.	0	0	0	-	0	0	0
Rulings against ZVG for other ethics violations	No.	0	0	0	-	0	0	0
Whistleblowing reports	No.	0	0	0	-	0	0	0

10.3.4 TAX TRANSPARENCY AND ANTI-CORRUPTION MEASURES

The Group operates according to the principles of utmost fiscal correctness.

None of the tax audits of Group companies gave rise to significant observations by the auditors.

Regarding relations between Group companies, Zignago Vetro has adopted a formalised protocol, as per current legislation, to regulate transactions between Group companies according to the principles of maximum objectivity and transparency.

Tax data are subject to double control by the independent audit firm and the tax consultants appointed by the Group companies.

During 2021, Zignago Vetro S.p.A. was not audited by any fiscal control entities.

Tax penalties

2019	2020	2021
None	None	None

Outstanding tax liabilities

2019	2020	2021
None	None	None





10.3.5 ADDITIONS/UPDATES TO SUSTAINABILITY POLICIES IN THE ZIGNAGO VETRO GROUP'S CORPORATE GOVERNANCE

On July 29, 2021, the Board of Directors of Zignago Vetro S.p.A. approved the new version of the 231 Model, which incorporates regulatory updates that were approved after the Model was last reviewed on July 19, 2019. The main issues that highlighted, analysed and recognised are:

- corruption and abuse of office;
- smuggling and anti-competitive practices;
- cyber security;
- new tax offences;
- attention to climate change and all major environmental challenges;
- the promotion of and respect for all universally recognised human rights;
- freedom of association for workers and recognition of the right to collective bargaining;
- absolute commitment to avoiding any injuries involving employees or external collaborators operating within the scope of the Company;
- commitment through compliance with the system of labour standards, regulations, and agreements targeted at ensuring a basic living wage that ensures acceptable living conditions for all workers and promotes opportunities for women and men, in order to achieve decent and productive work, in conditions of freedom, fairness, safety, and dignity;
- commitment to guarantee the right of workers' associations, collective and individual bargaining, respect for the maximum number of working hours per day, week and month;
- prohibition of child labour in all its forms;
- commitment to opposing all forms of discrimination;
- prohibition of corporal punishment and similar disciplinary practices;
- prohibition of forced labour in all its forms;
- promotion, insertion and integration into working life of people belonging to protected categories;
- prohibition of making contributions and/or grants to organisations with which there may be conflicting interests or to associations that carry out activities or play important roles in determining national and international policy.

The aforementioned changes made to the 231 Model necessitated an update to the Code of Ethics for all Group

Companies on the same date, bringing it into line and making it compatible with the various national regulations. In line with full inclusion of ESG principles in the Business Model and with the period review of Corporate Governance, in 2021 a decision was taken to add to, update or review the main policies concerning Zignago Vetro's relations and engagement with its main stakeholders. For many of these relationships it was simply a case of including in a document the natural and continual development of sustainability issues, particularly concerning the many relationships inside and outside the Group. Similarly, a new document was drafted which in some cases merely formalised internal practices, rules and structures already in existence, while in other cases the new document was drafted to formalise and institutionalise new types of practice.

The policies are:

- **ESG Policy;**
- **Business Conduct Policy;**
- **Supplier Code of Conduct;**
- **Whistleblower Policy;**
- **Human Rights Policy;**
- **Supplier Diversity Policy;**
- **Data Privacy and Security Policy;**
- **Conflict Minerals Policy;**
- **Green Procurement Policy.**

Also in 2021, all sustainability principles were integrated at all levels into the Group's Corporate Governance.

ESG Policy

Written at the start of 2020, this was approved by the ESG Committee and the Board of Directors in 2021, and was

integrated into the policy on the variable performance-related pay system linked to specific, objective ESG parameters. The ESG Policy includes the system of rules, practices, obligations and roles that make up Zignago Vetro's ESG framework and its commitment towards all stakeholders.

Business Conduct Policy

The Zignago Vetro Group's corporate objective is to satisfy its customers and meet the expectations of all the stakeholders. It achieves these goals by creating products that satisfy all regulatory, legal, safety and standards requirements, and which are produced sustainably and in compliance with the ethical principles that the Company has adopted.

Specifically, through its various companies, the Zignago Vetro Group undertakes to:

- respect all applicable laws, corporate policies and guidelines, in addition to all those external regulations to which the Group subscribes;
- create a collaborative, inclusive and socially sustainable working environment that respects the international regulations and conventions regarding the recognition, promotion, development and exchange of professionalism and knowledge, whether individual or collective, through management that is based on the principles of fairness, merit, integrity, equal opportunities and respect, and which serves to promote and protect its employees;
- operate in respect of the global ethical principles that protect the interests and rights of all its stakeholders;
- guarantee the efficacy, efficiency and transparency of its management systems by implementing procedures, operational instructions, programmes and tools that enable the promotion and monitoring of those activities designed to help the Group achieve the goals it has identified;
- through periodic internal audits, risk and opportunity assessments and management reviews, constantly verify that the principles and specific objectives it has identified are

achieved as planned, and that continuous improvement is pursued;

- circulate this Policy, ensure that it is understood and applied at every level and that it is available to all stakeholders.

