



vidrala

Statement of Non-Financial Information  
**Sustainability Report**  
*Full year 2021*



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## INTRODUCTION

### ABOUT US

Vidrala 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 help maintain our customers' reputation and values, and play a role in their strategies, helping to develop the end consumers' brand experiences.

We operate in an international environment, managing 8 industrial centres located in Spain (3), Portugal (2), the UK & Ireland (2), and Italy (1). Manufacturing activity is based on a continuous, uninterrupted industrial process. 24 hours a day, 365 days a year, and is subject to inherent risks and complexities associated with the intensive nature of production.

We sell products to a wide range of customers, normally the owners of well-known food and beverage consumer brands, in their respective spheres. The Group's sales are mostly in the geographical region of Western Europe and the United Kingdom. The glass bottles produced by us are intended for a wide range of food and beverage products, among which include wine, beer, food preserves, water, spirits, and soft drinks.

Today, we produce more than 8 billion bottles and jars per year, which are sold to over 1,600 customers. Our aim is to make glass containers, the ultimate fully recyclable material, and to serve packaging services as efficiently, profitably, and sustainably as possible, whilst ensuring the safety and wellbeing of our people and meeting the expectations of our customers.

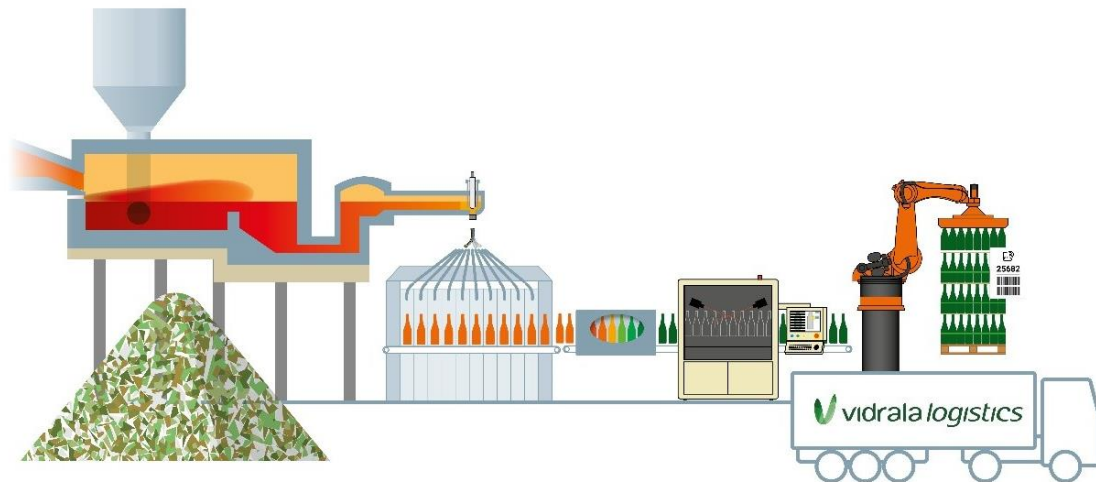
***Consumer trends are changing. It not only matters what we eat and drink but where we do it, how the experience is, as well as the impact it has on our health, social interactions and the environment and, as a result, what we expect the packaging to deliver above and beyond traditional expectations.***

***Our job is to meet the needs of our customers making our glass containers and supplying our packaging services as **efficiently, profitably and sustainably** as possible, while ensuring the safety and wellbeing of our people.***

### HOW GLASS IS MADE

1. Raw materials. Our main and preferred raw material comes from recycled contents. Indeed, recycled glass already accounts for 48% of our total raw materials. We have plans, specific investments, and social actions on track to further increase the use of recycled glass and operate world leading sustainable glass melting furnaces prepared to produce from a 100% recycled origin and optimise the environmental footprint whilst ensuring the quality of our products. The alternative virgin raw materials include sand, soda ash and limestone that 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. Out of the furnace, the molten glass is cut into "gobs" of a specific weight. 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. Rejected 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.



## OUR APPROACH TO SUSTAINABILITY



Fiacre O'Donnell, Sustainability Director: "The last couple of years have shown all of us how governments, businesses, and communities can come together to address a global crisis. Now, as we move steadily closer to a post-pandemic world, we must not lose focus when it comes to combatting the other long-term challenges facing us all, which have grown ever more urgent. For manufacturers like ourselves, our role is clear. To be a truly 'sustainable' business, we must be able to prove that we are actively supporting the environment around us, as well as everyone in it. This means our approach to sustainability has a

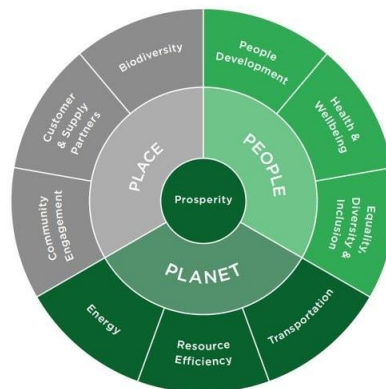
wider scope than just minimising carbon emissions, although this is certainly one of the most crucial aspects. We are also becoming more responsible in many other key areas. Our sustainability strategy means increasing diversity within our workforce, supporting biodiversity around our manufacturing sites and in those areas that need it the most, investing in cutting-edge technology that revolutionises our product's route to market, and supporting projects and initiatives that truly make a positive difference to people's lives.

Our four key pillars -**People, Place, Planet** and **Prosperity**- keep us focused on this journey towards building a better world for us, our employees, our partners, and communities. Every step we take as a business should always support one of these pillars if we are to create a more sustainable future. We've known for years that this isn't just the right thing to do, it makes business sense. Our drive towards greater sustainability ensures we are an organisation which continues to be successful financially, while also actively supporting

greater wellbeing and combating climate change. All of this is underpinned by our continued championing of glass and our need to create products that are good for people and the environment. As all our employees and partners know, glass is the oldest, safest, most environmentally responsible packaging material in existence. Although it has been around for centuries, we're still making game-changing discoveries today that are helping us create more responsible products. As we incorporate greater levels of digitalisation throughout production and our supply chain, pioneer the use of cleaner fuels like biofuels or hydrogen, and invest in cleaner shipping methods, it has become clear that the opportunities for improvement are boundless.

Throughout the pandemic, we have taken full advantage of these opportunities working closely with Governments, independent experts, and industry-leading research bodies. Our ground-breaking trial to create biofuel bottles using 100% recycled cullet is an example of this, as is our support for the development of the use of hydrogen in glass making. As you'll see within this report, there are countless other initiatives occurring across our plants which have innovation at their core. At the same time, we've funded community and charity projects around the world, ensuring we give something meaningful back as we continue to grow. Our new Vidrala Forest in Tanzania for example, which will soon be made up of more than 100,000 trees, is fighting back against deforestation, whilst simultaneously providing work for local people.

Whatever the future holds in regard to CoVid-19 and its long-term impact on the world, our journey towards total sustainability will continue, along with our commitments to our people, our planet, our place, and our prosperity."



1. **PEOPLE:** We put everyone first.
2. **PLACE:** We are responsible for our surroundings.
3. **PLANET:** We are making glass cleaner and greener.
4. **PROSPERITY:** We have a brighter outlook.

**The skills and engagement of our people, as well as the quality and investment level of our facilities give us a great advantage.**

**We will invest more than ever, with the aim to build a better future, make our products and serve our clients in the most sustainable way.**

These pillars ensure we take responsibility for the way that we work and our impact on the environment, both locally in our communities and globally throughout our supply

chain. They guarantee we make effective use of resources, minimise waste and promote safe and ethical working practices. We pilot sustainable processes within our business and industry, and then share valuable learnings with all our key stakeholders. And finally, we enact programmes and policies to support the health and wellbeing of our people, and create an environment that embraces equality, diversity, and inclusion.

