

**2020**



# **SUSTAINABILITY REPORT**

Statement of Non-Financial Information





# INTRODUCTION

*The Vidrala Group is a consumer packaging company. We make glass containers for food and beverage products and offer a wide range of packaging services that include logistic solutions and beverage filling activities.*



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# ABOUT THIS REPORT



This report has been prepared in line with the requirements established in Law 11/2018 of December 28, 2018 on non-financial information and Diversity, approved on December 13, 2018 by the Congress of Deputies by which The Commercial Code, the revised text of the Capital Companies Law approved by Royal Legislative Decree 1/2010, of July 2, and Law 22/2015, of July 20, on Auditing of Accounts, are modified in Non-financial information and diversity (from Royal Decree-Law 18/2017, of November 24).

In its preparation, the guidelines on the presentation of non-financial reports of the European Commission (2017 / C 215/01) derived from Directive 2014/95 / EU have also been considered. Likewise, the provisions of the Guide for the preparation of sustainability reports of the Global Reporting Initiative (GRI standards) have been taken into account, for which a series of standards have been selected based on the information requirements of Law 11/2018, Vidrala's activity sector and the materiality analysis carried out. Indicators reported, partially or completely, in line with GRI standards have been identified with the following icon:



In this context, through this report, the Vidrala Group aims to report on environmental, social and personnel-related issues and in relation to human rights relevant to the company in the execution of its activities. own business activities.

**Code G**

The information provided in the report is in accordance with the requirements set out in the Law 11/2018 as of 28th December 2018



# MATERIALITY & STAKEHOLDER ENGAGEMENT

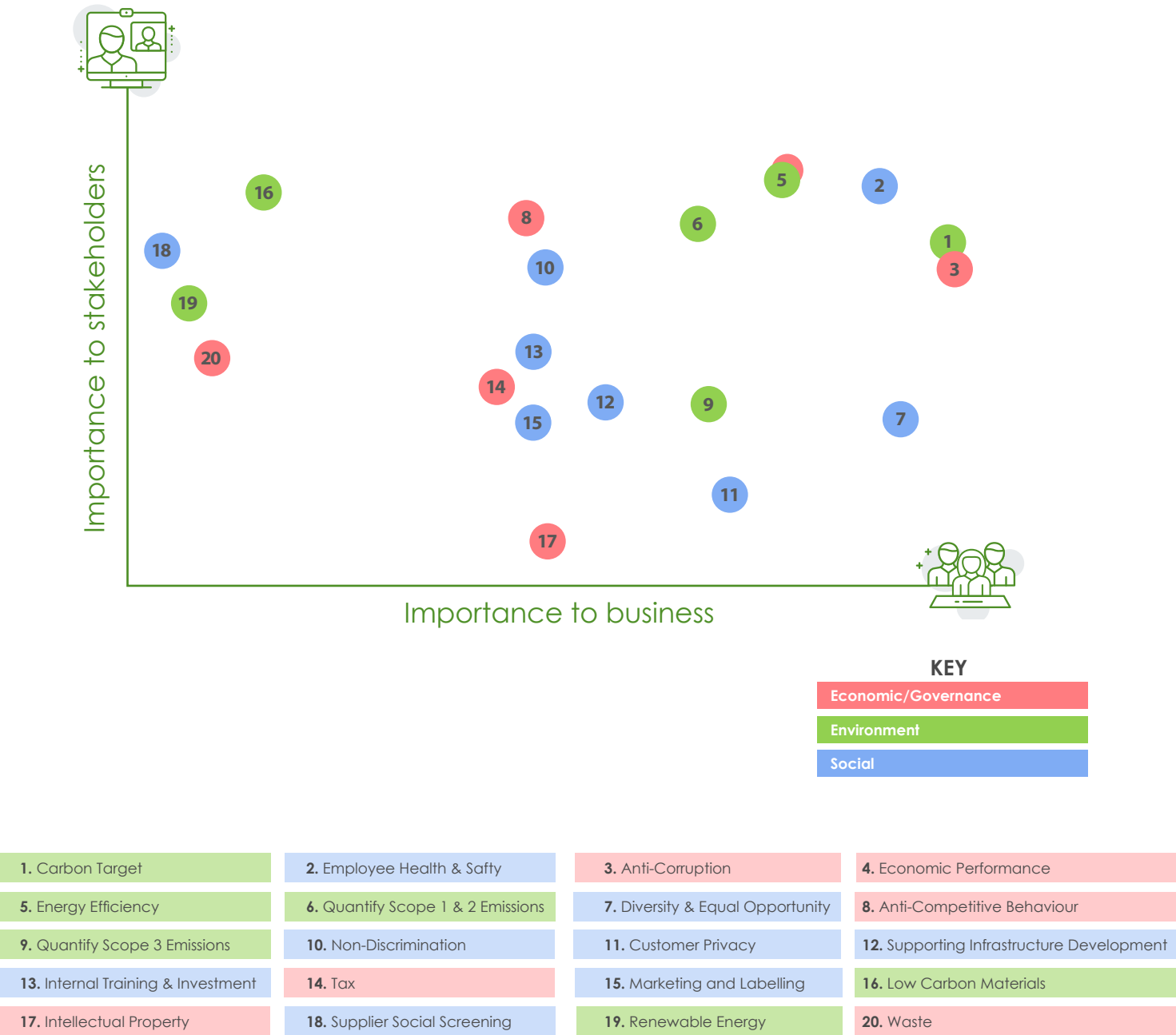


The Vidrala Group recognise the importance of reporting on its significant economic, environmental, and social impacts, as well as issues that are perceived as being important to Vidrala's stakeholders and its business. As a result, in 2020 we updated our materiality assessment to ensure we are reporting on what matters most to our stakeholders. The outcomes of the assessment were used to inform our sustainability approach, strategy, and this report.

To identify and select the stakeholders with whom we wanted to engage with as part of this materiality assessment, we conducted a mapping exercise which highlighted Vidrala's key stakeholders. Both internal and external stakeholders were considered and these included Members of the Board, Employees, Investors, Suppliers, Clients and local Community Groups. A quantitative survey was distributed to understand the level of stakeholder concern regarding a wide range of economic, social, environmental and governance issues. This quantitative analysis, combined with the analysis of our on-going, business-as-usual engagement with stakeholders throughout the year, allowed us to select a number of material GRI sustainability topics and disclosures against which we will now report.

Code MA

The material topics identified and therefore selected for reporting are shown in the matrix below. They are ranked in terms of their perceived importance to the business and our industry as well as our understanding of stakeholder concern based on our quantitative engagement.





At the Vidrala Group, we are aware that the development of our economic activity has an impact on different interested parties or stakeholders who are taken into account when defining the business strategy. The main interest groups for the Group are identified below:



**1. Customers.** They are our raison d'être; without customers, there is not business. For this reason, at Vidrala we understand as a key element to achieve the satisfaction of our clients' expectations through the delivery of sustainable packaging solutions, accompanied by an adequate level of service.



**2. Employees.** They are the people who make the business project possible. Understanding their concerns and motivations, managing their interests and attracting and retaining talent are presented as fundamental principles to ensure the commitment of the human team, continuous improvement and the long-term sustainability of the business project.



**3. Suppliers.** They are the companies that supply us with the necessary goods and services for the development of our business activity and, therefore, key partners for the organisation. For this reason, facing conversations with assertiveness and frankness, from a win-win and long-term perspective, are essential ingredients to create strategic alliances that result in competitive advantages.



**4. Community.** For the Vidrala Group, there is no economic growth unrelated to sustainable development. Therefore, we are faithfully committed to the circular economy, the generation of quality and stable employment, the promotion of the regional economy through our predilection for local suppliers, as well as our social project and the resulting association or sponsorship actions.



**5. Shareholders.** They are those who place their trust in the business project, committing their capital. Generating value through sustained cash generation and clear priorities for assigning said cash are unavoidable foundations to counteract the risk assumed in the investment with an attractive profitability or return. In this context, our conversations with shareholders and investors are based on clarity about the evolution and prospects of the business, as well as its potential risks.

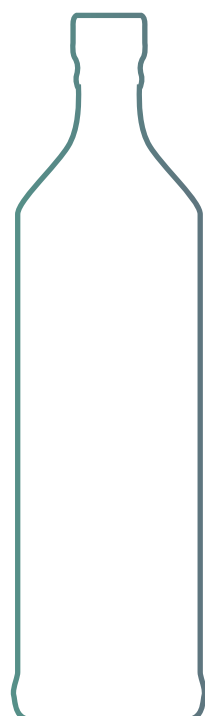


# INTRODUCTION



The Vidrala Group is a consumer packaging company.

We make glass containers for food and beverage products and offer a wide range of packaging services that include logistic solutions and beverage filling activities. Our industrial knowledge, growing geographical presence, glass manufacturing expertise, level of service and understanding of customers' processes make us a business partner for many of the main food and beverages brands. Our products and services are part of the food chain and help to maintain the activities of our customers securing supplies to end consumers.



Despite the complexities that Covid-19 presented to society throughout last year, the glass industry was determined an essential industry in order to maintain the global food chain. Vidrala Group therefore managed to maintain its position as the leading manufacturer of glass, with our operations continuing during lockdown periods, ruling out an abrupt stoppage of our production plants, and thus minimising Covid-19's effect on our business and our people.

We are committed to growing a business that focuses on our staff and our impact on the environment, whilst creating profitability.

The Vidrala Group's sustainability strategy is structured around the Four Ps:



**People** (development, health and wellbeing, equality, diversity and inclusion)



**Planet** (energy, transportation and resource efficiency)



**Place** (community liaison, customer and supplier partners and biodiversity)



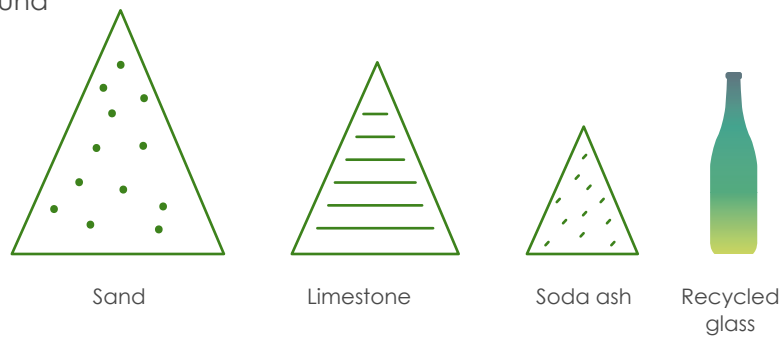
**Prosperity** (marketplace responsibility, stakeholder engagement and responsible leadership)



# HOW GLASS IS MADE

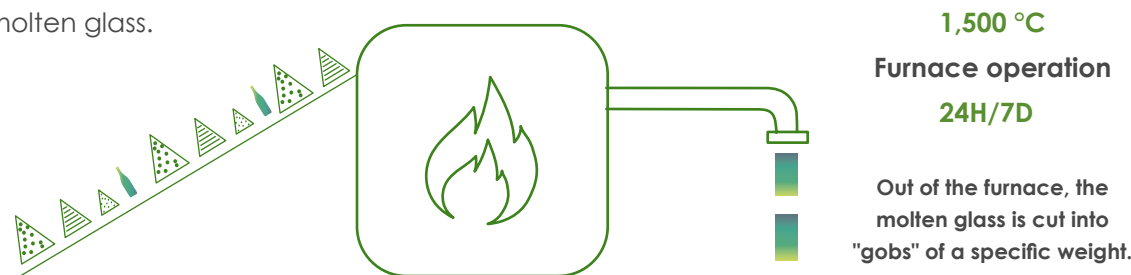
## 1 RAW MATERIALS

The main components are abundant and can be found in nature.



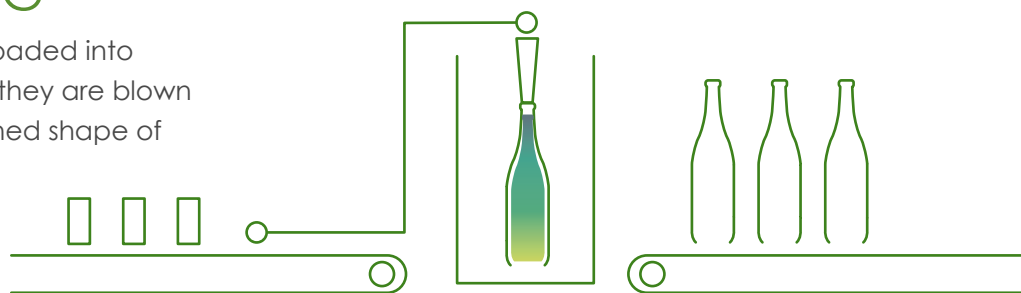
## 2 MELTING

The batch mixture is heated in furnaces at about 1,500 °C, creating molten glass.



## 3 FORMING

The gobs are loaded into moulds where they are blown to get the finished shape of the container.



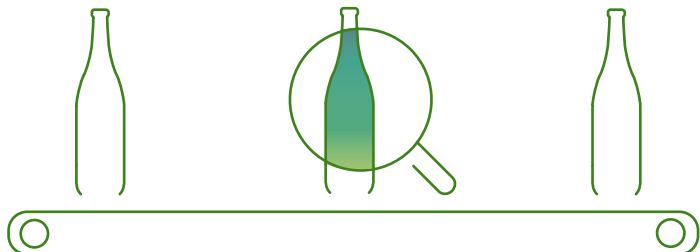
## 4 LEHR

To guarantee the strength of the container, they pass through the lehr where they are firstly reheated and then gradually cooled down slowly.