Supplier Code of Conduct

This is the document that details the many relations and policies involving suppliers. Zignago Vetro asks its suppliers to comply both directly and indirectly with the United Nations Universal Declaration of Human Rights and, in line with global best practice, to other sources and guidelines that govern the principles of legality, sustainability, fairness, equality and transparency. The latest version was approved by the ESG Committee and the Board of Directors in 2021.

Whistleblower Policy

Through the Whistleblower Policy, Zignago Vetro and the Group Companies, in line with international Best Practices, undertake to encourage and protect employees who disclose any cases of fraudulent behaviour discovered in the course of their work and professional activities. The Group commits with its stakeholders to the highest integrity and fairness in business management, in order to cultivate a corporate culture in which all employees are able to report serious negligence or fraudulent behaviour without fear of repercussions. All this comes in the awareness that employees who make correct use of the Whistleblowing procedure help the Group to better protect and manage its reputational risks and to preserve its long-term value.

It was approved by the ESG Committee and the Board of Directors in 2021.

Human Rights Policy

In line with the decision to accede to the United Nations Global Compact and convinced that all companies have a profound responsibility regarding respect for human rights, Zignago Vetro has adopted a Human Rights Policy.



Following the recommendations of the United Nations and within the international and national frame of reference, the aim of the Zignago Vetro’s Human Rights Policy is to apply these principles to its business, all company activities, its stakeholders and subsidiaries.
The latest version was approved by the ESG Committee and the Board of Directors in 2021.

Supplier Diversity Policy

Through the Supplier Diversity Policy Zignago Vetro undertakes to promote and support a culture of equal opportunity. The Supplier Diversity Policy is designed to promote a working environment that protects all types of diversity and, at the same time, to reject any form of direct or indirect discrimination. Specifically, Zignago Vetro’s Supplier Diversity Policy seeks to actively promote and support through professional relationships companies that are run by women, and those with excellent performance in terms of gender, disability, interculturality and the presence of different generations. Final approval by ESG Committee and Board of Directors in 2021.

Data Privacy and Security Policy

Aware of the importance and the critical nature of security and data protection, Zignago Vetro has decided to put in place a policy committing it to constantly improve the management of sensitive information.
In terms of methodology, Zignago Vetro has opted to manage data privacy and data security separately.
- data privacy relates to the collection, management and storage of data;
- data security focuses on protecting data from external and internal threats.
This Policy is subject to continuous attention and revision to adapt it to the evolution of the risks over time: the most recent revision was made by the ESG Committee and the Board of Directors in late 2021.

Conflict Minerals Policy

The Conflict Minerals Policy was adopted by Zignago Vetro to bring its supply chain into line with Regulation (EU) 2017/821 and the US legislation banning the import of various types of minerals and raw materials from war zones and high-risk zones. Specifically, the policy focuses on tin, tantalum, tungsten and gold that, for both Zignago Vetro and its suppliers, must not come from conflict areas but solely from responsible sources. The latest version was approved by the ESG Committee and the Board of Directors in 2021.

Green Procurement Policy

With the approval of the ESG Committee and the Board of Directors, in 2021 Zignago Vetro adopted a Green Procurement Policy in view of its firm commitment to the need and responsibility to purchase products, materials and services that maximise environmental and health protection. The Company intends to address the purchase of sustainable materials and services both internally and within the scope of the inputs used for its products and their packaging. The objective of this Policy is three-fold: environmental, social and financial and, above all, seeks to be consistent with circular nature that is a feature of glass and its products. The purpose of this Policy is:

- ensure commitment and willingness to purchasing products, materials, and services that protect the environment and health;
- integrate the relevant procedures into the Company’s work and all business dealings;
- seek best practices in the purchase of sustainable raw materials.

10.3.6 TAXONOMY

The Regulation of the European Parliament No. 2020/852 of June 18, 2020 introduces the requirement for non-financial companies to report the share of their turnover coming from products and services associated with economic activities considered environmentally sustainable in accordance with Articles 3 and 9 of the same Regulation, in addition to the share of their capital expenditure and their operating expenditure relating to assets or processes associated with economic activities considered environmentally sustainable in accordance with the aforementioned Articles.

Specifically, the aforementioned Regulation considers economic activities that can be considered environmentally sustainable as those that are able to pursue the following objectives:

- climate change mitigation;
- climate change adaptation;
- sustainable use and protection of water and marine resources;
- transition to a circular economy;
- pollution prevention and control;

- protection and restoration of biodiversity and ecosystems.
For the business sectors in which the Group operates, however, as of the date of preparation of this Sustainability Report, the EU has not yet regulated the taxonomy referring to these sectors (NACE Code).

It is therefore difficult to interpret what is required by the aforementioned Regulations.
As for the year 2021 the Regulation requires information to be reported only in relation to the “eligibility” of the first two objectives (mitigation of and adaptation to climate change), the sectors in which the group operates are not yet included in the NACE codes referring to these objectives. Consequently, the revenue associated with them is nil. Similarly, investments (capex) and operating expenses (opex) aimed at continuous improvements in climate change and the use of resources (energy, water, etc.) are also attributable to the same considerations made for turnover.

10.3.7 GRI 207

Zignago Vetro operates in the production and marketing of high-quality hollow glass containers. The Group has production sites in 3 European countries (Italy, France and Poland) and has a commercial subsidiary on the American continent. As a multinational Group, it contributes to the economies of the various countries in which it operates. The Group’s global fiscal contribution includes various types of tax, falling within the following categories:

- income taxes, such as tax on company profits;
- property taxes, set on the basis of ownership or leasing of property;
- labour taxes, which include taxes collected and paid to the tax authorities on behalf of employees;
- indirect taxes collected on the production and consumption of goods and services, such as VAT, customs duties, etc.