**The Sustainable Development Goals (SDGs)** are fundamental to our 4 P's strategy and highlight our commitment to ensuring that our strategy supports the United Nations blueprint to achieving a better and more sustainable future for all. The most relevant ones relating to our strategy are highlighted below:



**SDG5 Gender Equality:** Maximising the opportunities for gender equality within the manufacturing sector is an important goal. We are committed to supporting the recruitment, training, development, and careers of both women and men in manufacturing roles and we believe by doing so makes us a stronger, more resilient organisation.

**SDG7 Affordable and Clean Energy:** Accelerating the use of renewable energy is essential to tackling the climate crisis, especially in energy intensive industries like glass manufacturing. Therefore, we are committed to incorporating renewable energy in our industrial processes and improving our energy efficiency as well.

**SDG8 Decent Work and Economic Growth:** We recognise the importance of sustainable economic development and creating high quality working conditions for our staff. We are committed to providing employees with full-time satisfying jobs, with a suite of employee benefits and take care to promote a healthy work-life balance.

**SDG9 Industry, Innovation, and Infrastructure:** To meet future challenges, and ensure we have resilient infrastructure for the future, we have invested to bring innovative manufacturing equipment as well as alternative energy solutions into our business. Developing sustainable industrial processes and incorporating clean technologies, such as electrostatic precipitators, will help to ensure our long-term sustainability.

**SDG12 Responsible Consumption and Production:** The efficient use of natural resources and investing in new technologies to improve our production methods is key. We work with organisations to increase the quantity and quality of recycled glass. This reduces our demand for new natural resources, minimises waste and helps contribute towards a more circular economy.

**SDG13 Climate Action:** The impacts of climate change are already visible and will worsen without proper action. Reducing our carbon footprint and minimising our climate impact is vital for us. To do so, we have been investing in more energy efficient furnaces, as well as switching to renewable sources of energy to reduce reliance on fossil fuels. We have also recently submitted a near-term science-based target, in line with 1.5°C, for validation by the Science-based Target Initiative (SBTi).

**SDG15 Life on Land:** Protecting our planet is one of our core business values. We are dedicated to conserving resources, where possible, as well as helping to develop and promote biodiversity.



## 2021 SUSTAINABILITY SCORECARD

*\*Annual variation over 2021, in unitary terms (i.e., over ton of melted glass). This is a reference unit of measure in the glass industry. Any information based on ton of melted glass -tmg- enables both the assessment of the company's performance and the comparison among different companies in the sector.*

- 8 manufacturing sites
- 19 furnaces
- >8.0 billion containers produced
- >3,500 employees
- >100,000 training hours
- >1,600 customers
- -0.8% customer complaints
- 48% use of recycled glass (over total raw materials)
- -9.2% water consumption
- +2.9% consumption of raw materials
- -1.7% energy consumption
- -4.5% carbon dioxide equivalent (CO<sub>2</sub>e) emissions



## GLASS MADE GOOD

## P

**ROSPERITY. We have a brighter outlook.**


Our long-term success as a business is intrinsically linked to sustainability, and the key portions of our Prosperity pillar are our commitments to market responsibility, leading responsibly, and ensuring we engage our stakeholders. Our prosperity strategy is vital to the success of our operations and fundamental to our business's overall sustainability strategy and to the success. It informs how we operate and the decisions we make. Ensuring a prosperous future is essential for the success of our Planet, People and Place strategies.

The three key components of our Prosperity strategy are to ensure we demonstrate market responsibility, responsible leadership, and stakeholder engagement.

### MARKETPLACE INTEGRITY

This is our sense of responsibility to lead in our industry and challenge accepted thinking in order to create a better world. Our key principles include:

- The way our company operates, the decisions we make and the products and services we provide must have a positive social, economic, and environmental impact.
- We understand the impact of our product through its full life cycle. We invest and innovate to reduce the negative and maximise the positive impact of our products and services.
- We encourage positive supplier and customer behaviour and educate our customers to use our product as responsibly as possible.
- We use the company's position to leave a positive legacy for future generations.
- We work to empower our supply chain to be responsible - ensuring that human rights are protected across the whole supply chain.

**Supply Chain Management.** To demonstrate market responsibility, we have developed a supplier and subcontractor code of conduct to define the ethical standards that our suppliers must adhere to and implement throughout their business. This code of conduct outlines what is required to ensure sustainable and ethical procurement and demonstrates that our suppliers apply global standards for business ethics and compliance. Equivalent principles of fairness and honesty must also be replicated by the suppliers within our supplier's network, and to all other stakeholders including their workers.

Our supplier quality assurance and development management system consist of five main processes. To start, we do an initial selection process which is followed by a desk-based evaluation. Depending on the result of this initial review and the standards and/or regulations the supplier needs to adhere to, a secondary audit may be required. The secondary audits are undertaken by a multidisciplinary team and the process ensures that they meet our minimum standards. Following the selection, suppliers are then subsequently evaluated on a quarterly basis. Any incidences of non-compliance are investigated to assess the severity and the possible corrective measures required. Our



supplier improvement team also conducts mid-year reviews, with the purpose of detecting larger issues before they occur, or to discuss key new development projects that would have mutual benefits.

**18**  
audits completed

**ESG Supplier Audits.** As we strive to become a more sustainable business, we recognise that our supply chain is a very important component of that strategy. The robustness of our supply chain has been tested successfully during the pandemic, with no stock ruptures even during the peak. This is thanks to a strategically diverse supply chain and our key local suppliers.

To build ESG reputability in our supply chain, we have recently introduced supplier audits that now include ESG related questions. This will help to ensure that we are partnering with like-minded suppliers who share and can support our sustainability goals. The areas the ESG questions explore include:

- Quality Management
- Purchasing
- People
- Environment
- Health & Safety
- Traceability

During 2021 we executed 11 ESG audits, and 91% of the audits were deemed satisfactory. No corrective measures were needed.

**11**  
suppliers screened with ESG criteria

**HyNet NorthWest: Researching alternative, ultra-low-carbon energy solutions to put the glass industry at the forefront of the drive to net zero**

HyNet NorthWest is an innovative low carbon and hydrogen energy project that will help to unlock a low carbon economy for the Northwest England and North Wales and put the region at the forefront of the UK's drive to net zero. By 2030, the project has the potential to **reduce carbon dioxide (CO<sub>2</sub>) emissions by 10 million tonnes every year**. If achieved, the project will create and maintain thousands of local jobs and improve the sustainability for businesses in the region.

The project is based on **large scale production of hydrogen from natural gas combined with carbon capture and storage (CCS)**. As part of the project, funding has been secured to demonstrate the feasibility of switching from natural gas to hydrogen in several key industrial processes including the manufacturing of float glass. There are several glass sites in the area which could eventually be connected to the hydrogen supply.

Across our sites in the UK & Ireland, we are researching the ability to use hydrogen in our manufacturing furnaces to **create ultra-low-carbon glass bottles**. The supply will come from the proposed HyNet NorthWest project. This project will play a key role in our ambition to decarbonise, and we are delighted to be leading the charge.