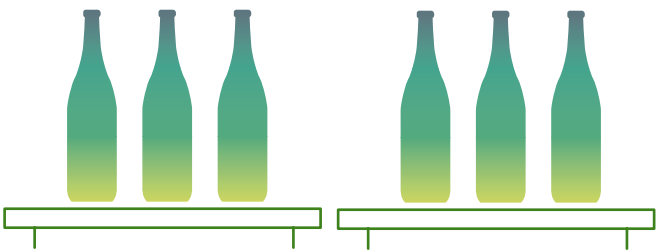
## 5 INSPECTION

Every container undergoes strict automatised quality control. Reject containers are recycled and melted again in the furnace.



## 6 PACKING AND EXPEDITION

The containers are palletised and wrapped hermetically so they can be delivered to the customers in the best condition.







## SUPPORTING OUR COMMUNITIES

We have mapped our own Sustainability Strategy with the relevant United Nations Sustainability Development Goals, highlighting our wider commitment to tackling society's impact on the world. Of particular relevance to the Vidrala Group is:



**SDG12 Responsible Consumption and Production:** As a manufacturing business, maximising the efficient use of natural resources and investing in new technologies to improve our production methods will be key. We are working with organisations to increase the quantity and quality of recycled glass, minimising waste and helping to contribute towards a more circular economy. This year, the Vidrala Group achieved a reduction in our waste in comparison to 2019, highlighting our commitment to minimising our impact. We have also taken time to engage with local communities on responsible consumption and waste disposal.



**SDG13 Climate Action:** We are continually looking for new measures, working techniques and technologies to improve our efficiency as a business, thus reducing our carbon footprint and minimising the climatic impact. To do so, the Vidrala Group has been investing in more energy efficient furnaces as well as switching to renewable sources of energy to reduce reliance on fossil fuels.



**SDG9 Industry, Innovation and Infrastructure:** Through the energy efficient measures we are implementing, we are continuously looking for appropriate sustainable innovation that we can implement across our sites. Developing sustainable industrial processes and incorporating clean technologies, such as electrostatic precipitators, will help to ensure we are reducing our environmental impact.



**SDG8 Decent Work and Economic Growth:** The Vidrala Group recognise the importance of sustainable economic development and creating high quality working conditions for our staff. We are committed to diversifying our activities, and in incorporating new, innovative technologies into the business to continue maximising our efficiencies and adding value to our work.



**SDG15 Life on Land:** Protecting our planet is one of our core business values. The manufacturing sector can be highly resource intensive, thus demanding on our natural environment. We are dedicated to conserving resources, where possible, as well as helping to develop and promote biodiversity. Our latest works involve a significant tree planting project at our site in Caudete (Spain), enhancing native tree growth and biodiversity whilst mitigating climate change.



**SDG5 Gender Equality:** We have been making huge efforts as a business to increase the diversity of our staff and create more opportunities for women across both our organisation, but also the wider manufacturing sector. We are committed to integrating more women across our business, and ensuring that our female staff have equal opportunities for leadership positions and continued progression.



Providing an outstanding service to our customers is central to our business operations. Glass is becoming the most sought after packaging material, with its significant environmental and hygienic benefits. We are confident that we can meet this increased demand and continue providing best in class products for our consumers. Alongside ensuring production can match demand, incorporating circular economy principles into practice will be essential. Our existing manufacturing process already aligns with such principles:



**1. Design out waste and pollution:** The Vidrala Group has implemented action plans across its factories to recover and reuse waste where possible. Where waste is generated through broken or defective glass containers, we introduce this waste at the start of the manufacturing process, making best use of a significant proportion of waste generated in our factories.



**2. Keep products and materials in use:** Designing products that are durable, recyclable and reusable is fundamental to aligning with this principle. This approach ensures energy consumption is reduced and preserved, minimising environmental impact. A significant advantage of glass as a product is that it is 100% recyclable, reducing the need to create new glass products from scratch and consume finite resources.

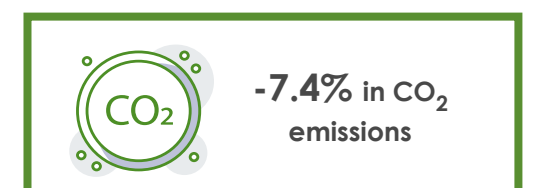
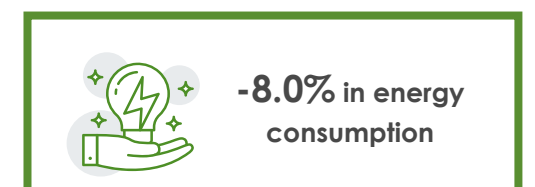
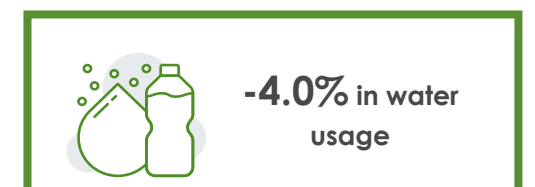
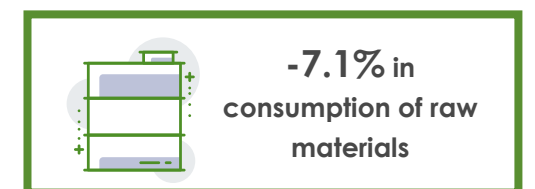
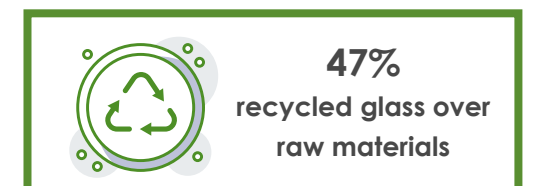
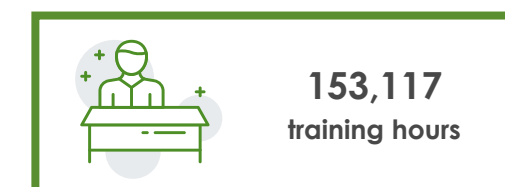
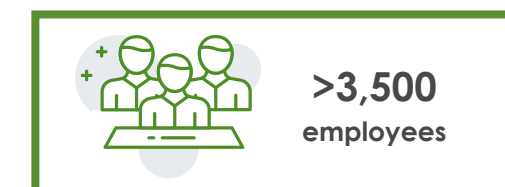
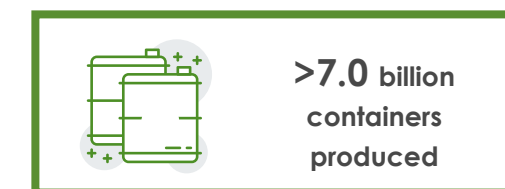


**3. Recover and regenerate products:** We are optimising the recyclable property of glass and promoting the practice of recycling through engagement activities, from local communities to international federations, such as the European Glass Container Federation (FEVE). Improving rates of glass recycling will mean that we can then reuse these products in new glass container production cycles across our operations.



## 2020 HEADLINES

Percentage variations over FY 2019



\*Carbon Dioxide (CO<sub>2</sub>) emissions, in tonnes per tonne of packed glass. Consumption of raw materials, in tonnes per tonne of melted glass. Energy consumption, in gigajoules per tonne of melted glass. Water usage, in cubic meters per tonne of melted glass.



# OUR BUSINESS STRATEGY

## UNDERSTANDING THE MARKET

Our industry is subject to inherent risks and complexities due to the nature of the work. The management of sustainability policies and control of business risks across the Vidrala Group involves procedures supervised by the corporate management bodies, developed by the senior management and executed, every day, in the organisation's operations.

To understand our position as a business, establishing emerging market trends and changing stakeholder perceptions is vital. We recognise that there may be shifts in consumer habits over time, potentially creating a great opportunity for the business. In particular, the growing trend towards customers choosing products with a lower environmental impact will be advantageous for our business, with glass being one of the most sustainable products in the market. To monitor habits of our consumers, we ensure to communicate regularly with our customers about their market perceptions and consumer behaviour.

We also recognise that changes in consumer habits could create the potential issue of a supply-demand imbalance, resulting in the potential for resource stress. However, continued efforts to improve the efficiency of our products, processes and overall organisation will minimise our reliance on natural resources and significantly minimise our risk to this potential trend.

Furthermore, changes in businesses' corporate strategies may influence how our organisation structure changes, such as new investments in the Vidrala Group, or future mergers and acquisitions. In addition, the ever-growing importance of environmental, social and governance (ESG) practices will continue to be a significant driver in capital allocation and notable business decisions. Fortunately as a business, we address ESG head-on, and are in the process of modelling our target emissions trajectories and key milestones, to demonstrate our commitment towards minimising our carbon footprint, thus reducing risks across the organisation. Tackling these issues early on is key.

On top of that, we will invest more, with our customer in perspective, executing a well-defined and consistent long term industrial plan. At the same time, operational excellence will remain at the heart of our management actions and we will pursue continuous improvements with emphasis on securing safe, sustainable and cost competitive manufacturing activities, to meet the challenge of profitability under different market and competitive environments. That said, the long-term strategic guidelines inside Vidrala will remain intact, firmly committed to our three priorities: customer, cost and capital.

### Code BM

## RESPONDING TO COVID-19

The Covid-19 pandemic has placed elevated levels of stress and concerns across industries and businesses globally. We have been dedicated to supporting our customers and staff through this difficult time and implemented new measures across the organisation to reflect our commitment. These measures cover the following areas:

- 1. Strengthening our logistics processes to ensure critical supplies are delivered.** We set new minimum inventory levels to reduce the risk of resource scarcity and searched for alternative supply sources to ensure we had contingency plans in place. We strengthened long-term relationships with our transport suppliers and reinforced our own transport fleet too.
- 2. Strengthening customer relationships through regular communication to understand their expectations.** This ensured we could make more accurate predictions of their likely orders, thus manage our stock levels and production planning more efficiently.
- 3. The Group established a Crisis Management Committee to ensure we were providing accurate protection for our people.** We implemented numerous health and safety measures to minimise virus transmission.

### Code MA

In addition, creating a virtual network to make our employees and wider customers feel supported was key. The Vidrala Group established the 'Stay Strong' initiative, and our business unit, Encirc, launched its 'In It Together' campaign, uniting our workforce during one of the most challenging periods. Encirc received the 'Strengthening business through people' award at the Glass Focus 2020 awards for this campaign.



These motivating messages were displayed on screens around our sites and on posters. In fact, Encirc are continuing to run its 'In It Together' campaign due to its success in supporting our sector and creating that sense of community.



# ENVIRONMENT

## PROTECTING OUR PLANET

Code GM

**For the Vidrala Group, protecting the environment is part of our ethos. We continuously look to reduce our environmental impact and to use resources as efficiently as possible. Thanks to the new role of Sustainability Director inside the Group, we are boosting efforts to better measure our operational carbon footprint and model potential carbon reduction targets.**

Code CC

It is important to look at climate change through both lenses; both its impact on our business and our impact on the issue itself. Acknowledging the key risks that climate change poses to the economic stability of our business is key to creating a combination of effective adaptation and mitigation strategies to create a resilient organisation. Climate change will exacerbate the risk of flooding and other extreme weather events that could impact on our factories, alongside increase the potential for water and resource scarcity. Furthermore, changes in policies could present a risk to the business, such as increased regulations concerning reporting or levels of emissions. Nonetheless, climate change also

presents many opportunities to the Vidrala Group. Opportunities include exploring alternative raw materials to create our products and improving the efficiency of our operations, leading to both carbon and financial savings.

Understanding how our business activities impact the environment is critical to determining the key areas to address in order to minimise it. We work closely with our customers to understand their challenges, ensuring we are taking a collaborative approach towards reducing our impacts. One of our main actions as a business this year was renewing our taskforce looking at fuels of the future as finding alternative sources of energy will have a huge impact on minimising our carbon footprint. We are also actively engaging with different government initiatives on improving sustainability, such as the fuel switching project, as using low, or zero, carbon fuel sources will become key towards reducing our environmental impact.

Furthermore, the Vidrala Group is a member of Glass Futures, a non-profit organisation who are creating a Global Centre of Excellence to make glass the low carbon material of choice. Glass is already a product made from natural sources that can be recycled in its entirety an infinite number of times, without losses in quality or quantity. However, developing new technologies to further improve its sustainability credentials will be significant.

This year has been an important step in our sustainability journey and addressing the current and potential risks we face as a business to climate change. We worked internally to undertake a strategy diagnostic in order to understand our position as a business and determine key focus areas in order to improve our ESG performance. This process has helped to create a cohesive vision and build upon our existing sustainability framework to drive ambition and impact. As a result, we are now modelling our target trajectories

and milestones, using the guidance provided by the Science Based Targets Initiative (SBTi).



The SBTi is a joint initiative by CDP, the UN Global Compact, the World Resources Institute and WWF, intended to increase corporate ambition on climate action by mobilising companies to set GHG reduction targets consistent with the level of decarbonisation required by science to limit warming to less than 1.5°C / 2°C compared to preindustrial temperatures.