In 2021 the Group reported an effective tax rate of +15.1% (-8.0% in 2020).

The Group’s tax rate depends on the geographical distribution of pre-tax results and the rules applicable in the various countries’ tax systems, but may also be affected by specific contingent situations. For 2021, the tax rate is due mainly to the normal imposition of taxes, as described above, but additionally there as a significant element due to the reporting of the tax benefit from the ‘Patent Box’, formally recognised by the tax authorities following the appropriate process and relating to the period 2015-2019. The table below shows the amount of current and deferred income taxes reported in the consolidated income statement for the years ended December 31, 2021 and December 31, 2020:

Income taxes

	2020	2021
Current income taxes:		
Italian companies	(1,624)	8,295
Foreign entities	105	1,431
	(1,519)	9,726
Deferred tax assets/liabilities:		
Italian companies	(915)	378
Foreign entities	(1,041)	491
	(1,956)	869
Consolidation adjustments	85	79
Total	(3,390)	10,674

Further details on income taxes are available in the 2021 Consolidated Financial Statements.



Fiscal Approach: The Zignago Vetro Group's fiscal approach reflects the principles, objectives and commitments in the Code of Ethics and the sector-specific policies, approved by the Corporate Boards, laying down the standards and practices followed within the Group.

In the spirit of the above-mentioned Code and policies, the Group undertakes to act honestly and with integrity on all fiscal issues and aims to pursue a transparent, sustainable long-term fiscal strategy.

The Group has undertaken to comply with fiscal legislation in all the jurisdictions in which it operates, working closely with tax consultants, auditors and the tax authorities to make sure it pays the taxes due.

Fiscal planning: The Group strives to ensure that its tax affairs are managed as accurately as possible, in compliance with the applicable fiscal legislation. A conservative approach is taken to fiscal planning, consistent with the principles laid down in the Codes and policies.

The Group does not pursue aggressive fiscal planning strategies and does not use artificial schemes without any economic foundation in order to make tax savings. Governments often **put in place fiscal incentives to promote investment, employment and economic growth**: the Group seeks to obtain such benefits only when applicable to the activities already being carried out in the entities belonging to the Group.

Fiscal risk management: The Group has a low appetite for fiscal risk. In determining the tax treatment of a specific transaction or operation prudent, reasonable and substantiated fiscal choices and interpretations are made. In light of the size and complexity of operations, risks may arise linked to the interpretation of complex fiscal legislation. Management involves identifying these risks and analysing them in full, if necessary using qualified tax consultants.

Relations with tax authorities: The Group seeks to build and maintain open, constructive relations with all the relevant tax authorities and to resolve any dispute in a spirit of collaboration.

Where there is particular uncertainty regarding the tax treatment applicable to significant issues, the appropriate tools are used to ascertain in advance the position of the relevant tax authority.

The Group acts transparently in all communications with the relevant tax authorities, including in the event of a tax audit involving any Group Entity or third party.

The Group seeks to provide responses to questions and requests from the tax authorities that are prompt, transparent and as full and well-substantiated as possible.

The Group has an internal control system that is a key element of Corporate Governance, and catalyses all the persons and functions that contribute to business activity, with the aim of adding the greatest possible sustainable value to it.

Within this Governance system the aim is to manage and prevent risks associated with the fiscal variable, and to provide support for tax audits. Furthermore, it consists of the need:

- to protect the interests of companies and their shareholders;
- to ensure transparency in the decisions made by management.

Specific fiscal risk categories include:

- transaction risk;
- day-to-day operational risk;
- tax returns risk;
- accounting risk.

Fiscal risk management in the Zignago Vetro Group involves administration and control of areas of uncertainty to prevent disputes arising with the relevant tax authorities in the countries in which individual companies are based. Fiscal risk within the Group is a routine activity, as it is considered on a daily basis.

Various individuals are involved in the fiscal risk function, both inside and outside the business. They include:

- Board of Directors;
- CEO and CFO;
- task manager and his team;
- independent audit firms, internal Board Committees, Internal Audit and Supervisory Board;
- tax authorities (and other authorities).

2021 TAX PERIOD	ZIGNAGO VETRO S.P.A.	ZIGNAGO VETRO BROSSSE SAS	ZIGNAGO VETRO POLSKA SA	VETRO REVET SRL
Country	Italy	France	Poland	Italy
Activities	Production and sale of glass containers	Production and sale of glass bottles for luxury fragrances	Production and sale of glass containers	Treatment and sale of glass cullet
Number of employees	693	332	709	32
Revenue from sales to third parties	269,087	46,142	45,142	3,562
Revenue from intra-Group transactions with other tax jurisdictions	3,741	25	15,268	-
Pre-tax profit/loss	55,447	1,731	6,797	398
Tangible assets other than cash and cash equivalents	241,023	21,973	49,467	8,008
Tax on company income paid on a cash basis	1,317	248	1,256	19
Tax on company income due on profits/losses;	8,672	472	1,428	23
Reasons for the difference between tax on company income due on profits/losses and tax due, if the tax rate specified in the law is applied to pre-tax profits/losses	n/a	n/a	n/a	n/a



11. ZIGNAGO VETRO’S ESG STRATEGY TO 2030

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

The strategic framework guides the definition of a system of annual objectives, the structuring of which has been outlined in the previous paragraphs. Highlighted below, therefore, are the main strategic guidelines defined by the ESG Committee and approved by Zignago Vetro’s Board of Directors.