## RESPONSIBLE LEADERSHIP

Responsible leadership is all about implementing practices in our business, markets, and the wider community so we can secure our business long-term for all our stakeholders. Our key principles include:

- **Governance and responsibility** of our 4 P's business strategy is shared throughout the business and championed from the top by our board of directors, executive committee, and senior leadership, through to the factory floor.
- As leaders in the industry, we will not only lead internally, but also look at ways to **influence and change practices in our sector** and the wider business community.
- We are viewed externally by stakeholders, including our peers and external disclosure like CDP, as being a **responsible and sustainable business**.
- **Checks and balances are robust, and our strategy and operations are transparent to our stakeholders.** This includes remuneration, board composition, accountability oversight, selection of pension funds, and payment of the fair amount of taxes in all geographies that we operate.

An example of demonstrating responsible leadership is the Carbon Literacy training that a relevant number of our employees, including our Executive team, completed this year. This course covered a range of topics, including the environmental and human impacts of climate breakdown, and how to measure and report our impact and nature-based solutions. Everyone who took part received a certificate as proof of being 'Carbon Literate'.

We have also joined forces with Business in the Community (BITC) to campaign for businesses to sign the Climate Action Pledge in Northern Ireland. This is a public commitment to measure, reduce and report their greenhouse gas emissions by 2030. The campaign is led by the steering group - Climate Champions, of which we are a member, working to support the campaign, setting the terms of the Pledge and, through BITC, share best practice examples to inspire and encourage other local businesses to make a change. By signing up to this, we are taking responsibility within our industry whilst encouraging others to do the same.

### **BBK Kuna, the home of the SDGs: a partnership for inclusive and sustainable progress**

*In 2015 the United Nations agreed on 17 Sustainable development goals (SDGs) to be achieved by 2030. In 2021 a **multisectoral network** consisting of organisations from the public, academic and the private sector was organised to launch the 'BBK Kuna 2030 Kideak' to **accelerate the collaboration and achievement of the 2030 agenda and the 17 SDGs** and to promote a new generation of organisations and leaders in order to address the main challenges in the world.*

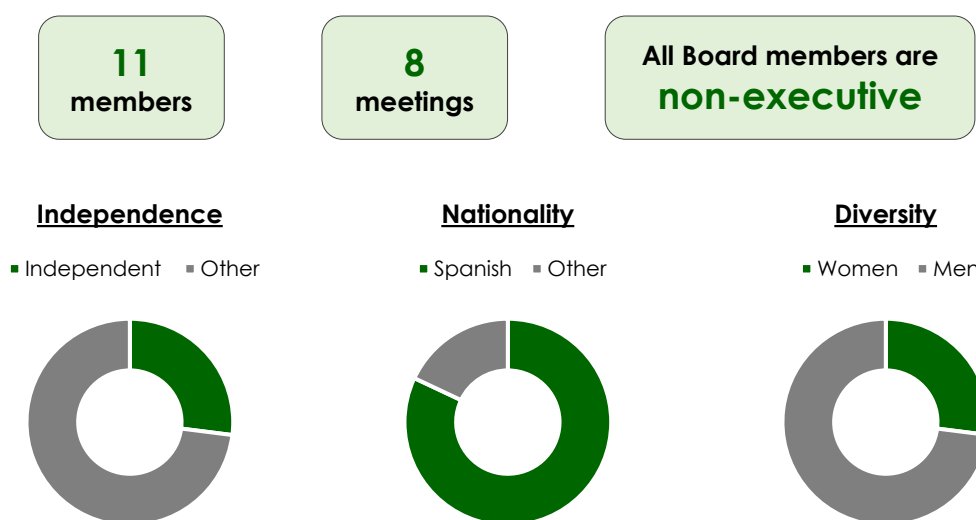
*The call to action is to put an end to poverty, protect the planet and defend the dignity of people all over the world. BBK seeks to accelerate these efforts by means of **powerful stories, partnerships, innovative learning processes and projects**.*

***More than 80 organisations are part of this initiative.** We will have special involvement with objective **#13 - Climate Action**. The network is organising events and trainings to provide opportunities for us to share what we are doing for climate action, share best practices and encourage other companies to integrate the 2030 Agenda in their organisations. This is a great example of how we are **taking steps to act responsibly, be a market leader and work together** with key stakeholders to ensure a prosperous future.*

**The importance of a solid Corporate Governance structure.** Our governance is led by our Board of Directors. Our directors have created an effective structure that encompasses all the policies and processes needed to support the success of our business and our culture of integrity.

The role of the Board is to promote the long-term success of the company for the benefit of all stakeholders and focuses on strategy, leadership, people, performance, internal control and risk management, governance, and shareholder matters. The board is led by our chairman, separate from our Chief Executive Officer, to ensure the separation of powers between the two roles.

The Board of Directors is made up of 11 members, including the Chairman, who is responsible to lead and ensure the Board works in an effective manner that is transparent and accountable, whilst creating a culture of openness and participation to aid the decision-making process.



There are three Board committees:

1. Audit and Compliance Committee. Monitors the integrity of the Group's external reporting, provides oversight and governance of the Group's internal controls, risk management and the relationship with external auditors.
2. Nomination and Remuneration Committee. Responsible for setting the remuneration policy and individual compensation for the Chairman, executive directors, and senior management to ensure that it is in line with the long-term interests of the Group.
3. Strategy and Development Committee. The Committee is responsible for reviewing the company's strategic initiatives and providing recommendations to the Board.

A distinctive feature of our business is its familiar origin, this is also a key point when assessing the success of our equity story. Our intention now is to continue making progress, so that we become more modern and better aligned with the highest standards of corporate governance which includes an ongoing process towards the incorporation of more women and independent members. **Both the Audit and Compliance Committee and Nomination and Remuneration Committee are now presided by an independent director.**

**Anti-corruption.** We do not tolerate any violation of our anti-corruption, anti-bribery and ethical policies and we are committed to addressing any incidents addressing any incidents which do so. Our new anti-corruption, anti-fraud and competence defence policy establishes the applicable regulation, 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.

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 intranet. It is also periodically communicated to current employees by email. We have also implemented new software which is 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. We reported no legal actions or breaches related to anti-competitive behaviour and violation this year.

## STAKEHOLDER ENGAGEMENT

Stakeholder engagement is all about engaging and working together with our key stakeholders - encouraging timely, relevant, and open communication, sharing best practices, and working together to create a more sustainable future. Our key principles include:

- Our business makes decisions by consulting, collaborating, and informing stakeholders.
- We co-create innovative solutions in partnership with stakeholders, not only generating mutual commercial success, but also increasing trust between our business and our communities.
- We listen to and address the issues of our stakeholders, including the voiceless and underrepresented groups.
- We publicly share challenges and successes to encourage all to work towards a more sustainable world.

The main stakeholders or interest groups for the Group are identified below:

1. **Employees.** They make the business project possible. Understanding their concerns and motivations, having them play an active part in the business, and attracting and retaining talent are fundamental principles to ensure the commitment of the team, continuous improvement, and the long-term sustainability of the business.
2. **Customers.** Customers are at the heart of what we do and how we do it. For this reason, we understand it is key to go beyond our customer's expectations through the delivery of sustainable packaging solutions, accompanied by an excellent level of service.
3. **Suppliers.** They 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.** All economic growth is dependent on sustainable development. Therefore, we are 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 projects and the resulting association or sponsorship actions.

5. **Shareholders.** Our shareholders place their trust in the success of the business by committing their capital. Generating value through sustained cash generation and having clear priorities is essential to create 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.