A crucial consideration will be understanding how our growth as a business may impact on the environment, particularly as manufacturing is traditionally a carbon intensive activity. However, we are consistently looking for new, innovative ways to reduce and mitigate our impact on the environment. Whilst our product line may grow to meet consumer demand, we are committed to improving the efficiencies of our activities to reduce the consumption of energy and switch to lower carbon alternatives that have significantly less degradation on the environment. Moreover, the continued incorporation of circular economy principles in our practice will tackle excessive waste production and use of finite resources.



# CASE STUDY

## SOLAR CROP PROJECT

This year saw the completion of the construction of a photovoltaic (PV) solar park at our Logistics facilities in Marinha Grande, Portugal. This innovative project has involved installing nearly 800 high performance modules, with total power generation of 222 kilowatts on the roof of our warehouse. It is estimated these will generate 376 megawatts per year. Using this renewably sourced energy over carbon intensive fossil fuel alternatives will facilitate the reduction of approximately 4,500 tonnes of CO<sub>2</sub>e. This is the equivalent energy use of about 520 homes per year<sup>1</sup>, demonstrating the significant environmental benefits of this EUR 180,000 investment.

<sup>1</sup> EPA Greenhouse Gas Equivalencies Calculator <https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator>

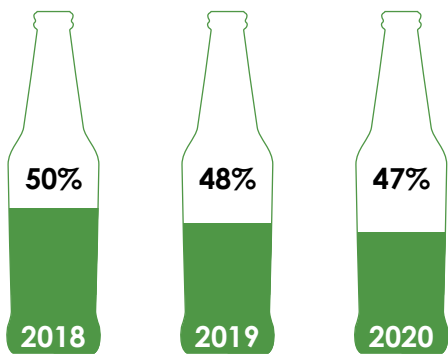


# ADVANTAGES OF RECYCLED GLASS

Code USR

As a business, we are at some advantage due to the benefits of glass as a more sustainable alternative. It is a product made from natural sources that can be recycled in its entirety an infinite number of times, without losses in quality or quantity. This key feature helps preserve the use of natural resources, saving energy consumption, reducing carbon emissions and absorbing waste. This year, 47% of raw materials introduced into our furnaces was recycled glass, helping to conserve raw materials and minimise the consumption of energy to generate such materials.

**Recycled glass**  
(as percentage of melted glass tonnes)



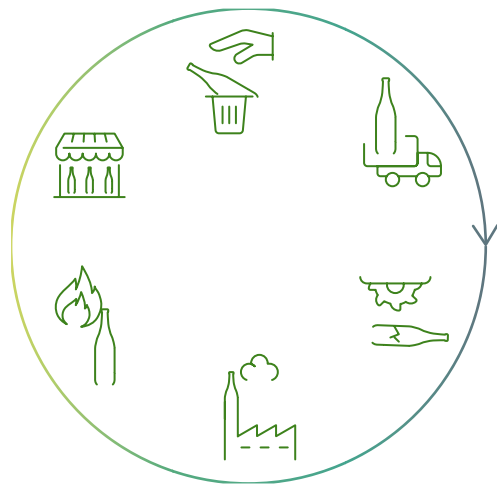
## Why is using recycled glass beneficial for the environment?

1. It requires less energy for its melting.
2. It allows reducing greenhouse gas emissions.
3. It reduces the need for virgin raw materials from nature.

The group is committed to initiatives that conserve natural resources and minimise impact, such as our involvement with FEVE's 'Close the Glass Loop' platform, aiming to increase the quantity and quality of available recycled glass. Supporting initiatives such as these further demonstrates our transition towards a more circular economy.



## CIRCULAR ECONOMY



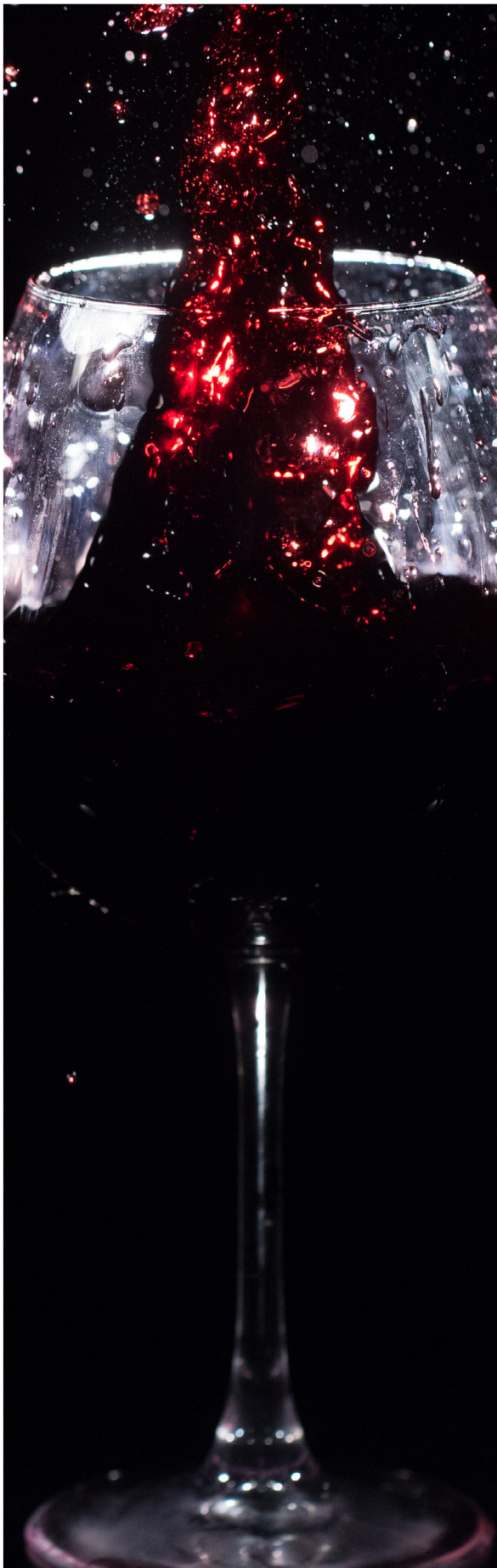
# ADDRESSING ENVIRONMENTAL RISK

Code GM

The Vidrala Group insures its environmental risks through insurance policies that are contracted to cover the environmental impact in possible situations involving accidents with large-scale losses. The total indemnity ceiling of these policies amounts to EUR 38 million.

Our environmental management system is based on ISO 14001:2015. This system evaluates the positive and negative impacts that our organisation may have to the environment, both directly and indirectly. To minimise our direct impact, we evaluate the risk and magnitude of impacts to determine whether we need to implement relevant mitigation techniques. Further to this, we analyse the frequency and likelihood of events occurring that may impact the environment. This process provides us with an impact magnitude; low, medium or high. We use this to determine the most effective measures to minimise impact severity.

With sustainability being one of our core values, we recognise the importance of investing in initiatives that minimise our impact on the environment. During 2020, we invested over EUR 130 million, representing more than 13% of annual revenue. The major part of this ambitious investment plan, broadly more ambitious than industry standards, is focused on replacing glass furnaces with new energy efficient facilities, boosting the reduction of energy consumption thanks to modernisation, reducing carbon emissions and improving customer service.





## MINIMISING OUR CARBON FOOTPRINT

We recognise that the running of our factories and its machinery are highly carbon intensive, thus finding alternative ways to minimise consumption and subsequently emissions is a vital step towards minimising our carbon footprint. The Vidrala Group were awarded an EnerTIC award in the Smart Manufacturing category, under the "Global leadership in excellence in energy management for the manufacture of glass containers" project. This award was in recognition of the ISO 50001 Energy management system that was implemented this year across all of our factories, in order to reduce our energy use and thus, minimise our carbon emissions.

GRI 302

Code USR



This year, we recorded an energy consumption reduction of 8%, and a reduction in our Scope 1 and 2 emissions of 7.4%. Measures to minimise our consumption included the execution of three large furnace replacement projects in Spain, Portugal and the United Kingdom (UK). This very ambitious investment plan has improved efficiency, reduced energy consumption and increased the amount of glass containers we can process, demonstrating the profitability of this investment. Alongside capital expenditure ventures, we explored ways to optimise our assets through implementing new technologies and digitalising our equipment. This improves operational performance and guarantees service reliability, reducing the risk of machinery breaking down and therefore saving on our costs.

Energy Source	2018	2019	2020
Fuels (kWh)	13,449,345	12,574,076	11,490,376
Electricity (kWh)	2,424,633	2,240,736	2,132,111
<b>Total Energy Consumption (kWh)</b>	<b>15,873,978</b>	<b>14,814,812</b>	<b>13,622,487</b>
<b>Fuels intensity (kWh/m<sup>2</sup>)</b>	<b>8.7</b>	<b>8.1</b>	<b>7.4</b>
<b>Electricity intensity (kWh/m<sup>2</sup>)</b>	<b>1.6</b>	<b>1.5</b>	<b>1.4</b>

GRI 305

Code CC

Finding more efficient ways to manufacture glass is fundamental for us to remain a leader in the sector and continue our trend of reducing energy usage. We are monitoring all equipment with variable consumption in the plants: from compressors and driers, to transformers, fans, pumps, and others. This is very important for controlling our manufacturing processes and guaranteeing reliability. Whilst monitoring our activities, we are also able to identify opportunities to improve our performance as well as eliminate waste. These actions have generated a continuous and significant reduction in the non-melting energy consumption over the medium term.

The Vidrala Group has an internal plan of energy efficiency improvement projects. These include

numerous individual optimisation projects for each site, with the objective to further reduce non-melting energy and gas consumption. Our plan includes the replacement of unreliable equipment and/or equipment with inadequate energy performance, as well as the development of new manufacturing techniques. For successful results, this requires benchmarking and internal training deployment.

It must be acknowledged that the Covid-19 pandemic reduced our energy consumption across the Vidrala Group. Capacity control measures due to a reduced market demand is the main reason behind this observation. These actions have consequently resulted in a drop in our carbon emissions.

GHG Source	Total Emissions		
	2018	2019	2020
<b>Scope 1 &amp; 2 emissions</b>			
Scope 1 (tCO <sub>2</sub> e)	898,808	878,933	812,773
Scope 2 (Location-Based) (tCO <sub>2</sub> e)	106,219	86,097	80,711
Scope 2 (Market-Based) (tCO <sub>2</sub> e)	-	-	-
Total Scope 1 and 2 Emissions (Location-Based)	1,005,027	965,030	<b>893,484</b>
Total Scope 1 and 2 Emissions (Market-Based)	-	-	-

Scope 1 - Combustion of fuel and operation of facilities. Scope 2 - Electricity. Scope 3- The Vidrala Group is in the process of calculating and reporting Scope 3 emissions, and aims to include it in disclosures for 2021. \*The Vidrala Group is currently working on calculating market-based emissions.



The Vidrala Group has a strong focus on improving our carbon footprint and identifying ways that we will be able to meet our emissions reductions target once set. One of our approaches is changing the source of our energy to renewable origin over fossil fuels. Over 2020, we purchased guarantees of origin certificates for 100% of our electricity supply to our sites, Gallo Vidro, and SB Vidros in Portugal and Encirc Elton in the UK, equating to a total of approximately 280,000 MWh. Other low carbon initiatives include changing the energy mix of our furnaces, favoring compositions that are less carbon intensive, and reducing the amount of carbonate raw materials used in our manufacturing process due to their high emission factor.

We are also investing in new, innovative projects that will assist in minimising the carbon footprint of our sector. We currently support FEVE's 'Furnace of the Future' project, aiming to reduce the GHG footprint of glass packaging production by developing a hybrid oxy-fuel furnace to run on 80% renewable electricity. Furthermore, we are trialing the use of biodiesel at our site Derrylin, as an alternative to natural gas, to reduce our reliance on fossil fuels.



# CASE STUDY

## VIDRALA SAVING EMISSIONS BY RENEWING GREEN POWER SUPPLY AGREEMENT WITH GREENCHAIN

Since 2018, we have been collaborating with Acciona, who have been recognised for the past five years as the greenest utility company globally. They have supported our commitment towards reducing our environmental impact by supplying our sites with energy certified to have a Renewable Energy Guarantee of Origin (REGOs), of Wind, Solar or Hydraulic origin. To date, it has been verified that we have saved nearly 60,000 tonnes of CO<sub>2</sub> emissions through our agreement.

In 2020, our commitment towards being a sustainable glass business has been further demonstrated through the renewal of our Green Power Supply Agreement<sup>1</sup> at two of our sites, Gallo Vidro and SB Vidros. Furthermore, we are discussing with Acciona the use of their Greenchain feature, a platform that would enable us to visualise the real-time generation of our clean energy. This platform would also show us our avoided CO<sub>2</sub> emissions and associated equivalencies, such as the number of trees planted. This added feature would create a new way for us to illustrate how we are contributing towards reducing our impact on climate change and moving to a more sustainable future.

Green Power Supplier Agreements are contracts in place for the guarantee supply of certified 100% renewable energy for a company's operations.



## MONITORING LEVELS OF POLLUTION

Code CT

In addition to carbon dioxide (CO<sub>2</sub>) emissions, the manufacturing of glass produces other pollutants, in particular Nitrogen Oxide (NO<sub>x</sub>), Sulphur Dioxides (SO<sub>x</sub>) and particles. We ensure to control these atmospheric pollutants head on. To manage our levels of pollution, we have adopted the Best Available Techniques (BAT) of the glass industry applicable to European manufacturers, and gradually included primary measures in the design stage of new furnaces and in the partial repairs of existing furnaces. These measures range from the use of low NO<sub>x</sub> emission burners to the replacement of part of the fossil fuel with electrical power.