ENVIRONMENT



SOCIAL



GOVERNANCE



11.1 Environment

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

The target value in 2030 is 70%, representing an improvement of +41.1% on 2021.

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

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

The target value in 2030 is 1.646 kWh/kg, a reduction of -15.0% on 2021.

This strategic objective is achievable mainly through:

- maximising cullet reuse;
- reuse or better exploitation of thermal waste;
- plant efficiency improvements and renewals;
- cost-cutting interventions on heating, air conditioning and lighting systems;
- constant monitoring of consumption and improving the efficiency in the running of existing plants.

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

The target value in 2030 is 100%, an improvement of +124.2% on 2021.

This strategic objective is achievable through:

- greater procurement of electricity supplies from suppliers guaranteeing renewable sources;
- greater self-production (photovoltaic panels).

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

The target value in 2030 is 0.8 cubic metres per tonne, a considerable -58.5% reduction on 2021.

This objective is achievable through:

- the completion of the closed circuit systems in all plants;
- the installation of more efficient systems;
- selective improvements in existing plants.

• **Reductions in specific greenhouse gas (GHG) emissions**, defined as the ratio of the weight sum of direct and indirect emissions (Scope 1 and Scope 2) to the weight of molten glass.

The target value that Zignago Vetro Group has set itself by 2030 is 0.351 tonnes of CO₂/ton, a -30% reduction on 2021.

This objective is achievable mainly through:

- lower consumption of virgin materials;
- greater use of cullet;
- greater use of a mix of energy sources with lower environmental impact;
- improvements in the efficiency of technical infrastructures, particularly furnaces;
- a programme of reforestation or sustainable forest management.

• **Transport and logistics efficiency** - according to the following guidelines:

- progressive reduction of road transport in favour of rail;
- optimisation of transport;
- reductions in the use of plastic packaging.

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

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

As stated above, the Board of Directors has adopted, from

2021, a policy of allocating 0.25% of consolidated net profit to fund initiatives to support social development, care for individuals and environmental protection.

11.2 Social

• **To continue to support personnel development and satisfaction**, in particular through:

- the growth of the Group and, therefore, of employment and promotion opportunities;
- facilitation, where possible, of job flexibility;
- staff retention initiatives and therefore the reduction of outgoing turnover;
- continuous improvements in the corporate welfare system.

• **Further improvements to occupational health and safety measures**, with the aim of reducing the incidence of injuries to zero.

• **Greater emphasis on consumer health and safety**, continuing to pursue the zero defect policy and seeking further performance indicators in this area, in collaboration with stakeholders.

• **Increased staff training and development** throughout all group plants and at all levels. Specifically:

- increased training on occupational health and safety;
- increased training on ESG topics;
- increased training on topics in relation to Legislative Decree No. 231, including for foreign entities;

• **Creation of ever more convenient work environments** that allow staff to combine work and personal needs.

• **Continuous improvements in terms of ESG sustainability topics**, at all company levels, and increased training activities in this regard.

• **Measures to protect diversity and equal opportunity**, particularly by increasing the number of female employees.

• **Continued** promotion of diversity awareness at every level of the company.

• **Increased** support for local communities and social activities.