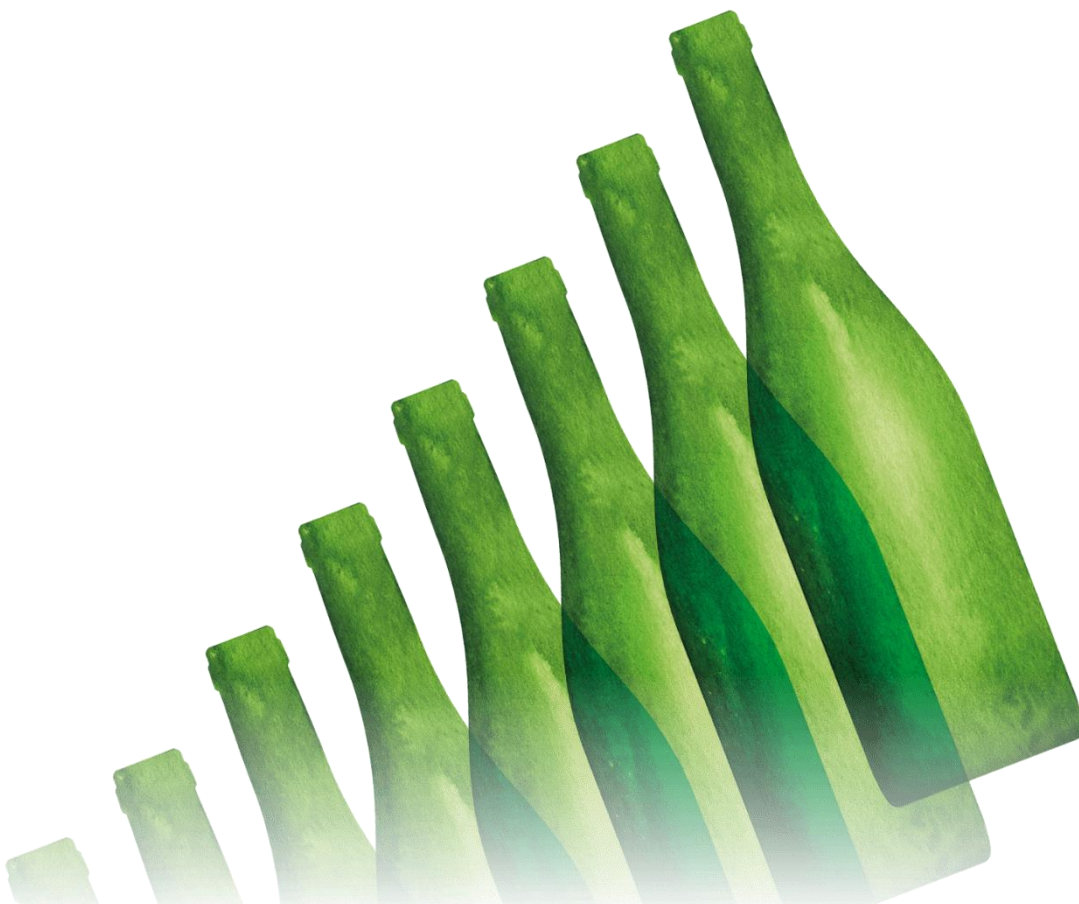
**Sustainable finance, a key element to complete our sustainability approach**

We continue to make progress in integrating sustainability into our corporate strategy, committing specific objectives of environmental improvement, and linking part of the financial cost to its achievement.

This commitment started back in 2019, when we completed the novation of a significant part of our debt, betting on a **financing structure linked to environmental performance**. Additionally, in 2020, we partnered with HSBC to green-up finances, investing an initial sum of GBP 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.

This year 2021, we signed a **sustainable interest rate swap (IRS)** with the Spanish bank BBVA. This pioneering financial product in the derivative market, links the IRS agreement to the achievement of a reduction in carbon emissions.

All these initiatives demonstrate the aim of Vidrala to continue to optimise the environmental impact of its processes and products whilst embedding long-term decision making into our business planning.



## P PLANET. We are making glass cleaner and greener.



We pride ourselves on placing sustainability at the heart of our operations. We understand the responsibility we must make the right investments required to become a sustainable business and help achieve a greener future. At the heart of this pillar is our focus on energy, transportation, and resource efficiency. We have a strategic approach to reduce the impact of the activities at our sites, all of which are certified to ISO 14001:2015 environmental management standard. This ensures that we have the required environmental legal compliance procedures in place for the organisation. We are also committed to reducing the amount of resources required to make our products, eliminating all waste and the way in which we transport our products.

### RESOURCE EFFICIENCY

Packaging plays an essential role in modern day living; protecting, preserving, and enabling the distribution of products to all who need them. This is why conserving key natural resources that are used for making glass, as well as water, are essential to using resources efficiently. In glass manufacturing, glass can be recycled an infinite number of times and is why it is so important we work to achieve a more circular economy in our industry. As our global populations grow and the middle class expands throughout the developing world, the need for the best and most sustainable packaging solutions will continue to grow. Within this changing landscape, glass arises as the optimal packaging of choice.

Concerns about the future of the planet and our impact on it is also growing significantly. To support this challenge the involvement of strategic suppliers is key in this journey, which is why our procurement team is focused on enhancing the glass circular economy. To achieve our resource efficiency goals, we are committed to designing out excess material in our products, recycling and reusing where possible, and reducing waste to zero.

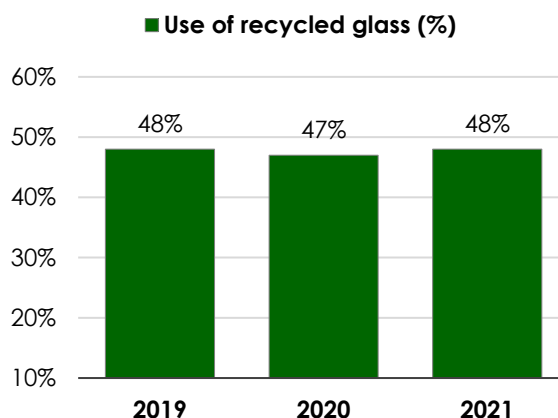
Glass is made from using natural and abundant raw materials - sand, soda ash and limestone. In order to arrive at the final product, these ingredients are melted at high temperatures in our furnaces. The finished product can be recycled an infinite number of times without losses in quality or quantity which makes increasing the amount of recycled glass used in our manufacturing an attractive option.

By doing so, we reduce our reliance on taking new raw materials from the planet, it reduces our energy consumption and greenhouse gas (GHG) emissions and supports us in achieving a more circular economy. This year 48% of raw materials introduced into our furnaces was recycled glass.

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

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

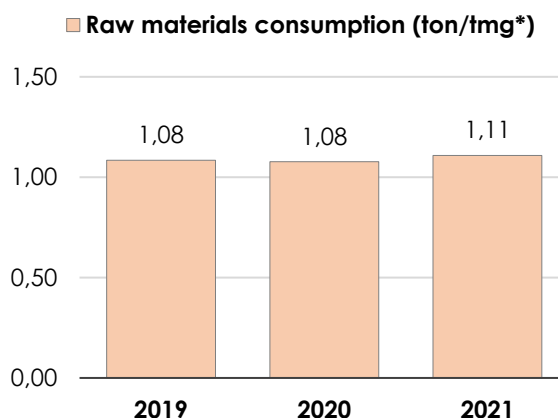




We are making our best efforts to further increase the recycled content of the containers we manufacture. This includes cullet -broken or waste glass- and other recycled materials. To demonstrate our commitment, we have launched a specific plan named 'Cullet, the raw material for our future', under which we will commit investments, create long-term partnerships, work with administrations, transform logistics to make cullet more available in the most difficult locations and, as result of this, progressively increase the use of cullet in our production process.