SO<sub>x</sub> and particles also originate mainly in the glass melting process. At Vidrala, we have been working for years on the gradual implementation of various particle and SO<sub>x</sub> purification systems, such as electrofiltration: systems that use electrostatic precipitation to reduce particle emissions, with previous desulphurisation to reduce the emission of SO<sub>x</sub>. All of our sites now have electrostatic precipitators.

Maintaining good relationships with local communities is central to our business practice. The Vidrala Group is focused on minimising our impact on the locality within which our sites are located, with particular reference to noise and light. At all of our sites, we follow state regulations, where applicable, to ensure our factories minimise impact on noise and light pollution and avoid disruption.

## CONSERVING NATURAL RESOURCES

The Vidrala Group is one of the leading suppliers of glass containers and packaging in Western Europe. The packaging industry is resource intensive, using a multitude of raw materials and consuming energy to convert these materials into products for its customers. We apply the principles of the circular economy to our everyday work practices, ensuring we reduce and reuse waste where possible, reducing our reliance on natural resources. This year we achieved an 8.6% reduction in total waste consumption across our operations.

Code ECR

Furthermore, given glass has an almost zero rate of chemical interactions and is an inert material, ensuring products keep their strength and flavour, we are supporting our customers to manage and reduce their food waste. Additionally, no further barriers or additives are needed to ensure that harmful chemicals do not reach the food or drink that is packaged. These advantageous properties preserve the food or drink packaged for longer, extending its shelf life and thus creating less waste.





# CASE STUDY



## THE NATURA RANGE OF WINE BOTTLES

Since 2012, the Vidrala Group has produced the Natura Range, a leading example of its sustainable glass containers. On average, these containers have 43% less glass than the same type of container, thus reducing the amount of raw material required to produce the product. This positively impacts the environment by minimising the volume of natural resources required and associated energy consumption to make them.

## WORKSHOP ON WASTE RECYCLING AND PRESENTATION WITH LOCAL COMMUNITY

Engaging with our local communities is part of our ethos at the Vidrala Group. During Environment Week in March 2020, we held an educational workshop on waste recycling and the glass manufacturing process at the Joan Blanquer School, near to our site at Castellar. The workshop was aimed for children aged between 6 and 7, thus ensuring that the workshop fun and creative was fundamental for maintaining engagement and encouraging them to be more environmentally aware. The start of the workshop involved a contest with the children separating different types of waste into the five colours that corresponded with the colours of the various waste containers in the village. The aim was for the children to identify the most common waste type so they could recycle it correctly. In the remainder of the workshop, we explained how glass bottles were manufactured, along with the hygienic benefits and environmental advantages. To make this more visual for the children, we brought along different coloured sample glass bottles that we manufacture too. We are thrilled to have been a part of the school's Environment Week this year and we hope to have inspired the next generation to care for our planet.



## Code USR

Climate change is predicted to increase the frequency of droughts and lead to water scarcity, highlighting the need to reduce our levels of water consumption too. Across our factories, the Vidrala Group has invested in water re-use and re-circulation systems that help to minimise consumption. This year, we recorded a total water consumption of 949,946 m<sup>3</sup>, a 4% reduction from 2019. Furthermore, we recorded a reduction in the use of raw materials across our operations. Consumption of raw materials decreased by 7%, whilst our use of auxiliary raw materials dropped by 14%.

Covid-19 has certainly influenced levels of natural resource consumption. The reduced market demand and shift in consumer demand for the manufacture of glass has resulted in a direct reduction in raw material consumption. Nonetheless, the drop in consumer demand has enabled us to invest in our machinery and equipment, such as furnace renovations. In the long-term, this will assist in improving the efficiency of our works.

Furthermore, during the pandemic, we implemented measures to address the risk of waste having been contaminated by Covid-19. During the pandemic, we have had increased amounts of infectious waste due to high usage of masks, gloves and different protection material to avoid the transmission of Covid-19. Across all of our sites, specific places were identified where waste generated to protect from Covid-19 was disposed of. Furthermore, in order to avoid contamination during the manipulation of such waste, it was mandatory for quarantine for a minimum of 72 hours.



## HOW WE ARE SUPPORTING BIODIVERSITY

### New CO<sub>2</sub> Absorption Project

At our site in Caudete, Spain, a single tree was planted, symbolising the launch of our latest project to plant 1,338 trees on an 8.36 hectare plot owned by the City Council of Caudete. Native elms and almeces trees will be planted across this green space, with the expectation that they will contribute towards the absorption of approximately 1,045 tonnes of carbon dioxide (CO<sub>2</sub>) over the next 30 years. The second phase of this scheme will involve five hectares of land being reforested. In total we will have 13.36 hectares allocated for CO<sub>2</sub> absorption projects, the most space out of any glassmaker in Spain.



# SOCIAL

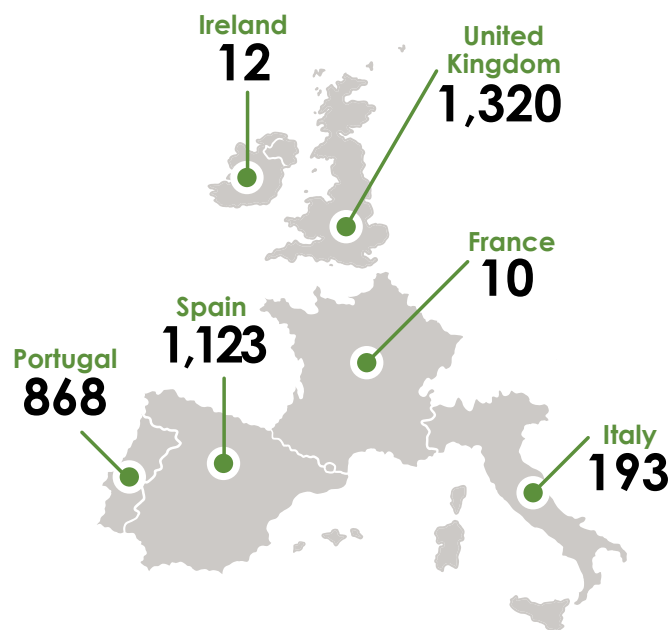
## OUR PEOPLE

Code EMP

Our people play a pivotal role in driving our success. The growth of our business could not be possible without the skills, determination and experience of our people. The value they add to the group is recognised, thus we are committed to creating a stable and high-quality working environment for our employees. This is also fundamental in attracting new talent to the business which will be of evergrowing importance.

In 2020, the Vidrala Group employed a total of 3,527, of which 93% are on full-time contracts, showing our dedication to providing stability to our workers. We were fortunate as a business that Covid-19 did not impact on our internal full-time equivalent figures, with no temporary job suspensions or dismissals occurring as a result.

Split of employees by region:



GRI 404

Code FO  
Code EMP

Strengthening the skills and development of our staff is a priority and is fundamental towards meeting our ever-growing customer demand. We are dedicated to investing in our employees. This year, our employees received a total of 153,117 hours of training across the Vidrala Group. Part of our process involves examining our employees' training needs on an annual basis. This both assists in improving our understanding of priorities as a business as well as reinforces the importance of training for career development.

We also endeavour to work collaboratively with our employees to develop their capabilities, grow their skillset and become leaders within the business. Regular interaction with our staff regarding their career development also helps to increase overall employee satisfaction, thus increase levels of productivity and staff retention rates. This factor demonstrates the importance of investing in our people.

Whilst focusing on our employees' career development is central to our business, the Vidrala Group also recognises the right to disconnect from work. Therefore, we have developed a series of measures to guarantee the respect of all our employees' free time and holidays, as well as their personal and family privacy. The modalities of exercising this right should address the nature and purpose of the employment relationship and associated work regime, enhancing, as far as possible, tools that promote the right to achieving a work-life balance. Among other measures, the use of digital devices for work-related purposes outside working hours is discouraged, flexible working schedules are allowed and other support to achieving a work-life balance is offered.

### Directors



863 hours

### Line Managers



25,428 hours

### Other employees



126,826 hours

### Total 2020

153,117 hours



## PROMOTING HEALTH AND WELLBEING

Code 0T

Organising the working time of our employees is a fundamental factor in the management of human resource at the Vidrala Group, since it is dependent on the objectives that we must fulfill. This includes the maximum use of production equipment, machinery and associated facilities, its adaptation to market demand, reduction of unproductive times or simply for productivity and competitiveness improvements.

The working time of our employees is broken down into different calendars and work patterns adapted to meet the needs of each department and/or organisational unit in each plant. This includes considering fixed working days, flexible working days, telecommuting, fixed shift patterns and rotating shift patterns. These elements are considered to ensure we are meeting the needs of each department where possible.

The working hours for office employees usually go from 7.30-9.00 to 17.00-18.30. The direct workforce group is governed by the cultural and industrial casuistry of each work center, usually in a rotating shift regime of 8 or 12 hours of presence.

One of the pillars of human resource management is to develop policies designed to facilitate a healthy work-life balance. We ensure that these policies promote, within the context of a privately-owned industrial company and the relevant legal framework, the implementation of social benefits, voluntary early retirement plans, measures to reconcile personal and professional life, as well as other similar measures.

Currently, Vidrala Group employees can benefit from the social policies in place, while respecting the legal and social framework of each country. These include measures to reconcile personal and professional life, such as flexible hours, the provision of paid leave, unpaid extended leave or reductions in working hours. In turn, other social schemes are established, such as social security systems and flexible remuneration policies, which



have the same aim in mind. To support our staff wellbeing, we also have onsite gyms at some of our sites. Creating ease of access to such facilities is highly appreciated by our employees and is fundamental towards promoting a healthy lifestyle.

In 2020, we had 593,587 total absenteeism hours. As an organisation, we were proactive in managing the effects of the Covid-19 pandemic and adjusting our operations to ensure we were able to constantly adapt to changing circumstances. In February 2020, we implemented new 'ad hoc' policies for the specific management of absenteeism related to Covid-19. We also have registered all the processes linked to Covid-19 as common sickness processes, with no impact on the accident rate indicators or similar.

In response to the Covid-19 pandemic, we have been proactive in adjusting our ways of working, creating a safe environment which adheres to the relevant guidance. Across our business, we have improved our internal flexibility, by creating ease for remote working where possible as well as adapting relevant working schedules and calendars to avoid office and factory occupancy levels exceeding guidelines. We recognise the challenges that working from home can present to our staff and protecting wellbeing is vital. In response, a Working From Home (WFH) group has also been established to provide support and assistance to all.

The Vidrala Group already has active policies for facilitating work-life balance that have ensured business continuity through remote working and smart working. In the different departments across the Group, we have working schedules that have been established to manage our operations. These schedules are agreed with the customer to help maintain that relationship. We also have measures in place to manage quarantine forced circumstances or similar, without impacting our people and our operations.



# AN INCLUSIVE APPROACH TO BUSINESS

GRI 404

Code IG  
Code EMP

Inclusivity is central to our business model. Having a diverse workforce is related to opening up new conversations between people, sharing different points of view and strengthening the culture of the organisation. We are committed to creating equal opportunities for all, without regard of gender, race, nationality, language, origin, personal convictions, marital or health status, which is key to making our business more sustainable.

At the Vidrala Group, we have established an Equality Plan which sets out our business objectives, aimed at achieving universal equality and preventing any form of discrimination. We ensure to create a working environment that meets all of our employees' needs, with all of our offices now adapted for those with disabilities, meeting all legal obligations. Currently, 73 members of our staff have disabilities. In addition, collaboration has been consolidated with Special Employment Centres and other external entities, composed of people with reduced abilities or physical and mental disabilities, who provide certain auxiliary services to the Vidrala Group's main activity, under the direct coordination of professionals specialised in monitoring these people. Additionally we promote locally working with a number of external outsourcing suppliers that particularly work with people with disabilities.

Non-discrimination is vital to the Vidrala Group. We recognise that in order to retain our staff, we must treat all of them fairly. All reported cases of discrimination are taken with great seriousness, ensuring we are offering the best protection possible to our staff.

GRI 406



# INCREASING GENDER DIVERSITY

Despite the challenging industry we are in for attracting female talent, we remain strongly committed to gender diversity. We endeavour to continue to create diversity throughout all areas of the organisation and support our female staff at all levels.

## FEMALE PRESENCE ACROSS THE ORGANISATION



### Code EMP

Furthermore, policies that integrate equal treatment and opportunities among women and men is applied from the selection to the promotion, through pay policy, training, employment conditions, occupational health, the organisation of working time and the reconciliation of family life and work.

We clearly state that there is no gender pay gap across our business. However, the average pay level of females compared to males is 12.3% lower. This difference is justified solely and exclusively by the fact that women currently hold positions of less responsibility and, therefore, a lower associated pay level. Moreover, it represents an

improvement from 2019, where the pay gap was 20.4%, 8.1 percentage points higher. The Vidrala Group is dedicated to continue supporting our female staff on progressing through the business and developing their careers.

The remuneration policy of the Vidrala Group establishes pay levels linked to the position held in the organisation, regardless of gender, race, religion, or other factors. Historically, the nature of the production process has led to it being less attractive to women, which is why we launched the programme 'Women in Manufacturing' to improve the integration of women in the organisation.