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

11.3 Governance

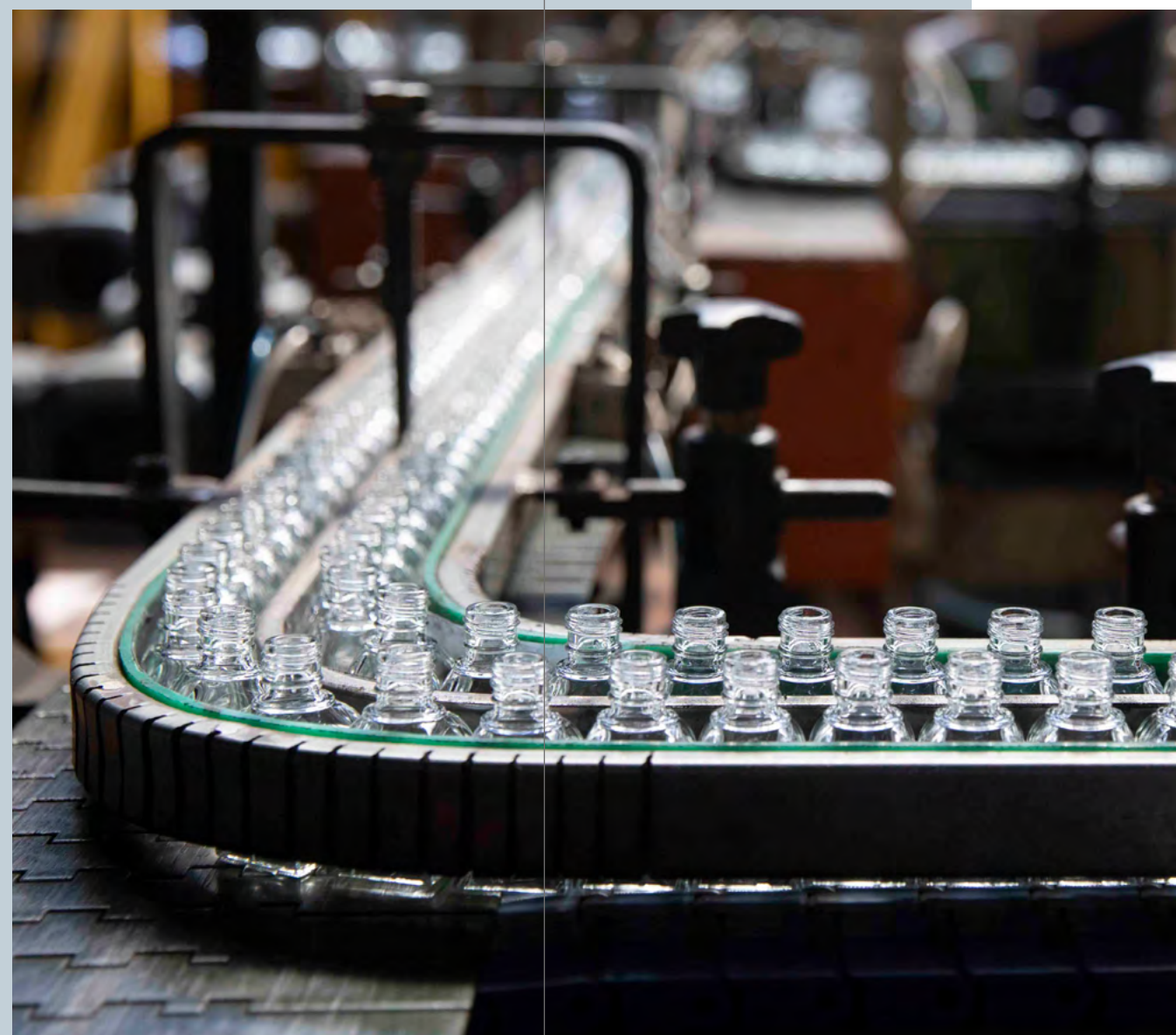
• **Increased performance-related remuneration for top managers linked to the achievement of ESG objectives.**

• **Completion of the development of a system of policies and procedures on ESG topics**, to be extended to all Group companies.



12. METHODOLOGICAL NOTE

This document is the Group's third Sustainability Report and is the fifth consolidated non-financial statement to be published annually. The reporting period coincides with the 2021 calendar year.



This Zignago Vetro Sustainability Report performs the function of a Consolidated Non-Financial Statement pursuant to Legislative Decree No. 254 of December 30, 2016 and in compliance with the "Sustainability Reporting Standards - Core Option" published by the Global Reporting Initiative (GRI).

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

The process of collecting data and information for this Report has been managed in collaboration with the various company divisions with the aim of facilitating a clear and precise indication of the information considered significant for stakeholders in accordance with the GRI Standards' reporting principles of "balance, comparability, accuracy, timeliness, clarity and reliability". Unless otherwise indicated, the data and information in this Sustainability Report refer to the companies belonging to Zignago Vetro Group at December 31, 2021, fully consolidated within the Annual Financial Report.

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



13. GRI INDICES





GRI STANDARD	PAGE NUMBER	DISCLOSURE
GRI 102: GENERAL DISCLOSURES 2017		
ORGANIZATIONAL PROFILE		
102-1	p. 80	Name of the organization
102-2	Directors' Report	Activities, brands, products and services
102-3	Directors' Report	Location of headquarters
102-4	Directors' Report	Number of countries where the organization operates, and the names of countries where it has significant operations and/or that are relevant to the topics covered in the report
102-5	Directors' Report	Ownership and legal form
102-6	Directors' Report	Markets served (including geographical areas, sectors and types of customers and beneficiaries)
102-7	Directors' Report	Scale of the organization
102-8	p. 154 – 157	Information on employees and other workers
102-9	p. 121 – 122	Supply chain
102-10	Directors' Report	Significant changes to the organization and its supply chain in the reporting period
102-11	p. 207	Precautionary Principle or approach
102-12	Directors' Report	Adoption of externally-developed economic, environmental and social charters, principles and other initiatives to which the organisation subscribes, or which it endorses
102-13	Directors' Report	Memberships of industry or other associations, and national or international sustainability advocacy organizations
STRATEGY		
102-14	p. 6 – 7	Statement from the most senior decision-maker of the organization
ETHICS AND INTEGRITY		
102-16	p. 86 – 87	Values, principles, standards, and norms of behavior
GOVERNANCE		
102-18	p. 181	Governance structure
STAKEHOLDER ENGAGEMENT		
102-40	p. 101	List of stakeholder groups
102-41	p. 159	Percentage of total employees covered by national collective bargaining agreements
102-42	p. 101	Principles for identifying and selecting stakeholders with whom to engage
102-43	p. 101	The organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process
102-44	p. 101	Key topics and concerns that have been raised through stakeholder engagement, including: (i) how the organization has responded to those key topics and concerns, including through its reporting; (ii) the stakeholder groups that raised each of the key topics and concerns