In response to these challenges, we are supporting the availability of recycled glass in the industry through our involvement with FEVE's 'Close the Glass Loop' platform. FEVE is the association of European manufacturers of glass contained and machine-made tableware, and the platform's aim is to unite the glass collection and recycling value chain to support more bottle-to-bottle recycling and increase the quantity and quality of available recycled glass. Our vision is to achieve full actual recycling of collected glass packaging, by working in partnership with the whole value chain to ensure great circularity. We want to achieve 90% average EU collection rate of used glass packaging by 2030 (that's up from the current average of 76%) and better quality of recycled glass, so more recycled content can be used in a new production loop.

**Raw Materials.** The more cullet we can incorporate into the glass making process, the more we can reduce our reliance on taking these key ingredients from the planet.

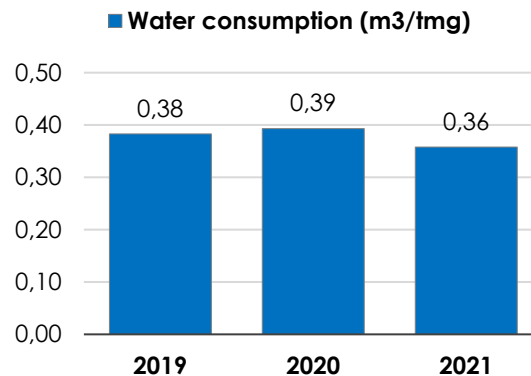


*tmg* = ton of melted glass. This is a reference unit of measure in the glass industry. Any information based on *tmg* enables both the assessment of the company's performance and the comparison among different companies in the sector.

**Water Usage.** We recognise that climate change is projected to increase the severity and frequency of droughts and water scarcity in certain areas. This is a great concern to

our business, and the local communities that we operate in. Water is an essential component to our manufacturing process, it cools our furnaces, compressors, and any unused melted glass. The impact to our business and our local communities makes it doubly important that we take steps to reduce our water consumption and improve water efficiency across our factories. This is important to not only protect this valuable resource but also ensure long-term business sustainability.

This year we have undertaken several projects to improve our water consumption and as a result, we have reduced our water intensity ratio to 0.36 cubic meters per ton of melted glass. Compared to 2020, this indicates that we now use approximately 9.2% less water for each tonne of product made.



#### **Improving our water management to further preserve natural resources**

Over the next 2 years, we have an objective to reduce the number of compressors used across our sites. This is important to our water consumption as our air compressors used in the manufacturing process rely on water for cooling during their operation. Each compressor consumes between 40 and 50 cubic meters of water per hour. By replacing these water-cooled compressors with new compressors, we will be able to **reduce our annual water consumption by 9,000 cubic meters annually**, which is equivalent to eliminating the same amount of water needed to fill nearly 4 Olympic sized swimming pools!

We are also upgrading our metering technology at our sites which will enable us to **digitise our water consumption data**. This enables us to monitor all water inlets, our water evaporation rate in our cooling towers, and have precise measurements of the volume of water pumped and the energy required to complete this. The digitisation of this data will also enable us to automatically report against set KPIs, identify waste areas and opportunities, and allows us to benchmark performance between plants.

And finally, we will be making **upgrades to the water treatment plants** across our sites in Spain. These upgrades will reduce water consumption, improve the quality, and reduce the cost of treating wastewater. These investments support our Planet pillar and indicate our efforts to further preserve and reduce our demand for natural resources.

## **ENERGY**

Glass has demonstrated itself to be one of the most sustainable packaging solutions for the environment and our core belief is that glass is key to a better, more circular economy. However, we recognise that manufacturing glass is an energy intensive process and contributes to the release of greenhouse gas emissions. Therefore, 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 and lowering our carbon footprint.

**ReNEWed Energy Taskforce.** To ensure we accomplish our targets, we have created the ReNEWed Energy Taskforce, a working group composed of 7 senior managers including our Chief Executive Officer (CEO), Chief Financial Officer (CFO), Chief Operations Officer (COO), Encirc's Managing Director (MD), Technical Director, Sustainability Director, and Energy Procurement manager. This group has come together to deliver on our *Glass Made Good strategy*, with the initial focus on energy and emissions. To make our objectives explicit, the group developed 7 key commitments which focus on a range of areas such as increasing recycled content of our glass bottles, investing in self-generation power facilities and furnace replacement cycles, or progressing with key research and innovation for electric/hybrid furnaces.

To get started, we have developed a comprehensive, multi-year plan to identify the best areas to invest in order to improve our energy usage and reduce the carbon footprint across our sites. Our aim is to make them the most sustainable and energy efficient glass plants in the world by 2024.

#### **Installing solar photovoltaic systems to self-generate power in our facilities**

*Increasing the proportion of electricity that we use derived from 100% renewable sources is a top priority and is why we have stepped up our efforts to develop onsite renewable electricity with our solar photovoltaic projects kicking off in 2021.*

*Not only does it supply us with zero carbon electricity at our sites, but by developing new solar photovoltaic infrastructure, we are creating additional solar generating capacity, which is great for the planet and absolutely **essential for combatting climate change and supporting 1.5 degrees of warming targets.***

*In 2021, we are immensely proud to have given the go-ahead on **one solar photovoltaic project in southern Spain.** We intend to begin construction of this project in 2022 with the aim of having it completed by 2023. In addition, **three other projects spread across southern Europe are under analysis.** If finally executed, the combined impact of these projects is estimated to **reduce our Scope 2 location-based emissions by approximately 16,000 tonnes of CO<sub>2</sub> emissions.***

*In parallel, we are developing a **heat recovery project in Italy,** so that the heat generated in our production process does not get lost anymore but is used to heat water for domestic use in the municipality of Corsico.*

*Thus, we continue to reinforce our commitment to sustainability -in this case- by generating electricity on site from 100% renewable sources and heating buildings using waste heat from operations.*

This year alone we invested more than EUR 20 million into initiatives that support our efforts to minimise our impact on the environment, representing approximately a 2% of our annual revenue. A major part of this investment served to support the commitments of the ReNEWed Energy Taskforce, improving energy efficiency, reducing greenhouse gas (GHG) emissions, and improving customer service.

This includes fourteen key projects that we have identified that includes modernizing our low-pressure air compressors and vacuum pumps, improving our office energy management, and upgrading our monitoring systems to improve our data quality and energy management.

To support this, we have committed to implementing energy efficiency measures such as ISO 50001 energy management systems across all our factories. We also procure renewable electricity in a number of our sites and undertake important initiatives to reduce our energy usage and carbon footprint.

We also monitor all equipment with variable consumption in the plants: from compressors and dryers, to transformers, fans, pumps, and others. This is vital for controlling our manufacturing processes and guaranteeing reliability. Monitoring our activities also enables us to identify opportunities to improve performance and eliminate waste. These actions have generated a continuous and significant reduction in the non-melting energy consumption.

In 2021, we improved our energy efficiency by reducing the overall energy required to produce a tonne of melted glass by 1.7% versus 2020 and we reduced the carbon intensity per tonne of glass melted by 4.5%. Over the next several years, we will continue to invest significantly in energy and carbon reduction projects across our business.

#### **Making progress on the energy efficiency improvement of our processes**

In 2021 we have developed a series of projects at our plant in south-eastern Spain to improve energy consumption. One of these lines of work has been the annealing lehrs, which serve to cool the bottles in a controlled and progressive manner. The project has consisted of determining the optimal operating parameters of the lehrs, without putting the quality of our product at risk. The efforts made have **resulted in a 25% reduction** in the monthly energy consumption of the lehrs, equivalent to a reduction **of 600 tons of CO<sub>2</sub>** per year.