# CASE STUDY

## WOMEN IN MANUFACTURING PROGRAMME

It is recognised that manufacturing has a challenge with gender diversity. One of our core values is to create an inclusive working environment, where all employees feel comfortable. In collaboration with Diversity Mark NI, our business unit, Encirc, has launched a new programme, Women in Manufacturing, with a governance charter promoting gender equality. This charter was established as part of International Women's Day 2020 and outlines progressive measures to eliminate unconscious bias throughout our recruitment stages, along with improving transparency of reporting on our employee gender balance. This new charter also includes working with our suppliers on promoting awareness of gender inequality in the sector, with the longer term objective of increasing diversity across our entire value chain, as well as in our direct operations.

## HEALTH AND SAFETY



Maintaining high standards of health and safety throughout our business operations is a priority for the Vidrala Group. As the nature of our business is mainly an industrial or manufacturing environment, we are committed to establishing the relevant policies, procedures and standards to minimise the risks and create safe working conditions for our employees. This year, we recorded a total of 117 accidents in the work place, down by 37% from 2019, and a total of 74 occupational diseases, a 2% reduction from last year. This is an great achievement, showcasing our efforts to heighten levels of health and safety.

In recognition of the risks our staff face, we have implemented occupational health and safety management systems across an array of the sites we are managing. In total, the health and safety management systems of nearly all of our European sites are certified to ISO 45001, the only International Standard for occupational health and safety management. Our factory in Italy is currently certified to ISO 18001, whilst Elton and Derrylin factories have developed their health and safety management system from the Health and Safety Executive's "Successful Health and Safety Management" (HSG65) Model. These three sites will however be adopting the ISO 45001 certificate within the next two years, ensuring we provide a safe work environment to our employees.

Alongside our accreditations, the Vidrala Group provides health and safety training to our staff. In 2020, 53% of our staff received such training. As part of our generic health and safety training, we offer Emergency Response training, First Aid courses and Incident Investigation and Safety Awareness training to minimise the occurrence of accidents. Due to the industrial working environment and the nature of our work, we also provide Forklift Training Licenses and Hand Arm Vibration training as well as bespoke training for employees to become confident working at heights and lifting heavy equipment.

Identifying key health and safety risks is fundamental to implementing the most effective mitigation techniques, and thus minimising them. The main risks our staff face within our factories include fires from the furnaces resulting in minor burns, and potential injuries such as cuts and muscle strain caused by machinery due to the manual handling of the units. To address these risks, the Vidrala Group has installed Hot End Fire Protection Systems, and holds machinery risk assessments and lifting equipment regularisation to workers within our factories. We also offer behavioural safety programmes to our staff in order to raise awareness of safety.

We recognise that Covid-19 has posed, and will continue to pose, a health risk to our staff across the whole organisation. In response, the Vidrala Group has implemented a Covid-19 contingency plan, ensuring we are prepared for any adverse effects on the health of our staff due to the pandemic. Across our sites, a Covid-19 protocol bespoke to each site was implemented, outlining best practice and recommendation of national health and safety services.

To maintain high standards of safety, we implemented numerous health and safety techniques. This included the use of face masks, social distancing, measuring staff temperatures, eliminating all non-essential travel, distributing hydroalcoholic gel and establishing maximum capacity figures across our sites. We also installed screens throughout our factories to maintain social distancing.

**Code SS**





## COMMUNICATION WITH OUR STAFF

### Code RS

Regular communication with our staff and wider stakeholders is critical to maintaining high standards of delivery and high quality products. The Vidrala Group encourages periodic information and negotiation processes through different types of employee representation, such as workers' committees, union delegations, company committees etc. We also hold consultation processes and aim to get direct feedback from our workforce through job satisfaction surveys, interactive workshops and professional development interviews at all levels of the organisation. The Vidrala Group undertakes an employee satisfaction survey every two years, using this information to determine key focus areas for the business and creating action plans for significant issues raised.

Improving our internal communication channels has been a priority. We have installed more digital screens across our sites, adding an additional communication channel for those who do not have ease of access to emails. 'Workplace' from Facebook has been implemented too. This is a social platform for companies to enable more open, interactive and timely communication with all our employees via an app on their mobile phone. Furthermore, we expanded our communication channels to cover social networks, such as Twitter, LinkedIn and YouTube, allowing us to also keep in close contact with external stakeholders.

The Covid-19 pandemic has triggered the need for additional ways to improving communication with our staff in order to demonstrate support and ensure our staff are adhering to the new policies and procedures in place to protect their safety. Measures to improve communication included:

- A crisis cabinet established, at both Group and business units level.
- Policies were developed and good practices implemented by each plant and business unit individually, since the guidance and impacts of the pandemic were changing by country.
- A schedule for communicating updated recommendations as well as actions and measures undertaken by the business was established.
- Implementation of bespoke corrective measures in response to each incident.
- Development of specific communication campaigns regarding key actions taken across the organisation to help minimise the risk of the pandemic to our staff.

## COMMUNICATION WITH OUR STAKEHOLDERS

### Code CS

Not only is managing health and safety risks for a staff a priority, but also protecting our consumers. The Vidrala Group uses different resources and strategies to guarantee food security. Specifically, we have a Risk Analysis and Critical Control Points Team for each production plant, whose job is to analyse each stage of production in order to determine potential physical, chemical and microbiological risks. This analysis considers various elements including the handling of the product by humans and considerations relating to raw materials, machinery and equipment. The hazards detected are compiled in a document shared by the team members, in order to identify which hazards are significant, thus determine the measures to be implemented. Through this system, we can determine what the key points in the manufacturing process are to minimise these risks.

Furthermore, we carry out an annual verification and validation process of our system to monitor the health and safety of our products. A product recall stimulation test is also carried out to verify the ability to determine the product traceability and response time to potential product recalls, in the event of an emergency. To further manage such risks, all Vidrala Group containers have a product traceability label that complies with the relevant legal requirements, as well as a quality guarantee.

We manage 100% of any instances of dissatisfaction of its direct clients who are, in turn, in direct contact with consumers. The indicator used -number of dissatisfactions per million tonnes

sold- has experienced a progressive improvement in recent years, registering a 7.1% reduction in 2020. Taking time to listen to any feedback from both our staff and external stakeholders is key to continuously improving our service.

To ensure that all our complaints are all evaluated and responded to in a standardised way, our Customer Service Team use an informatic system, 'E-Gestiona'. Our response to any complaints covers an analysis of the cause of the complaint, and any relevant corrective and preventative actions to be implemented. In the first place, the customer service department gets in contact with the customer to gather additional information and open the dissatisfaction in Vidrala's quality management system, 'E-Gestiona'. After that, the quality department assigns the dissatisfaction depending on its typology (product, packaging, logistics, or commercial) and origin (plants or central) so that a solution is provided as quickly as possible. At the end of 2020, 95% of the received dissatisfactions had been managed, with only the remaining 5% pending of closure.

The Vidrala Group has established a set of key performance indicators (KPIs) to monitor our process, specifically the proportion of complaints answered, and the time taken to answer. The use of KPIs ensures that we are improving the effectiveness of our system and process. Furthermore, in response to the complaints gathered, the Vidrala Group establishes unique action plans in order to minimise the quantity of complaints and, specifically, reduce the severity of the received complaints.



# GOVERNANCE

## CREATING ECONOMIC VALUE

GRI 203

Code IF

Delivering a strong economic performance is crucial to our ongoing business and underpins our ability to influence and deliver on our wider ESG ambitions. To be a market reference in the manufacturing of glass containers and in the supply of packaging services, we recognise the need to invest within our business, our people, and our community in order to evolve sustainably as an organisation and surpass industry standards. Over the year, we invested more than EUR 80 million in the execution of three large furnace replacement projects in Spain, Portugal, and the UK. This, combined with other complementary investment projects, resulted in an annual capital expenditure figure of over EUR 130 million. This exceeds 13% of our total sales, a figure significantly above industry standards.



## CASE STUDY

### VIDRALA PARTNERS WITH HSBC UK TO GREEN-UP FINANCES

We chose to invest in HSBC UK's Green Deposits scheme as part of our ongoing commitment to support the fight against climate change. The project will be set up by HSBC UK to use funds from Encirc, a Northern Ireland-based subsidiary of Vidrala. Following a successful long-standing relationship between Vidrala and HSBC UK, we invested an initial sum of £5 million into the HSBC Green Deposits scheme, with the interest being used to finance environmentally progressive projects such as those focused on renewable energy, energy efficiency, pollution control, and biodiversity conservation.



# INVESTING IN LOCAL COMMUNITIES

Code DS

During 2020, the impact of the Covid-19 pandemic resulted in the Vidrala Group focusing on internal actions, aimed at securing customer service, improving levels of product efficiency, investing in our industrial facilities with a forward-looking ambition, and managing our costs to ensure we remained within current operating margins.

The Covid-19 pandemic had some impact on our business activities, namely due to shifts in consumer habits as well as some changes to our internal management priorities. Towards the end of Q2 onwards, the implementation of new restrictions to curb the pandemic increased levels of uncertainty for the Vidrala Group, particularly as demand for products decreased. However, these demand levels gradually normalised throughout the year, particularly due to the evident preference towards glass as a packaging product. In comparison to the different alternative materials, glass secures the highest standards of health, preservation, hygiene, and sanitisation, whilst promoting sustainability within the industry.

Not only have we invested within our business this year, but also in our local community to help build resilience to Covid-19. Supporting the local communities we operate in is a significant step towards a more sustainable future and adding social value to these areas.

Donation to the Red Cross of Castellar for the plan "#CruzRojaRESPONDE against the coronavirus".



Donation of gloves, masks, hygienic gowns and shoe covers to the Center of Saude da Marinha Grande.



This year, our donations included the following:

**100,000** water bottles to the Hildon Foundation for health workers



**2,500** hygienic gowns for Galdakao and Txagorritxu hospitals in the Basque Country



**34** tablets to hospitals in Enniskillen, Chester and Ellesmere Port



PPE supplies to various health practices, doctor surgeries and care homes across England, Northern Ireland and the Republic of Ireland



Donation to help set up a satellite foodbank in Elton, and a contribution to the Chester-wide foodbank.



## Code LCS

During 2020, the Vidrala Group made a great effort to support local organisations and hospitals in the fight against Covid-19, in particular buying PPE and hygienic gowns for staff.

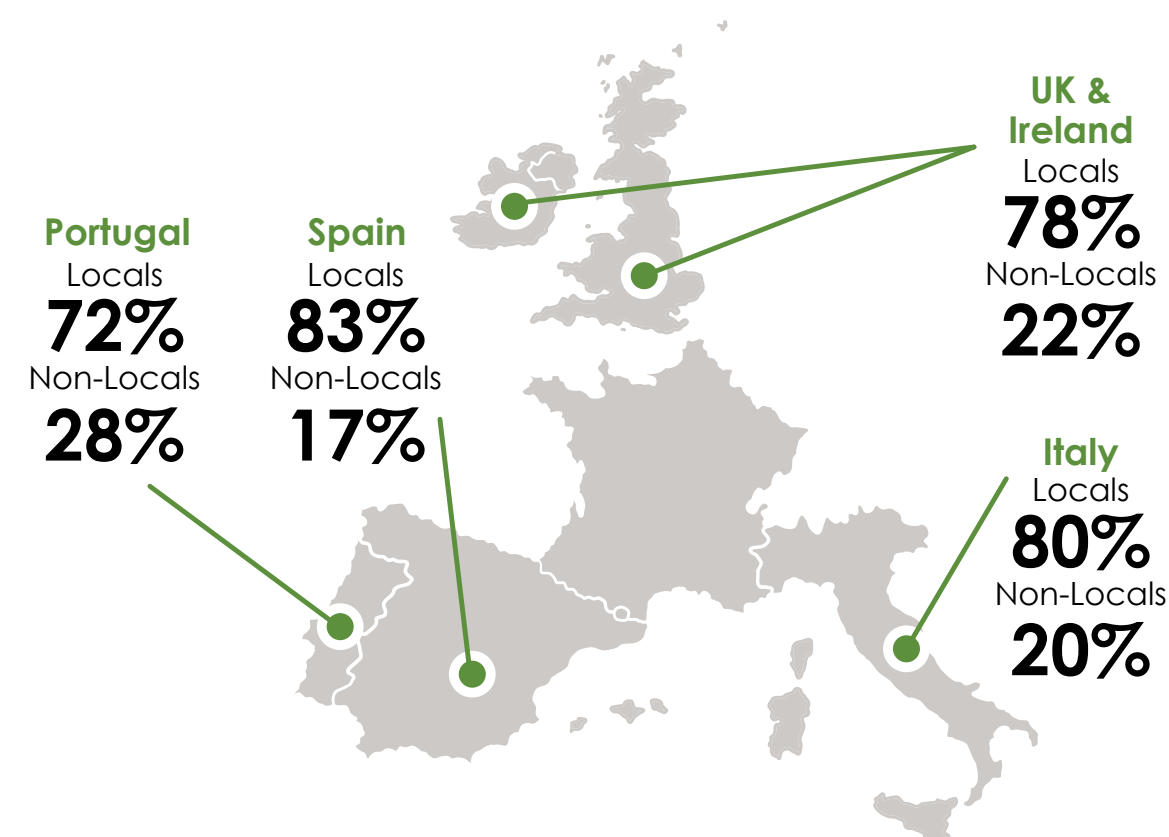
In 2020, the Vidrala Group contributed EUR 240,328 to foundations and non-profit organisations. Our Vidrala locations mean everything to us and we are grateful for the support that they give to us, such as providing homes for our employees and key social infrastructure facilities. That's why it's so important for us to protect our local environments and give something back to these communities.