GRI STANDARD	PAGE NUMBER	DISCLOSURE
REPORTING PRACTICE		
102-45	p. 4 – 5	Entities included in the consolidated financial statements
102-46	p. 4 – 5	Defining report content and topic Boundaries
102-47	p. 102 + 110 – 113	The list of the material topics identified in the process for defining reporting scope
102-48	N/A	The effect of any restatements of information given in previous reports, and the reasons for such restatements
102-49	N/A	Significant changes from previous reporting periods in the list of material topics and topic Boundaries
102-50	p. 207	Reporting period (fiscal or calendar year)
102-51	p. 207	Date of the most recent previous report (if available)
102-52	Annual	Reporting cycle (annual, biennial)
102-54	p. 207	Claims of reporting in accordance with the GRI Standards
102-55	p. 208 – 216	GRI Content Index
102-56	Sustainability Report	External assurance
GRI STANDARD	PAGE NUMBER	DISCLOSURE
MATERIAL TOPICS		
ECONOMIC		
ECONOMIC PERFORMANCE		
GRI 103: MANAGEMENT APPROACH		
103-1	p. 176 – 180	Explanation of the material topic and its Boundary
103-2	p. 176 – 180	The management approach and its components
103-3	p. 176 – 180	Evaluation of the management approach
GRI 201: ECONOMIC PERFORMANCE		
201-1	p. 176 – 180	Direct economic value generated and distributed
GRI 207: FISCAL TRANSPARENCY		
207-1	p. 199 – 201	Approach to taxation
207-2	p. 199 – 201	Tax governance, control and risk management
207-3	p. 199 – 201	Stakeholder engagement and management of concerns related to tax
207-4	p. 199 – 201	Country-by-country reporting



GRI STANDARD	PAGE NUMBER	DISCLOSURE
PROCUREMENT PRACTICES		
GRI 103: MANAGEMENT APPROACH		
103-1	p. 121 – 125	Explanation of the material topic and its Boundary
103-2	p. 121 – 125	The management approach and its components
103-3	p. 121 – 125	Evaluation of the management approach
GRI 204: PROCUREMENT PRACTICES		
204-1	p. 121 – 126	Percentage of the procurement budget used spent on local suppliers.
ANTI-CORRUPTION		
GRI 103: MANAGEMENT APPROACH		
103-1	p. 193 – 195	Explanation of the material topic and its Boundary
103-2	p. 193 – 195	The management approach and its components
103-3	p. 193 – 195	Evaluation of the management approach
GRI 205: ANTI-CORRUPTION		
205-2	p. 193 – 195	Communication and training about anti-corruption policies and procedures
205-3	p. 193 – 195	Confirmed incidents of corruption and actions taken
ENVIRONMENTAL		
MATERIALS		
GRI 103: MANAGEMENT APPROACH		
103-1	p. 114 – 116	Explanation of the material topic and its Boundary
103-2	p. 114 – 116	The management approach and its components
103-3	p. 114 – 116	Evaluation of the management approach
GRI 301: MATERIALS		
301-2	p. 114 – 120	Percentage of recycled input materials used
GRI 301: PACKAGING		
301-2	p. 116 – 120	Recycled input materials used
301-3	p. 116 – 120	Reclaimed products and their packaging materials

GRI STANDARD	PAGE NUMBER	DISCLOSURE
ENERGY		
GRI 103: MANAGEMENT APPROACH		
103-1	p. 127 – 131	Explanation of the material topic and its Boundary
103-2	p. 127 – 131	The management approach and its components
103-3	p. 127 + 131	Evaluation of the management approach
GRI 302: ENERGY		
302-1*	p. 127 – 131	Energy consumption within the organization
302-3	p. 127 – 131	Energy intensity
302-4	p. 127 – 131	Reduction of energy consumption
WATER		
GRI 103: MANAGEMENT APPROACH		
103-1	p. 132 – 136	Explanation of the material topic and its Boundary
103-2	p. 132 – 136	The management approach and its components
103-3	p. 132 – 136	Evaluation of the management approach
GRI 303: WATER		
303-1	p. 132 – 136	Water withdrawn by source
EMISSIONS		
GRI 103: MANAGEMENT APPROACH		
103-1	p. 137 – 143	Explanation of the material topic and its Boundary
103-2	p. 137 – 143	The management approach and its components
103-3	p. 137 – 143	Evaluation of the management approach
GRI 305: EMISSIONS		
305-1	p. 137 – 143	Direct (Scope 1) GHG emissions
305-2	p. 137 – 143	Energy indirect (Scope 2) GHG emissions
305-3	p. 137 – 143	Other indirect (Scope 3) emissions



GRI STANDARD	PAGE NUMBER	DISCLOSURE
EFFLUENTS AND WASTE		
GRI 103: MANAGEMENT APPROACH		
103-1	p. 144 – 147	Explanation of the material topic and its Boundary
103-2	p. 144 – 147	The management approach and its components
103-3	p. 144 – 147	Evaluation of the management approach
GRI 306: EFFLUENTS AND WASTE		
306-2	p. 144 – 147	Total weight of waste by type and disposal method
SUPPLIER ENVIRONMENTAL ASSESSMENT		
GRI 103: MANAGEMENT APPROACH		
103-1	p. 121 – 126	Explanation of the material topic and its Boundary
103-2	p. 121 – 126	The management approach and its components
103-3	p. 121 – 126	Evaluation of the management approach
SOCIAL		
EMPLOYMENT		
GRI 103: MANAGEMENT APPROACH		
103-1	p. 154 – 159	Explanation of the material topic and its Boundary
103-2	p. 154 – 159	The management approach and its components
103-3	p. 154 – 159	Evaluation of the management approach
GRI 401: EMPLOYMENT		
401-1	p. 154 – 159	Total number and rate of new employee hires and turnover by age, gender and region
LABOR/MANAGEMENT RELATIONS		
GRI 103: MANAGEMENT APPROACH		
103-1	p. 154 – 159	Explanation of the material topic and its Boundary
103-2	p. 154 – 159	The management approach and its components
103-3	p. 154 – 159	Evaluation of the management approach