On the other hand, another project has been developed in the field of air compressors, which are used to shape the bottles we produce. The main axis of work focused on the analysis of consumption, the reduction of pressure in the charge and the elimination of leaks. This has resulted in **a reduction of more than 15% in the consumption of the compressors, equivalent to more than 350,000 euros of economic savings per year.**

Congratulations, among others, to the energy and maintenance departments for the effort made and the results achieved, that will serve us to promote similar improvements in other plants.

Energy Source	2019	2020	2021
Fuels (kWh)	3,492,798,909	3,191,771,003	3,458,667,294
Electricity (kWh)	320,520,064	310,775,667	324,997,913
Renewable (kWh)	301,906,706	281,477,408	317,689,012
<b>Total Energy Consumption (kWh)</b>	<b>4,115,225,679</b>	<b>3,784,024,078</b>	<b>4,101,354,219</b>
<i>Fuels intensity (kWh/tmg)</i>	<i>1,353</i>	<i>1,322</i>	<i>1,299</i>
<i>Electricity intensity (kWh/tmg)</i>	<i>124</i>	<i>129</i>	<i>122</i>
<i>Renewable intensity (kWh/tmg)</i>	<i>117</i>	<i>117</i>	<i>119</i>
<b>Total intensity (kWh/tmg)</b>	<b>1,594</b>	<b>1,567</b>	<b>1,540</b>

GHG Source	2019	2020	2021
Scope 1 (tCO <sub>2</sub> e)	887,045	810,398	862,314
Scope 2 / Location-based (tCO <sub>2</sub> e)	188,493	168,199	164,261
Scope 2 / Market-based (tCO <sub>2</sub> e)	109,742	80,204	74,875
Scope 3 (tCO <sub>2</sub> e)	816,950	88,220	938,055
Total Emissions / Location (tCO <sub>2</sub> e)	1,892,488	1,066,817	1,964,630
<b>Total Emissions / Market (tCO<sub>2</sub>e)</b>	<b>1,813,737</b>	<b>978,822</b>	<b>1,875,244</b>
Total Scope 1 & 2 / Location (tCO <sub>2</sub> e)	1,075,538	978,597	1,026,575
<b>Total Scope 1 &amp; 2 / Market (tCO<sub>2</sub>e)</b>	<b>996,787</b>	<b>890,602</b>	<b>937,189</b>
Carbon Intensity (tCO <sub>2</sub> e/tmg) Total Scope 1 & 2 / Location	0,42	0,41	0,39
<b>Carbon Intensity (tCO<sub>2</sub>e/tmg) Total Scope 1 &amp; 2 / Market</b>	<b>0,39</b>	<b>0,37</b>	<b>0,35</b>

The scope 1 emissions cover the direct emissions from our production and represents those associated with the fuel that we have used on site. Our scope 2 figure includes emissions from the purchased electricity that we use at our sites. Our scope 3 emission figures account for the emissions that occur in our value chain. We intend to take steps to improve the data quality of our scope 3 emissions over the coming years. By doing so, we will significantly increase the robustness of these numbers, and begin to track the benefits gained from our engagement and action with our key suppliers.

We are also taking steps to reduce other pollutants that are released into the environment from our sites as a result of manufacturing glass. This is because, in addition to carbon dioxide (CO<sub>2</sub>) emissions, the manufacturing of glass produces other pollutants, most notably Nitrogen Oxide (NO<sub>x</sub>) and Sulphur Dioxides (SO<sub>x</sub>) and other particles.

To manage these pollutants, we have adopted the Best Available Techniques (BAT) of the glass industry, applicable to European manufacturers. Specific measures of BAT were included in the design stage of new furnaces and during partial repairs of existing furnaces. These measures range from the use of low NO<sub>x</sub> emission burners, to replacing fossil fuels with electrification. SO<sub>x</sub> and other particles mainly originate from the glass melting process. To reduce this, all of our factories now have electrostatic precipitators.

We also take steps to reduce noise and light pollution from our sites to minimise our impact in the local areas in line with relevant state regulations.

**Climate Change.** Acknowledging and understanding the key risks that climate change poses is essential to remaining a resilient business. It is important to also look at climate change through two lenses: its impact on our business and the world; and our contribution to it. Acknowledging the key risks that climate change poses is key to creating a combination of effective adaptation and mitigation strategies to create a resilient organisation. We have recently submitted a near-term science-based target, in line with 1.5°C, for validation by the Science-based Target Initiative (SBTi). Developing a science-based target shows how quickly we need to reduce our greenhouse gas (GHG) emissions to prevent the worst effects of climate change and helps us measure and manage progress towards a decarbonised economy. We are hoping this will be approved in 2022.





This year we also submitted our first full Vidrala Group submission to CDP and did so for both the Climate Change and Water Security questionnaires. This is a huge step forward in our disclosure practices and demonstrates our commitment to tackling climate change and reducing our impact. Our most recent scores of a 'B' in both questionnaires indicate the progress we have made in these areas. Equally important, the questionnaires help us identify key areas for us to improve on further in the future.

#### **The world's most sustainable glass bottle**

*An aspirational mission to create the world's most sustainable glass bottle has been lauded an incredible success by our industry, following initial results from a **ground-breaking trial** that we led.*

*Working with **Glass Futures**, we have been able to prove that **new bottles are able to be made from 100% recycled glass using energy solely from burning ultra-low-carbon biofuels**. The biofuel is derived from waste organic materials and are a much more sustainable fuel source than those traditionally used by the glass sector and can reduce the carbon footprint of each bottle by up to 90%. And by using 100% recycled glass, the trial has been able to minimise the lifetime impact of these products even further. The results of this trial will be shared with the UK government and help form their decarbonisation policies.*

*The hope is that **this world-first initiative will help pave the way forward for the industry to operate in a low-carbon economy**.*

*Biofuel is just one part of the decarbonisation puzzle, but an incredibly important and exciting one. The trial will help us **support our customers in our joint ambitions to decarbonise** the container glass supply chains and further demonstrate why **glass is the most environmentally beneficial packaging format for the world's leading food and beverage brands**.*

## **TRANSPORTATION**

We are also committed as a business to reducing the environmental impact of all our transportation activities in line with 1.5 degrees of warming.

Current efforts we are making to reduce our environmental impact in this area include employing trucks that are certified by the latest EURO6 standard which offer significant reductions in greenhouse gas (GHG) emissions. By 2022, our entire fleet of trucks will be certified to EURO5 and EURO6, reducing our NOX emissions from transportation by 70%.

Additionally, at our site in Elton, we have established a railhead which enables us to bring nearly half of our raw materials to the site by rail – keeping thousands of trucks off the road every year and greenhouse gas (GHG) emissions out of the atmosphere. Also, as part of a collaboration with DB Cargo UK, we were able to successfully trial the use of 100% renewable hydro-treated vegetable oil (HVO) fuel to deliver glass sand to our Elton facility by rail. HVO is synthetically made through the hydrotreatment of either vegetable oils or animal fats. This initiative is a testament to the great work we do when we collaborate with our supplier partners, and it has the potential to reduce the carbon footprint of this part of our products supply chain by 98.7% by removing the need to use diesel.

For our overseas deliveries, we support and encourage bulk shipping processes which significantly improve delivery efficiency and reduce the environmental impact.



**Vidrala Logistics, in motion for our customers on the most sustainable path**

In 2021, we gave a new boost our Vidrala Logistics brand by launching an **ambitious 2021-2025 strategic plan** that plans to **increase our brand's fleet by 67%**. In this way, we redouble our efforts to continue positioning ourselves as a reference in the sector in terms of customer service through our logistics subsidiary.