## Code PRO

Besides all that, supply chain management initiatives are focused on the continued specialised search for new suppliers, and strengthening relationships with strategical suppliers. Our approach also includes establishing ongoing standardisation processes within the supply chain and developing supply alternatives in all relevant areas.

To drive economic activity in the locality, the Vidrala Group endeavours to work with local suppliers wherever possible. We have developed strong relationships with these local businesses and have had a positive impact on their own economic growth. On average across our operations, over 78% of our suppliers are local. This demonstrates our dedication to keeping it local, a key way to boost an area's social value.

The number of local and non-local suppliers used across all our operating countries is shown in the tables below.





In alignment with Vidrala Group's Corporate Code of Conduct, we have developed the Supplier and Subcontractor Code of Conduct to define the minimum ethical standards that we expect our suppliers to adhere to and implement throughout their business. This document outlines the minimum requirements of the Vidrala Group's policy to ensure sustainable and ethical procurement. It reinforces the belief that both our staff and suppliers have a natural respect for the application of global standards for business ethics and compliance. The same principle of fair and honest dealings must be replicated by the suppliers within their own supply chain and to all others with whom our suppliers do business, including workers, vendors and the associated communities.

Our Supplier Quality Assurance & Development Management System consists of five main processes. When we introduce new suppliers to the business, a first selection process is undertaken and following this, a desk-based preliminary evaluation is carried out. Depending on the result of our audit and the level of standards and/or regulations the supplier has to meet, a second part-audit could be necessary. These are undertaken by a multidisciplinary team, based on a questionnaire pre-established by the Vidrala Group. This process ensures that our suppliers will comply with our current customer basis as well as regulatory and legal requirements.

We evaluate our suppliers on a quarterly basis, examining any non-compliances generated in that time including the severity of the action and the resolution process. There is also a mid-year revision made by the corresponding Suppliers' Improvement Groups, with the objective of an early detection of big potential issues or new key development projects which could determine the years success.

During 2020, we executed a total of 12 audits, among which those carried out on raw material suppliers stand out due to their critical role for our production process. 100% of the audits were considered satisfactory, not having to take relevant corrective measures in any of the cases. Out of the action plans submitted by the suppliers in order to solve the different audit deviations, the 76% of the actions were completed in time.



## ANTI-CORRUPTION

GRI 205

Code LCS

The Vidrala Group does not tolerate any violation of our anti-corruption, anti-bribery and ethical policies and we are committed to addressing any incidents of corruption. Conducting our business in an ethical manner is of great importance to the Vidrala Group. In October 2020, we received approval by the Audit and Compliance Committee for our new Anti-Corruption, Anti-Fraud and Competence Defence Policy. This policy establishes the regulation applicable, who this policy applies to, the general basic principles of action and the channel of communication in case of a suspect or clear violation of the policy.

Across the Group, we ensure all our employees are trained on such issues. Our Code of Ethics Policy is communicated to each new employee and is available on our internal Vidrala Group intranet. It is also periodically communicated to current employees by email. Furthermore, our Anti-Bribery and Corruption Policy, and Code of Ethics was communicated to all employees at our business unit, Encirc, in 2018 and 2019, respectively. Our whistleblowing policy is also regularly communicated to employees via email.

We have also purchased new software to be implemented in 2021 which will be used to identify and investigate any suspicious behaviour related to purchases and payments, minimising potential risks in this field.

Our new Anti-Corruption, Anti-Fraud and Competency Defence Policy also addresses the issue of Anti-Competitive Behaviour. The Vidrala Group reported no legal actions or breaches related to anti-competitive behaviour and violation this year.

GRI 206



## RESPECTING EMPLOYEES AND CUSTOMERS

GRI 418

Code RS  
Code DH

The Vidrala Group has several policies where it is committed to eradicating or, at least identifying and solving, any vulnerability of human rights. These policies are communicated to all of our employees. These policies are the Code of Conduct, establishing the basic principles of human rights, the Single Protocol, promoting the respect of each employee with others, the Whistleblowing Channels, ensuring confidentiality in any complainants, and the Criminal Risk Model, ensuring that the established controls for monitoring risk are present and operational. Furthermore, 100% of our employees were covered by collective agreements across all of our operating locations.

The Vidrala Group does not exploit child labour under any circumstances, nor do we accept suppliers that do so. We demand the strict compliance with the provisions of the International Labour Organisation.

Additionally, human resources and occupational risk prevention policies regulate the performance of psychological risk assessments. These evaluations are facilitated by external professionals and

represent an essential tool to detect possible situations or incidents of discrimination.

Over the year, either due to prevention measures we have established or the geographical regions in which we operate, there have been no human rights violation complaints. Likewise, no activities resulting in such complaints by companies linked to the Vidrala Group have been detected in which the right to freedom of association, to adhere to collective agreements or other forms of breaching the most basic rights, are considered to be at risk such as child exploitation or forced labour.

Achieving excellent operational performance requires developing strong relationships with our customers to understand their needs and wants, ensuring we can deliver best-in-class products. This process requires the collection of customer data. We understand the importance of customer privacy and data security. Over the course of the year, we have had no complaints from outside parties or regulatory bodies concerning customer privacy. There has also been no leaks, thefts or losses of customer data from our databases.





# APPENDIX



## MONITORING LEVELS OF POLLUTION

**Table 1:** The levels of pollutants across the group

Code CT

Pollutants	2018	2019	2020
Nitrogen Oxides (NO <sub>x</sub> ) (kg)	3,967,738	3,648,800	3,894,426
Sulphur Dioxides (SO <sub>x</sub> ) (kg)	3,765,721	3,149,171	2,955,850
Particles (kg)	82,996	62,562	43,496
<b>Total Pollutants (kg)</b>	<b>7,816,455</b>	<b>6,860,533</b>	<b>6,893,772</b>

## CONSERVING NATURAL RESOURCES

**Table 2:** The generation of waste across the group

Code USR

Waste / Residues	2018	2019	2020
Total HW (tonnes)	4,812	5,135	3,502
Total NHRW (tonnes)	17,913	13,392	14,062
Total NHNRW (tonnes)	2,278	3,598	6,471
Total MSW (tonnes)	1,404	148	586
<b>Total Waste / Residues (tonnes)</b>	<b>26,407</b>	<b>22,273</b>	<b>24,622</b>

"Hazardous waste (HW), such as dragger sludge, electrostatic precipitator waste, furnace chamber cleaning waste, empty containers, absorbent rags, oil, etc. Non-hazardous recoverable waste (NHRW), such as wood, paper and cardboard, plastic packaging, metal scrap, electrical scrap, disused moulds, obsolete machinery wiring, lithium batteries, etc. Non-hazardous non-recoverable waste (NHNRW), such as rubble, unsortable waste, dust, rubber, etc. Municipal solid waste (MSW), such as kitchen waste, disposable plastic, paper, etc."

**Table 3:** Recycled glass incorporation rate, as percentage of melted glass tonnes

Use of recycled glass	2018	2019	2020
Use of recycled glass	50%	48%	47%

**Table 4:** The consumption of raw materials across the group

Use of recycled glass	2018	2019	2020
Raw materials (tonnes)	2,959,385	2,798,803	2,600,642
Auxiliary raw materials (tonnes)	777	609	523

**Table 5:** The consumption of water across the group

Water	20c8	2019	2020
Water Usage (m3)	1,139,050	990,007	949,946

## OUR PEOPLE

**Table 6:** The split of our employees by country

Location	2018	2019	2020
United Kingdom	1,272	1,315	1,320
Spain	1,112	1,109	1,123
Portugal	869	885	868
Belgium	263	237	0
Italy	196	197	193
Ireland	10	13	12
France	10	10	10
<b>TOTAL</b>	<b>3,732</b>	<b>3,766</b>	<b>3,527</b>

Vidrala sold its manufacturing activity in Belgium in December 2019.

**Table 7:** The split of our employees by contract type and gender across the group

GRI 403

Code EMP

Gender	Indefinite or permanent contract			Fixed term or temporary contracts			Total		
	2018	2019	2020	2018	2019	2020	2018	2019	2020
Female	431	428	445	73	71	47	504	499	492
Male	3,036	3,049	2,838	192	218	197	3,228	3,267	3,034
<b>TOTAL</b>	<b>3,467</b>	<b>3,477</b>	<b>3,283</b>	<b>265</b>	<b>289</b>	<b>244</b>	<b>3,732</b>	<b>3,766</b>	<b>3,527</b>



**Table 8:** The split of our employees by contract type and age across the group

Age Group	Indefinite or permanent contract			Fixed term or temporary contract			Total		
	2018	2019	2020	2018	2019	2020	2018	2019	2020
Under 30 years old	251	251	255	114	129	104	365	380	359
31-50 years old	2,291	2,267	2,135	135	136	121	2,426	2,403	2,255
Over 50 years old	925	959	893	16	24	19	941	983	913
Total	3,467	3,477	3,283	265	289	243	3,732	3,766	3,527

**Table 9:** The split of our employees by contract type and employee category across the group

Employee Category	Indefinite or permanent contract			Fixed term or temporary contract			Total		
	2018	2019	2020	2018	2019	2020	2018	2019	2020
Directors	46	48	46	0	0	1	46	48	47
Line Managers	389	387	391	6	7	8	395	394	399
Other employees	3,032	3,042	2,846	259	282	235	3,291	3,324	3,081
Total	3,467	3,477	3,283	265	289	244	3,732	3,766	3,527

**Table 10:** Part-time contracts by gender, age and employee category

		2018	2019	2020
Gender	Female	43	49	46
	Male	95	71	93
	Total	138	120	139
Age Group	Under 30 years old	5	3	3
	31-50 years old	45	39	48
	Over 50 years old	88	78	88
	Total	138	120	139
Employee Category	Directors	1	1	13
	Line Managers	10	8	13
	Other employees	127	111	125
	Total	138	120	139

**Table 11:** The number of dismissals by gender across the group

Code EMP

Gender	2018	2019	2020
Female	7	9	3
Male	44	35	28
Total	51	44	31

**Table 12:** The number of dismissals by employee category across the group

Gender	2018	2019	2020
Directors	2	4	0
Line Managers	2	7	3
Other employees	47	33	28
Total	51	44	31

**Table 13:** The number of dismissals by age group across the group

Gender	2018	2019	2020
Under 30 years old	9	7	9
31-50 years old	27	26	15
Over 50 years old	15	11	7
Total	51	44	31

**Table 14:** The total number of hours training for employees across the group by employee category

Code EMP  
Code FO

Employee Category	2018	2019	2020
Directors	4,887	946	863
Line Managers	35,849	24,100	25,428
Other employees	108,950	114,022	126,826
Total	149,686	139,068	153,117

**Table 15:** The average hours of training per employee by gender and employee category across the group

GRI 404

Employee Category	Average Hours of Training Per Employee					
	Male			Female		
	2018	2019	2020	2018	2019	2020
Directors	106	20	19	115	12	0
Line Managers	93	63	59	77	52	88
Other employees	30	33	41	55	41	35
Total	37	36	43	58	42	42



**Table 16:** The proportion of employees who received performance reviews by gender and employee category across the group

Employee Category	% of Employees who received Performance Reviews					
	Male			Female		
	2018	2019	2020	2018	2019	2020
Directors	98%	100%	100%	100%	100%	100%
Line Managers	95%	100%	100%	93%	100%	100%
Other employees	40%	34%	46%	27%	25%	29%
Total	78%	78%	82%	73%	75%	76%

PROMOTING HEALTH AND WELLBEING

**Table 17:** The total absenteeism hours across the group

Code OT

Measure	Absenteeism hours		
	2018	2019	2020
Total hours lost	581,684	592,718	593,587
Theoretical hours lost	6,716,266	6,711,465	6,277,911
Index	8.7%	8.8%	9.5%

**Table 18:** The average remuneration\* by gender across the group

Code EMP

Gender	2018	2019	2020
Female	33,478	33,750	36,377
Male	41,286	42,420	41,471
Total	40,223	41,258	40,772

**Table 19:** The average remuneration\* by age group across the group

Age Group	2018	2019	2020
Under 30 years old	32,283	32,579	33,928
31-50 years old	40,673	41,890	41,730
Over 50 years old	42,295	43,206	41,108
Total	40,223	41,258	40,772

**Table 20:** The average remuneration\* by employee category across the group

Employee Category	2018	2019	2020
Directors	170,437	164,648	158,912
Line Managers	65,245	66,718	72,653
Other employees	35,346	36,460	34,856
Total	40,223	41,258	40,772

**Table 21:** The average remuneration\* of the Board of Directors by gender

Gender	2018	2019	2020
Female	92,527	93,998	90,528
Male	147,858	138,152	143,408
Total	131,259	126,110	128,986

\* Reported data includes variable remuneration, mainly related to results and productivity, as well as other remuneration items (such as social benefits, retirement supplement, travel supplements and allowances, etc.). In order to improve comparability, the average remuneration by category does not include amounts related to multi-year variable remuneration of irregular perception.