GRI STANDARD	PAGE NUMBER	DISCLOSURE
OCCUPATIONAL HEALTH AND SAFETY		
GRI 103: MANAGEMENT APPROACH		
103-1	p. 163 – 168	Explanation of the material topic and its Boundary
103-2	p. 163 – 168	The management approach and its components
103-3	p. 163 – 168	Evaluation of the management approach
GRI 403: OCCUPATIONAL HEALTH AND SAFETY		
403-2	p. 163 – 168	Types of injury, injury rate, work-related ill health rate, lost day rate, absentee rate, and number of work-related fatalities.
TRAINING AND EDUCATION		
GRI 103: MANAGEMENT APPROACH		
103-1	p. 169 – 171	Explanation of the material topic and its Boundary
103-2	p. 169 – 171	The management approach and its components
103-3	p. 169 – 171	Evaluation of the management approach
GRI 404: TRAINING AND EDUCATION		
404-1	p. 169 – 171	Average annual hours of training undertaken by gender and employee category
DIVERSITY AND EQUAL OPPORTUNITY		
GRI 103: MANAGEMENT APPROACH		
103-1	p. 171 – 172	Explanation of the material topic and its Boundary
103-2	p. 171 – 172	The management approach and its components
103-3	p. 171 – 172	Evaluation of the management approach
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY		
405-1	p. 154, 172 – 173, 182 – 184	Diversity of governance bodies and employees
NON-DISCRIMINATION		
GRI 103: MANAGEMENT APPROACH		
103-1	p. 171 – 172	Explanation of the material topic and its Boundary
103-2	p. 171 – 172	The management approach and its components
103-3	p. 171 – 172	Evaluation of the management approach



GRI STANDARD	PAGE NUMBER	DISCLOSURE
GRI 406: NON-DISCRIMINATION		
406-1	p. 171 – 172	Incidents of discrimination and corrective actions taken
HUMAN RIGHTS ASSESSMENT		
GRI 103: MANAGEMENT APPROACH		
103-1	p. 197 – 198	Explanation of the material topic and its Boundary
103-2	p. 197 – 198	The management approach and its components
103-3	p. 197 – 198	Evaluation of the management approach
GRI 412: HUMAN RIGHTS ASSESSMENT		
412-2	p. 171 – 172 + 197 – 198	Employee training on human rights policies or procedures
LOCAL COMMUNITIES		
GRI 103: MANAGEMENT APPROACH		
103-1	p. 172 – 174	Explanation of the material topic and its Boundary
103-2	p. 172 – 174	The management approach and its components
103-3	p. 172 – 174	Evaluation of the management approach
GRI 413: LOCAL COMMUNITIES		
413-1	p. 172 – 174	Local community engagement, impact assessments, and/or development programs
SUPPLIER SOCIAL ASSESSMENT		
GRI 103: MANAGEMENT APPROACH		
103-1	p. 114 – 120	Explanation of the material topic and its Boundary
103-2	p. 114 – 120	The management approach and its components
103-3	p. 114 – 120	Evaluation of the management approach
CUSTOMER HEALTH AND SAFETY		
GRI 103: MANAGEMENT APPROACH		
103-1	p. 168	Explanation of the material topic and its Boundary
103-2	p. 168	The management approach and its components
103-3	p. 168	Evaluation of the management approach
GRI 416: CUSTOMER HEALTH AND SAFETY		
416-2	p. 168	Incidents of non-compliance concerning the health and safety impacts of products and services





14. NOTES



¹ Source: <https://feve.org/about-glass/facts-productdetails/>

² FEVE data <https://feve.org/wp-content/uploads/2019/11/Introducing-FEVE-Close-the-GlassLoop-leaflet.pdf>, <https://closetheglassloop.eu/>

³ <https://zignagovetro.com/documentazione-esg/>

⁴ <https://support.ecovadis.com/hc/it/articles/115002531307-Cos-%C3%A8-EcoVadis->

⁵ <https://www.minambiente.it/pagina/carbondisclosure-project-cdp>

⁶ Excludes waste from extraordinary activities such as construction sites, furnace refurbishment, glass scrapping from furnace start-ups, etc.

⁷ The FSSC 22000 (Food Safety System Certification 22000) scheme is recognised globally by the Global Food Safety Initiative (GFSI), the most authoritative interest group formed by agri-food companies, on a par with BRC and IFS. The requirements of this scheme are laid down by ISO 22000:2018; ISO/TS 22002-4:2013 - Food and feed packaging manufacturing I - Packaging materials (Glass and ceramics) and FSSC Additional requirements (Version 5.0: May 2019 and 5.1 November 2020)

⁸ Regulation (EC) No. 2023/2006



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(This independent auditors' report has been translated into English solely for the convenience of international readers. Accordingly, only the original Italian version is authoritative.)