This growth plan includes not only the expansion of our own fleet but also investments in logistics facilities with a double objective: to **reinforce the excellence of our customer service and energy sustainability**. We are going to incorporate **last-generation, low-consumption trucks** that will run on less polluting fuels, in addition to the ongoing projects to **increase storage capacity**, electrify mobility elements, and reduce the number of kilometres that are circulated without load, among others.



## PEOPLE. We put everyone first.



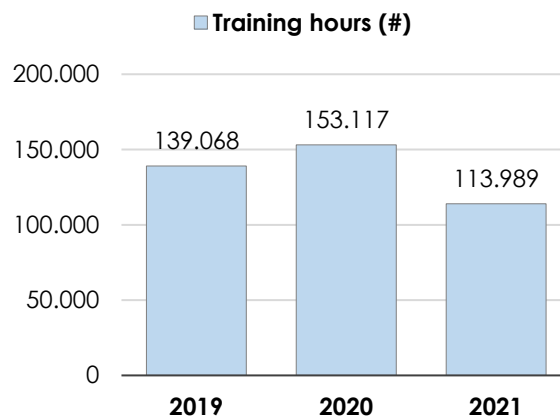
Our people are our most important asset, and their continued success and wellbeing is key to our growth as a sustainable business. We provide excellent employment opportunities that offer job security, rights, and competitive working conditions. To support our valued colleagues, we have made their development, health and wellbeing central to our sustainable business strategy. We have also embraced efforts to increase workplace equality and diversity and ensure that the working environment is as supportive and inclusive as possible.

### PEOPLE DEVELOPMENT

Our team of people has an instrumental role in driving the success and growth of our business. We champion the development of our staff to positively impact the business and the wider community. Without their skills, engagement, and experience, this success would not be realised. Therefore, people are at the heart of our sustainable business strategy, and their development is a key focus for us. We recognise that all our staff are individuals with different needs and career objectives. Consequently, we provide personalised development programmes, wider support schemes, and regular ongoing career guidance across all our sites, with an aim of helping our employees achieve their short and long-term professional goals.

To ensure training is relevant and supports career progression as well as the success of our business, we reassess the learning and development requirements of our employees on an annual basis. This assists in improving our understanding of key developmental areas.

We also advocate leadership at all levels, an idea that irrespective of where an employee sits within the business hierarchically, they have a responsibility to contribute. To support this, we have created objectives and targets even for employees whose day-to-day responsibilities are not related to our sustainable business strategy. This is an important part for nurturing the next generation of responsible future leaders.



In 2021, we continued to invest in our employees through training, with a total of 113,989 training hours taking place this year. The reduction versus previous year is explained due to a lower furnace rebuild concentration, meaning less specific training in this area during 2021.



**One Horizon** is a global programme for all managers and directors from our headquarters and both business units. It defines our **management and leadership mindset**, driving the organisation towards the achievement of its future goals.

We intend to create unforgettable learning experiences, both on-line and face to face, that will **reinforce the spirit of our Group**. Providing the opportunity for delegates to share their learning and best practice with their colleagues from our plants across Europe.

One Horizon is a three-year programme, including:

- E-learning solutions offered to all participants
- Operational Level – 350 people invited all across the Group
- Strategic Level, with the purpose of developing internal talent from a medium- / long-term strategic perspective

## HEALTH AND WELLBEING

Whilst career development is important, championing the health and wellbeing of our employees is also a top priority. A high-quality, stable work environment is essential, which is why of the 3,500 of people we employ, 94% are in full-time positions, showing our dedication to providing stable working conditions.



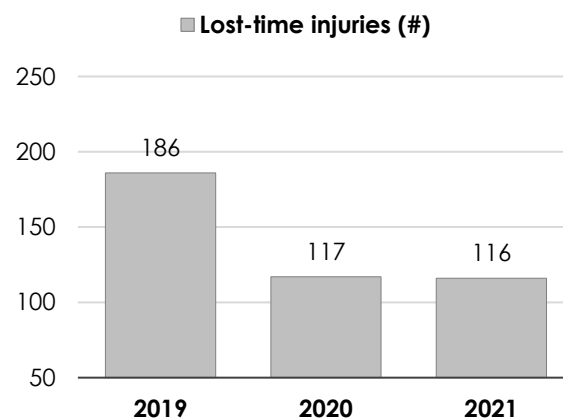
Together we work to improve the quality of life of our employees. In 2021 we launched our **Be Healthy programme** across the business which focuses on 5 key areas: Sport, Diet, Charity, Health, and work-life balance.

We offer **spinning, yoga classes and gym facilities** to encourage our employees to stay active. We offer workshops about workplace -physical and mental- health and safety as well as ones on the importance of nutrition and hydration. We also recently started the "Healthy Coffee Corner" initiative where we provide **fresh fruit** once a week for our employees. Our charity work also provides opportunities for our staff to get active as we held a Business Race in 2021.

In our Encirc business unit, we promote health and wellbeing by offering additional programmes that cover **mental health awareness, bereavement support, as well as menopause support**. These programmes are fundamental and ensure that our employees feel supported in these areas. In 2021, we also put together a health and wellbeing calendar, with each month focusing on a new and important topic. The types of topics covered included healthy eating, financial support, cancer, and dry January.

A key pillar of our health and wellbeing programme is to build a sustainable workforce through policies designed to encourage and facilitate a healthy work-life balance. Across all our sites, we have implemented different Crews programmes adapted to each site and organisational needs which aims to improve the work-life balance and wellbeing of our employee. We also have achieved several agreements with the unions in order to improve the current and future labour conditions boosting, as well, the internal engagement and wellbeing.

**Health & Safety in our Operations.** A high standard of health and safety is a critical component of our business operations, particularly for the industrial and manufacturing setting that our employees work in. To ensure a safe and productive workplace, we are committed to ensuring the most relevant policies, procedures and standards are in place to minimise the risks that are present. In 2021, we recorded 116 accidents, an improvement on 2020, and a 38% reduction from 2019. This improvement showcases our commitment to continuously improve health and safety across our business.



**ISO 45001.** In recognition of the risks our employees face, we have implemented occupational health and safety management systems across all our sites.

Specifically, all the Group's production facilities are currently certified under ISO 45001 standards, the international standard for occupational health and safety management, except for the plants in the United Kingdom and Ireland, which have developed their health and safety management system based on the 'Successful Health and Safety Management' (HSG65) Model. We plan for these plants to adopt ISO 45001 soon, ensuring we continue to improve the working conditions for our employees.

**Safety Training.** Alongside our accreditations, we also provide essential health and safety training for our employees, in 2021 52% of employees took part in this.

We provided over  
**19,300 hours**  
 of training to prevent accidents

This training includes emergency response training, first aid courses, incident investigation and safety awareness training to help reduce the occurrences of accidents. We provide forklift training licenses and hand arm vibration training, as well as bespoke training for employees to help them become confident working at heights and operating heavy machinery.

The industrial processes used at our sites can expose employees to certain risks like burns, cuts, and muscle strain. Identifying these health and safety risks before they occur is fundamental to implementing the most effective mitigation techniques. To address these risks, we have installed Hot End Fire Protection Systems, provided machinery risk assessments, and provided guidance for safely lifting equipment within our factories. We also offer behavioural safety programmes to our staff to improve their awareness of risk and their overall safety.