INCLUSIVE APPROACH TO BUSINESS

Code EMP

**Table 22:** The total number of employees with disabilities across the group

Year	Number of employees with disabilities
2018	33
2019	35
2020	73

2020 reported figures include available data for the UK and Ireland division. Comprehensive data is expected looking forward, as we improve monitoring of such information.





## INCREASING GENDER DIVERSITY

**Table 23:** Diversity of the Board of Directors and employees, by gender and age

GRI 406

	Age Group	2018		2019		2020	
		Male	Female	Male	Female	Male	Female
Board of Directors	Under 30 years	0%	0%	0%	0%	0%	0%
	30-50 years	10%	0%	9%	0%	0%	0%
	Over 50 years	60%	30%	64%	27%	73%	27%
	TOTAL	70%	30%	73%	27%	73%	27%

Employee Category	Age Group	2018		2019		2020	
		Male	Female	Male	Female	Male	Female
Directors	Under 30 years	0%	0%	0%	0%	0%	0%
	30-50 years	95%	5%	98%	2%	100%	0%
	Over 50 years	89%	11%	92%	8%	94%	6%
	TOTAL	94%	6%	96%	4%	98%	2%
Line Managers	Under 30 years	74%	26%	76%	24%	76%	24%
	30-50 years	83%	17%	83%	17%	80%	20%
	Over 50 years	93%	7%	92%	8%	92%	8%
	TOTAL	85%	15%	84%	16%	82%	18%
Other Employees	Under 30 years	85%	15%	84%	16%	87%	13%
	30-50 years	85%	15%	85%	15%	85%	15%
	Over 50 years	89%	11%	90%	10%	91%	9%
	TOTAL	86%	14%	84%	16%	86%	14%

## HEALTH AND SAFETY

**Table 24:** The number of work-related injuries and lost-time injuries by contract type across the group

GRI 403

	2018		2019		2020	
	Permanent employees	Temporary or contracts	Permanent employees	Temporary or contracts	Permanent employees	Temporary or contracts
Number of work-related injuries or ill-health	309	17	315	23	337	27
Number of lost-time injuries or ill-health	162	6	186	4	117	6
TOTAL	471	23	501	27	454	33

**Table 25:** The number of lost-time injuries across the group by gender

Code SS

Gender	2018	2019	2020
Female	7	13	7
Male	155	173	110
TOTAL	162	186	117

**Table 26:** The frequency of work accidents across the group by gender\*\*

Gender	2018	2019	2020
Female	1.21	2.40	1.30
Male	26.70	31.98	20.35
TOTAL	27.91	34.38	21.65

Frequency rate = # of accidents x 1,000,000 / # of hours worked.

**Table 27:** The severity of work accidents across the group by gender\*\*

Gender	2018	2019	2020
Female	0.19	0.28	0.24
Male	0.83	0.98	0.96
TOTAL	0.74	0.89	0.85

Severity rate = # of days lost x 1,000 / # of hours worked.

**Table 28:** The number of occupational diseases across the group by gender\*\*

Gender	2018	2019	2020
Female	5	12	12
Male	13	64	62
TOTAL	18	76	74

Historical values have been amended to better adjust to the calculation methodology defined by law.

**Table 29:** The number of dissatisfactions per million tonnes sold

Code CS

	2018	2019	2020
Dissatisfaction index	468	446	414
Change	-9.2%	-4.7%	-7.1%



CREATING ECONOMIC VALUE

Table 30: Scale of organisation

GRI 102

	2018	2019	2020
Total number of manufacturing sites	9	8	8
Net sales	955.4	1,010.8	988.4
Market capitalisation	1,924	2,561	2,697
Quantity of services provided	8,034	8,340	7,086

Table 31: Direct economic value generated and distributed

GRI 201

Component	2018 (million Euros)	2019 (million Euros)	2020 (million Euros)
Revenues	955.4	1,010.8	988.4
Operating costs	525.4	534.5	508.7
Employee wages and benefits	190.6	197.5	183.1
Payments to providers of capital	31.7	31.9	36.9
Community investments	0.1	0.1	0.3
Economic Value Retained (million Euros)	188.3	220.5	259.6

Table 32: Tax on profit payments across the group

Code IF

Country	2018 (million Euros)	2019 (million Euros)	2020 (million Euros)
GROUP	19.4	26.4	32.4

Table 33: Total benefits obtained across the group by country

Country	2018 (million Euros)	2019 (million Euros)	2020 (million Euros)
Spain	178,393	184,715	158,532
United Kingdom	35,762	33,794	50,233
Portugal	27,053	28,172	26,876
Italy	-2,941	2,358	11,548
Ireland	1,449	1,820	1,990
France	40	150	130

Table 34: Total public grants/support received across the group

Code PRO

Country	2018 (million Euros)	2019 (million Euros)	2020 (million Euros)
GROUP	1.7	0.9	0.9

INVESTING IN LOCAL COMMUNITIES

Table 35: The number of local and non-local suppliers by country across the group

Country	2018		2019		2020	
	Locals	Non-locals	Locals	Non-locals	Locals	Non-locals
Spain	9,904	1,966	9,754	1,918	9,994	1,996
Portugal	2,153	810	2,238	864	2,344	906
Italy	1,576	388	1,590	391	1,650	403
Belgium	1,116	708	-	-	-	-
UK & Ireland	2,918	757	3,102	820	3,333	920

ANTI-CORRUPTION

Table 36: Contributions to foundations and non-profit entities across the group

Code LCS

	2018 (Euros)	2019 (Euros)	2020 (Euros)
GROUP	88,531	98,098	240,328





GRI INDEX

The GRI Content Index below shows our material GRI Topics and Disclosures selected for reporting in alignment with GRI Core.



Topic	GRI Standard Number	Description	Response	Page Number
General Disclosures	102-1	Name of the organisation	Vidrala, S.A.	N/A
General Disclosures	102-2	Activities, brands, products, and services	Consumer packaging company	N/A
General Disclosures	102-3	Location of headquarters	Llodio, Álava (Spain)	N/A
General Disclosures	102-4	Location of operations	Fully reported in Annual Report	N/A
General Disclosures	102-5	Ownership and legal form	Public limited company	N/A
General Disclosures	102-6	Markets served	Southern Europe, Western Europe, UK and Ireland	N/A
General Disclosures	102-7	Scale of the organisation	Fully reported	9, 16
General Disclosures	102-8	Information on employees and other workers	Fully reported	112-113
General Disclosures	102-9	Supply chain	Fully reported	106
General Disclosures	102-10	Significant changes to the organisation and its supply chain	Fully reported	106
General Disclosures	102-11	Precautionary Principle or approach	Fully reported	77-78

Topic	GRI Standard Number	Description	Response	Page Number
General Disclosures	102-12	External initiatives	<p>AC - board member of Glass Futures, WSTA and NWBLT</p> <p>Italy - started work on community heating project taking waste heat from the plant to power local community</p> <p>Derrylin - received platinum in the BITC NI benchmarking survey</p> <p>Encirc won 3 awards at the BG annual awards - Strengthening business through people, Rising Star and Glass company of the year</p> <p>Lara Edison winning a place on the Manufacturer top 100</p> <p>Encirc key sponsor in the NI Climate champions project</p> <p>Set aside £5m with HSBC for Green initiatives</p> <p>Members of Close the Glass Loop - FEVE recycling project</p> <p>Donated branded clothing to Unicef</p> <p>Sponsor of the Rewards for waste project in NI</p> <p>Presented at - NI Climate action webinar (BITC), Healthy working lives seminar (BITC), Barclays - build back better webinar, NI CoC - energy and sustainability forum</p> <p>Virtual work experience with Ellesmere Port high school</p> <p>Actively supported local health care during Covid - I will send on infographic separately</p> <p>Women in Manufacturing launch event 4th December</p>	N/A





Topic	GRI Standard Number	Description	Response	Page Number
General Disclosures	102-13	Membership of associations	<p>The Ben</p> <p>British Glass</p> <p>BSDA</p> <p>BITC</p> <p>CBI</p> <p>Cheshire Business Leaders</p> <p>Cheshire Energy Hub</p> <p>CoReVe (Italian Glass federation)</p> <p>DIT (department trade industry)</p> <p>The Drinks Trust</p> <p>Ellesmere Port Business Forum</p> <p>Ellesmere Port Stakeholder - Development and Infrastructure Investment Framework</p> <p>Fermanagh District Council</p> <p>FEVE (European Glass federation)</p> <p>Glass Futures</p> <p>Hynet</p> <p>IoD</p> <p>LEP</p> <p>Liaison groups at both Derrylin and Elton</p> <p>Manufacturing NI</p> <p>Marketing Cheshire</p> <p>Net Zero NW</p> <p>NI Chamber of Commerce</p> <p>North West Hydrogen Alliance</p> <p>NWBLT (Northwest business leaders team)</p> <p>Protos</p> <p>Repack (ROI glass collection)</p> <p>WSTA</p>	N/A
General Disclosures	102-14	Statement from senior decision-maker	Fully reported in Annual Report	N/A
General Disclosures	102-16	Values, principles, standards, and norms of behaviour	Fully reported in Annual Report	N/A
General Disclosures	102-18	Governance structure	Fully reported in Annual Report on Corporate Governance	N/A

Topic	GRI Standard Number	Description	Response	Page Number
General Disclosures	102-40	List of stakeholder groups	Fully reported	63-66
General Disclosures	102-41	Collective bargaining agreements	Fully reported	109
General Disclosures	102-42	Identifying and selecting stakeholders	Fully reported	63
General Disclosures	102-43	Approach to stakeholder engagement	Fully reported	63
General Disclosures	102-44	Key topics and concerns raised	Fully reported	63-64
General Disclosures	102-45	Entities included in the consolidated financial statements	<p>Vidrala, S.A.</p> <p>Aiala Vidrio, S.A.U.</p> <p>Crisnova Vidrio, S.A.</p> <p>Castellar Vidrio, S.A.</p> <p>Gallo Vidro, S.A.</p> <p>Santos Barosa Vidros, S.A.</p> <p>Vidrala Italia, S.r.l.</p> <p>Encirc Limited</p> <p>CD Verre, S.A.</p> <p>Vidrala Logistics, Ltda.</p> <p>Encirc Distribution Limited</p> <p>Inverbeira, Sociedad de Promoción de Empresas, S.A.</p> <p>Vidrala Desarrollos, S.L.U.</p>	N/A
General Disclosures	102-46	Defining report content and topic Boundaries	Fully reported	63-64
General Disclosures	102-47	List of material topics	Fully reported	63-64
General Disclosures	102-48	Restatements of information	Any restatements are disclosed throughout this report	N/A
General Disclosures	102-49	Changes in reporting		N/A
General Disclosures	102-50	Reporting period	Calendar Year 2020	N/A
General Disclosures	102-51	Date of most recent report	Report published in 2019	N/A
General Disclosures	102-52	Reporting cycle	January to December 2020	N/A
General Disclosures	102-53	Contact point for questions regarding the report	fiacre.odonnell@encirc360.com	N/A
General Disclosures	102-54	Claims of reporting in accordance with the GRI Standards	Fully reported	61
General Disclosures	102-55	GRI content index	Fully reported	121-127
General Disclosures	102-56	External assurance	The information disclosed has not been externally assured	N/A



Topic	GRI Standard Number	Description	Response	Page Number
General Disclosures	<b>103-1</b>	Explanation of the material topic and its boundary	Fully reported	63-64
General Disclosures	<b>103-2</b>	The management approach and its components	Fully reported	77-109
General Disclosures	<b>103-3</b>	Evaluation of the management approach	Fully reported	77-109



ECONOMIC DISCLOSURES				
Topic	GRI Standard Number	Description	Response	Page Numbers
Economic Performance	<b>201-1</b>	Direct economic value generated and distributed	Fully reported	119
	<b>201-2</b>	Financial implications and other risks and opportunities for the organisation's activities due to climate change	Partially reported	77
Supporting Infrastructure Development	<b>203-1</b>	Extent of the development of infrastructure investments, and expected impacts on communities and local economies	Fully reported	103, 105-106
Anti-Corruption	<b>205-2</b>	Communication and training on anti-corruption policies and procedures	Fully reported	108
	<b>205-3</b>	Confirmed incidents of corruption and actions taken	Over the last year, we had one confirmed incident of corruption related to purchases. In response, we immediately terminated the employee's contract and reported the situation to the court, where the legal case was raised by the employee's former company. We are currently investigating whether the providers had knowledge of the employee's fraudulent action to determine if we must take further action.	N/A
Anti-Competitive Behaviour	<b>206-1</b>	Legal actions for anti-competitive behaviour, anti-trust and monopoly practices	Fully reported	108
ENVIRONMENTAL DISCLOSURES				
Topic	GRI Standard Number	Description	Response	Page Numbers
Energy	<b>302-1</b>	Energy consumption within the organisation	Fully reported	84
	<b>302-2</b>	Energy intensity	Fully reported	84
	<b>302-4</b>	Reduction of energy consumption	Fully reported	83-84
Emissions	<b>305-1</b>	Direct (Scope 1) GHG emissions	Fully reported	84
	<b>305-2</b>	Energy indirect (Scope 2) GHG emissions	Fully reported	84
	<b>305-4</b>	GHG emissions intensity	Fully reported	84
	<b>305-5</b>	Reduction of GHG emissions	Fully reported	83-84



SOCIAL DISCLOSURES				
Topic	GRI Standard Number	Description	Response	Page Numbers
Occupational Health and Safety	403-1	Occupational health and safety management system	Fully reported	100
	403-2	Hazard identification, risk assessment, and incident investigation	Fully reported	100
	403-5	Worker training on health and safety	Fully reported	100
Training & Education	404-1	Average hours of training per year per employee by gender, and by employee category	Fully reported	114
	404-3	Percentage of employees receiving regular performance and career development reviews	Fully reported	115
Customer Privacy	418-1	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	Fully reported	109
Diversity & Equal Opportunity	405-1	Diversity of governance bodies and employees	Fully reported	117
	405-2	Ratio of basic salary and remuneration of women and men	Fully reported	115-116
Non-Discrimination	406	Incidents of discrimination and corrective actions taken	During 2020, we received one reported case of discrimination. The results of this case are now being analysed through our routine internal management review process.	N/A



# SPANISH COMPLIANCE LAW INDEX

The Spanish Compliance Law Index below shows each Spanish Law indicator and our response.