Independent auditors' report on the consolidated non-financial statement pursuant to article 3.10 of Legislative decree no. 254 of 30 December 2016 and article 5 of the Consob Regulation adopted with Resolution no. 20267 of 18 January 2018

*To the board of directors of
Zignago Vetro S.p.A.*

Pursuant to article 3.10 of Legislative decree no. 254 of 30 December 2016 (the "decree") and article 5 of the Consob (the Italian Commission for listed companies and the stock exchange) Regulation adopted with Resolution no. 20267 of 18 January 2018, we have been engaged to perform a limited assurance engagement on the 2021 consolidated non-financial statement of the Zignago Vetro Group (the "group") prepared in accordance with article 4 of the decree and approved by the board of directors on 11 March 2022 (the "NFS").

Our procedures did not cover the information set out in section "10.3.6 TAXONOMY" of the NFS required by article 8 of Regulation (EU) 852 of 18 June 2020.

Responsibilities of the directors and board of statutory auditors ("Collegio Sindacale") of Zignago Vetro S.p.A. (the "parent") for the NFS

The directors are responsible for the preparation of an NFS in accordance with articles 3 and 4 of the decree and the "Global Reporting Initiative Sustainability Reporting Standards" issued by GRI - Global Reporting Initiative (the "GRI Standards"), which they have identified as the reporting standards.

The directors are also responsible, within the terms established by the Italian law, for such internal control as they determine is necessary to enable the preparation of an NFS that is free from material misstatement, whether due to fraud or error.

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Moreover, the directors are responsible for the identification of the content of the NFS, considering the aspects indicated in article 3.1 of the decree and the group's business and characteristics, to the extent necessary to enable an understanding of the group's business, performance, results and the impacts it generates.

The directors' responsibility also includes the design of an internal model for the management and organisation of the group's activities, as well as, with reference to the aspects identified and disclosed in the NFS, the group's policies and the identification and management of the risks generated or borne.

The *Collegio Sindacale* is responsible for overseeing, within the terms established by the Italian law, compliance with the decree's provisions.

Auditors' independence and quality control

We are independent in compliance with the independence and all other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards, the IESBA Code) issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. Our company applies International Standard on Quality Control 1 (ISQC Italia 1) and, accordingly, maintains a system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditors' responsibility

Our responsibility is to express a conclusion, based on the procedures performed, about the compliance of the NFS with the requirements of the decree and the GRI Standards. We carried out our work in accordance with the criteria established by "International Standard on Assurance Engagements 3000 (revised) - Assurance Engagements other than Audits or Reviews of Historical Financial Information" ("ISAE 3000 revised"), issued by the International Auditing and Assurance Standards Board applicable to limited assurance engagements. This standard requires that we plan and perform the engagement to obtain limited assurance about whether the NFS is free from material misstatement. A limited assurance engagement is less in scope than a reasonable assurance engagement carried out in accordance with ISAE 3000 revised, and consequently does not enable us to obtain assurance that we would become aware of all significant matters and events that might be identified in a reasonable assurance engagement.

The procedures we performed on the NFS are based on our professional judgement and include inquiries, primarily of the parent's personnel responsible for the preparation of the information presented in the NFS, documental analyses, recalculations and other evidence gathering procedures, as appropriate.



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Specifically, we carried out the following procedures:

1. Analysing the material aspects based on the group's business and characteristics disclosed in the NFS, in order to assess the reasonableness of the identification process adopted on the basis of the provisions of article 3 of the decree and taking into account the reporting standards applied.
2. Analysing and assessing the identification criteria for the reporting scope, in order to check their compliance with the decree.
3. Comparing the financial disclosures presented in the NFS with those included in the group's consolidated financial statements.
4. Gaining an understanding of the following:
 - the group's business management and organisational model, with reference to the management of the aspects set out in article 3 of the decree;
 - the entity's policies in connection with the aspects set out in article 3 of the decree, the achieved results and the related key performance indicators;
 - the main risks generated or borne in connection with the aspects set out in article 3 of the decree.

Moreover, we checked the above against the disclosures presented in the NFS and carried out the procedures described in point 5.a).

5. Understanding the processes underlying the generation, recording and management of the significant qualitative and quantitative information disclosed in the NFS.

Specifically, we held interviews and discussions with the parent's management personnel, personnel of Vetro Revet S.r.l. and personnel of Zignago Vetro Brosse S.A.S.. We also performed limited procedures on documentation to gather information on the processes and procedures used to gather, combine, process and transmit non-financial data and information to the office that prepares the NFS.

Furthermore, with respect to significant information, considering the group's business and characteristics:

- at parent level,
 - a) we held interviews and obtained supporting documentation to check the qualitative information presented in the NFS and, specifically, the business model, the policies applied and main risks for consistency with available evidence,
 - b) we carried out analytical and limited procedures to check, on a sample basis, the correct aggregation of data in the quantitative information;
- we visited the Fossalta di Portogruaro site, which we have selected on the basis of its business, contribution to the key performance indicators at consolidated level and location, to meet its management and obtain documentary evidence supporting the correct application of the procedures and methods used to calculate the indicators.

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Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the 2021 consolidated non-financial statement of the Zignago Vetro Group has not been prepared, in all material respects, in accordance with the requirements of articles 3 and 4 of the decree and the GRI Standards.

Our conclusion does not extend to the information set out in section "10.3.6 TAXONOMY" of the NFS required by article 8 of Regulation (EU) 852 of 18 June 2020.

Padua, 28 March 2022

KPMG S.p.A.

(signed on the original)

Gianluca Zaniboni
Director of Audit



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