## GENERAL INFORMATION

Indicator according to law		Reporting framework	Page number	Comments/ Reason for omission
Business Model	Brief description of the group's <b>business model</b> :	GRI 102-2 Activities, brands, products, and services	67, 75, 77	
	Business environment			
	Organisation and structure			
	Markets served	GRI 102-4 Location of operations		
	Objectives and strategies of the organisation	GRI 102-6 Markets served		
	Main factors and trends that may affect its future development	GRI 102-7 Scale of the organisation		
Materiality		Materiality analysis performed	63-64	



ENVIRONMENTAL INFORMATION

Indicator according to law		Reporting framework	Page number	Comments/ Reason for omission
Management approach		GRI 103-1 y GRI 103-2	77-109	
Environmental management	Current and foreseeable effects of the company	Qualitative description of the main current and foreseeable effects	N/A	The Vidrala Group received no fines or penalties for non-compliance with local environmental laws. The Group did settle a fine of EUR 15,075 from an ancient incident that occurred in 2015 at our Santos Barosa site in Portugal, whereby we exceeded the emission limit value at the site.  Since this incident, the Vidrala Group has faced no further sanctions or proposed sanctions.
	Environmental assessment and certification procedures	Qualitative description of evaluations and certifications	77-78	
	Application of the precautionary principle	Qualitative description of resources	77-78	
	Resources dedicated to the prevention of environmental risks	GRI 102-11 Precautionary Principle or approach	N/A	Our investment includes the use of an environmental consultancy to ensure we are complying with relevant legal guidance as well as for continual improvement as a business in terms of sustainability. The total cost includes fees for the presentation of annual legal documentation, changes in environmental permits, water consumption and discharge taxes, air emissions taxes and investments to reduce water pollutants, improvements in air emissions control and noise studies.
	Amount of provisions and guarantees for environmental risks	Internal framework: insurance policies contracted for eventual claims	77-78	

Indicator according to law		Reporting framework	Page number	Comments/ Reason for omission
Management approach		GRI 103-1 y GRI 103-2	77-109	
Pollution	Measures to prevent, reduce or repair emissions that seriously affect the environment (including any form air, noise and light pollution)	Qualitative description of the main measures and actions	87	Across our factories in Portugal, periodic control noise measurements are regularly made and we have generated noise maps in order to detect the most critical areas that will require our attention.  Through this, we are now in the process of implementing preventive measures to hamper our impact on noise pollution.
Circular economy and waste prevention and management	Measures for prevention, recycling, reuse, other forms of recovery and disposal of waste	Quantitative information on the waste generated and its typology	73, 78	
	Actions to combat food waste	-	88	Omitted: Our materiality assessment and stakeholder engagement exercise determined this was not a material topic to the Vidrala Group.





Indicator according to law		Reporting framework	Page number	Comments/ Reason for omission
Sustainable use of resources	<b>Water consumption</b> and water supply in accordance with local constrains	Quantitative information on water consumption	112	
	<b>Description</b> of the initiatives carried out to minimise water consumption	Qualitative information on water consumption	91	
	<b>Consumption</b> of reused water out of total water consumed	Información cuantitativa sobre el consumo de agua reutilizada	N/A	Ommitted: Our materiality assessment and stakeholder engagement exercise determined this was not a material topic to the Vidrala Group.
	<b>Consumption</b> of raw materials	Quantitative information on the consumption of raw materials and auxiliary raw materials	112	
	<b>Measures</b> taken to improve the efficiency of its use	Qualitative description of measures adopted	91	
	<b>Consumption</b> , direct and indirect, of energy	GRI 302-1 Energy consumption within the organisation  GRI 302-2 Energy intensity	84	
	<b>Measures</b> taken to improve energy efficiency	Qualitative description of the measures adopted	84-85	
	<b>Use</b> of renewable energy	Qualitative description of the use of renewable energies	84-85	



Indicator according to law		Reporting framework	Page number	Comments/ Reason for omission
Climate change	Significant elements of <b>greenhouse gas emissions generated</b> as a result of the company's activities, including the use of the goods and services it produces	GRI 305-1 Direct (Scope 1) GHG Emissions  GRI 305-2 Energy indirect (Scope 2) GHG emissions	84	2020 data estimated, pending official audit.  Under the current procedure, Vidrala performs its own internal calculation of Greenhouse Gases (GHG). Every year, before February 28, Vidrala is audited by an accredited entity.  Subsequently, the audit report must be submitted to be verified by the national environmental administration and presented to the European Commission.  Once validated, the final calculation is used to proceed with the delivery of CO <sub>2</sub> quotas.
		<b>Measures taken</b> to adapt to the consequences of climate change	77-79, 83-85	
		<b>Voluntary medium- and long-term reduction targets</b> to reduce greenhouse gas emissions and the means implemented to that purpose	77-79	
Protection of biodiversity	<b>Measures</b> taken to preserve or restore biodiversity	Qualitative description of measures and awards	92	Ommitted: The activity of the Vidrala Group does not have significant impacts on protected areas, so the Company does not take specific measures for the preservation or restoration of biodiversity, although they are not ruled out in the future as a measure of its Corporate Social Responsibility policy. Furthermore, our materiality assessment and stakeholder engagement exercise determined this was not a material topic to the Vidrala Group.
	<b>Impacts</b> caused by activities or operations in protected areas	Qualitative description of the impacts	92	



INFORMATION ON EMPLOYEES AND SOCIAL MATTERS

Indicator according to law		Reporting framework	Page number	Comments/ Reason for omission
Management approach		GRI 103-1 y GRI 103-2	77-109	
Employment	<b>Total number</b> and distribution of employees by sex, age, country and professional category	GRI 102-8 Information on employees and other workers GRI 405-1 Diversity of governance bodies and employees	112-113	Directors: includes members of the Executive Committee and directors of functional areas. Line Managers: includes middle management staff.  Other employees: includes the rest of white- and blue-collar workers.
	<b>Total number</b> and distribution of types of employment contract	GRI 102-8 Information on employees and other workers	112-113	
	<b>Annual average</b> of permanent, temporary and part-time contracts by sex, age and professional category	GRI 102-8 Information on employees and other workers	112-113	
	<b>Number</b> of dismissals by sex, age and professional category	Quantitative information of dismissals	114	
	Wage gap	Quantitative information of wage gap	98	Wage gap has been calculated as: [(Average remuneration of women / Average remuneration of men) - 1]
	<b>Average remuneration</b> by sex, age and professional category	GRI 405-2 Ratio of basic salary and remuneration of women and men Quantitative information of average compensation of employees	115	
	<b>Average remuneration</b> of Board of Directors by sex	Quantitative information of average Board of Directors members remuneration	116	
	<b>Average remuneration</b> of directors by gender	Quantitative information of average directors remuneration	115	Omitted for data protection reasons, as there is only one female director
	Implementation of labour <b>disconnection policies</b>	Qualitative description of existing measures	94	
	Employees with <b>disabilities</b>	GRI 405-1 Diversity of governance bodies and employees	116	

Indicator according to law		Reporting framework	Page number	Comments/ Reason for omission
Work organisation	<b>Organisation</b> of working time	Qualitative description of the organisation of working time	95	
	<b>Number</b> of absenteeism hours	GRI 403-2 Hazard identification, risk assessment, and incident investigation	115	
	<b>Measures</b> aimed at facilitating the enjoyment of Work-life balance by both parents	Qualitative description of the measures	95-96	
Health and safety	<b>Health and safety conditions</b> at work	GRI 403-2 Hazard identification, risk assessment, and incident investigation	100	
	<b>Number</b> of accidents at work and occupational diseases by sex, frequency rate and severity by sex		117-118	
Social relationships	<b>Organisation</b> of social dialogue, including procedures for reporting and consulting staff and negotiating with them	Qualitative description of the organisation of social dialogue	101	
	<b>Percentage</b> of employees covered by collective agreements by country	GRI 102-41 Collective bargaining agreements	109	
	<b>Balance</b> of collective agreements, particularly in the field of health and safety at work	Qualitative description of the balance of collective agreements	N/A	Omitted: Health and safety at work are excluded from the scope of negotiation of collective agreements. The management of these aspects is set within the framework of our internal policies for the prevention of occupational risks, which have evolved extensively in recent years. The negotiations of the agreements focus instead on finding a balance between the sustainability of employer-employee relations, the competitiveness of the plant in question and the fair and proportional updating of the work conditions of the workforce.



Indicator according to law		Reporting framework	Page number	Comments/ Reason for omission
Training	<b>Policies implemented</b> in the field of training	Qualitative description of the policies	94	
	<b>Total number</b> of hours of training per professional categories	GRI 404-1 Average hours of training per year per employee by gender, and by employee category	114	
Universal accessibility of people with disabilities		Qualitative description of the measures implemented	97	
Equality	<b>Measures</b> taken to promote equal treatment and equal opportunities for women and men	Qualitative description of the measures	97-98	
	<b>Equality plans</b> , measures adopted to promote employment, protocols against sexual harassment and for gender reasons	Qualitative description of the current procedures	97	
	<b>Integration and universal accessibility</b> for people with disabilities	Qualitative description of integration measures	97	
	<b>Policy</b> against all forms of discrimination and, where appropriate, diversity management	Qualitative description of diversity management	97-98	

INFORMATION ON RESPECT FOR HUMAN RIGHTS

Indicator according to law		Reporting framework	Page number	Comments/ Reason for omission
Management approach		GRI 103-1 y GRI 103-2	77-109	
<b>Application of due diligence</b> procedures in the field of human rights		GRI 102-16 Values, principles, standards, and norms of behaviour	109	
<b>Prevention</b> of the risks of violation of human rights and, where appropriate, measures to mitigate, manage and repair possible abuses committed		Qualitative description of the management carried out	109	
Human rights violations <b>complaints</b>		Quantitative information on the number of complaints	109	
<b>Promotion and compliance with the provisions of the fundamental ILO</b> related to respect for the freedom of association and the right to collective bargaining, the elimination of discrimination in employment and occupation, the elimination of forced or compulsory labor and the effective abolition of child labor		Qualitative description of the management carried out	109	

INFORMATION ON THE FIGHT AGAINST CORRUPTION AND BRIBERY

Indicator according to law		Reporting framework	Page number	Comments/ Reason for omission
Mangement approach		GRI 103-1 y GRI 103-2	77-109	
<b>Measures</b> taken to prevent corruption and bribery		Qualitative description of the management carried out	108	
<b>Measures</b> to combat money laundering		Qualitative description of the measures	108	
<b>Contributions</b> to non-for-profit organisations		Quantitative information on contributions	106, 119	

INFORMATION ON SOCIETY

Indicator according to law		Reporting framework	Page number	Comments/ Reason for omission
Management approach		GRI 103-1 y GRI 103-2	77-109	
Commitments of the company with sustainable development	Impact of the company's activity on <b>employment and local development</b>	Qualitative description of the impact	105-106	
	Impact of the company's activity on <b>local populations and territory</b>	Qualitative description of the impact	105-106	
	<b>Relationships</b> maintained with the local communities and modalities of dialogue adopted	Qualitative description of the relationships maintained	105-106	
	<b>Association or sponsorship</b> relations/actions	Qualitative description of association or sponsorship actions	105-106	
	<b>Inclusion</b> in the procurement policy of social, gender equality and environmental issues	Qualitative description of the management carried out	106, 109	
Subcontracting and suppliers	Consideration in the suppliers and subcontractors' relations of their <b>social and environmental responsibility</b>	Qualitative description of the management carried out	106, 109	
	<b>Monitoring systems</b> and audits and results	Qualitative description of the supervision and auditing systems	106, 109	



Indicator according to law		Reporting framework	Page number	Comments/ Reason for omission
Consumers	<b>Measures</b> for consumers health and safety	Qualitative description of the measures	100, 102	
	Complaint <b>Systems/Channels</b>	Qualitative description of the complaint systems	102	
	<b>Complaints</b> received and resolution	Quantitative information on the number of dissatisfactions on million tons sold	102	
Tax information	<b>Profits</b> obtained country by country	Quantitative and qualitative information on the benefits obtained	119	
	<b>Taxes</b> paid on profits	Quantitative and qualitative information on the benefits obtained	119	Information is provided at the group level.
	<b>Public grants/support</b> received	Quantitative and qualitative information on the public subsidies received	120	