For example, in one of our facilities, the implementation of our comprehensive health and safety training has resulted in a 90% reduction in the use of fire extinguishers over the last four years. This demonstrates the success of our preventative systems in place including detailed deep cleaning, daily walk arounds and effective training.

**CoVid-19.** We recognise that CoVid-19 will continue to pose a health risk to our employees across the whole organisation.

To protect our people and the continuity of our business, from the start of the pandemic we took steps to ensure health and safety by implementing a CoVid-19 contingency plan. This meant that specific CoVid measures, bespoke to each site were implemented, outlining best practices and recommendations of the national health and safety services. These measures included the use of face masks, social distancing, taking staff temperatures, eliminating all non-essential travel, distributing hydroalcoholic gel, and establishing maximum capacity figures across our sites. We also installed screen barriers throughout our factories to maintain social distancing.

In response to the CoVid-19 pandemic, we have also been proactive in adjusting our ways of working. Across our business, we have improved our internal flexibility by increasing the ease in which people can work remotely, we have also adapted working schedules and calendars to reduce office and factory occupancy levels. We recognise the challenges that working from home can present to some of our staff, and protecting their wellbeing is vital. In response, a Working from Home group was established to provide support and assistance to all.

The pandemic has shown the importance for us as a business to be well prepared, agile, and decisive when it comes to protecting the health and wellbeing of our people.

**Consumers' Health & Safety.** Not only is managing the health and safety risks for our staff a priority, but also protecting our consumers. We use 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. These analyses considers various elements including the handling of the product by humans and considerations related 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 simulation 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 of our containers have a product traceability label that complies with the relevant legal requirements, as well as a quality guarantee.

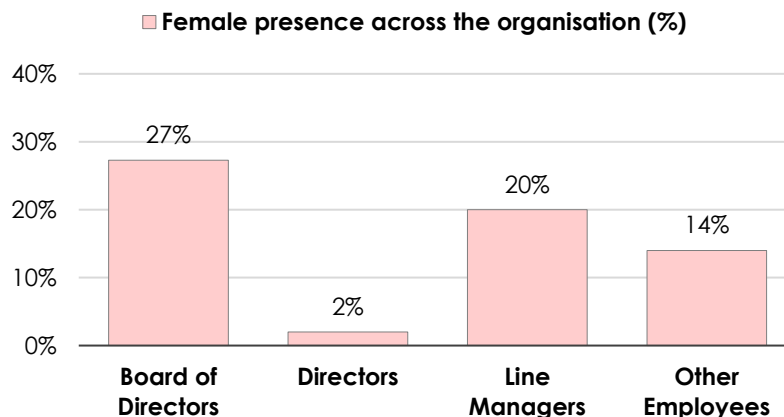
## EQUALITY, DIVERSITY, AND INCLUSION

Equality, diversity, and inclusion are integral parts of the People pillar and critical for being a successful business. We are committed to creating equal opportunities for all, without regard for gender, race, nationality, personal beliefs, marital or health status. We are committed to a diverse and inclusive workforce that acknowledges the individual strengths that each employee brings and recognise that as a business we are more productive, creative, innovative, and ultimately more sustainable with greater diversity.

In 2010, we developed our first Equality Plan in Spain which outlines our key objectives for achieving universal equality and preventing any form of discrimination. The lessons learned from all the updates made within those Equality Plans have been the basis for the implementation of more advanced policies for the entire group. Non-discrimination is vital to us, and all reported cases of discrimination are taken with great seriousness, ensuring we are offering the best protection possible to our staff. The established channels are periodically analysed from a legal and practical perspective in order to guarantee their complete effectiveness. Additionally, human resources teams receive updated training on relevant topics in order to offer efficient and strong advice. The legal framework in each of the group's countries is significantly different and, therefore, a local approach is essential in promoting equality plans that are fit for purpose in each location. However, a group spirit prevails as a hallmark.

**Gender Diversity.** Despite operating in a historically male-dominated industry, we remain strongly committed to gender diversity and improving the representation of women across our business. We endeavour to increase diversity throughout all areas of the organisation and continue to support our female staff at all levels.

Policies that integrate equal treatment and opportunities among both women and men are applied from the selection stage through to promotion, via pay policy, training, employment conditions, occupational health, flexible working, and the commitment to support a work-life balance, including for those with family.



**Gender Pay Gap.** We clearly state that there is no gender pay gap across our business. However, the average pay level of females compared to males is 13.9% lower. This difference is a result of women in the business currently holding less leadership and management positions than men and therefore, a lower associated pay level. We are dedicated to supporting our female staff on progressing through the business and developing their careers.

We also have a remuneration policy that 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 participation of women in the organisation.

**Diversity charter helps us raise gender equality across the business**

Our business unit, Encirc, joined the Diversity Mark accreditation programme with the aim of gaining valuable guidance on how best to **incorporate equality, diversity, and inclusive practices into the business**. We have taken steps to embed equality, diversity and inclusion principles at every level and location within the organisation by developing an internal structure that is supported by many of our highly motivated employees with the backing of senior leadership.

The Diversity Mark is awarded to companies following an independent assessment process which ensures they have reached the required standard of commitment to advancing Diversity and Inclusion. We are proud to be a part of this journey.

The accreditation process with **Diversity Mark Northern Ireland (DMNI)** is much more than a tick-box exercise. The application framework enables organisations to identify and act on any institutional barriers facing minorities and underrepresented groups that can impact on their career progression. DMNI also provides expert annual independent feedback to assist organisations in building workplace environments in which all individuals feel valued, are treated fairly and respectfully, and have equal access to opportunities.

We want our business to be a **great place to work for everyone**, regardless of their background or demographic. With the company executive promoting the EDI (equality, diversity, and inclusion) programme, we were able to push on with our plans to build a progressive workplace. Initially, one of the challenges was to get individuals to put themselves forward for roles in our new Network Committee. We knew early on that we needed to work on our messaging so that everyone fully understood that equality, diversity, and inclusion policies and activities benefit the business, and all employees. Everyone has an important part to play in making our business a great place to work.

Our **equality, diversity, and inclusion (EDI) programme** is governed by the following three projects:

- Project 1: Encirc Women in manufacturing Committee
- Project 2: Helping our Communities Achieve More (HOCAM)
- Project 3: More Women in Manufacturing



**Bronze  
Diversity Mark**



**Respecting Employees and Customers.** We have implemented policies as part of our code of conduct that commit us to identifying and eliminating any vulnerability to human rights. These policies are communicated to all of our employees. These policies form part of our Code of Conduct and establish the basic principles of human rights.

We promote respect for all employees, provide confidential channels for whistleblowing and for any complaints, and we ensure that the established controls for monitoring criminal risk are present and operational. Furthermore, 100% of our employees were covered by collective agreements across all of our operating locations in 2021.

We do not exploit child labour under any circumstances, nor do we accept suppliers that do so. We demand 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 incidents of discrimination. Due to prevention measures that we have established, there were no human rights violation complaints in 2021.



## P LACE. We are responsible for our surroundings.



We operate in many sites across Europe and the local communities where we are situated are all very important to us. They support us each day and many of our employees call these areas home. Maintaining a positive standing and being considered an important asset is extremely valuable to us. Underpinning our strategy in these areas involves ensuring we engage with our communities, that we partner with ethical customers and suppliers and also take steps which enable us to make a positive impact on the local biodiversity.

### COMMUNITY ENGAGEMENT

We strive to raise awareness amongst our colleagues, customers, and suppliers on how we can all have a positive impact on our local communities. We also have a strong role to play within our communities to encourage, shape, influence, and deliver valuable experiences and learning opportunities in an equitable and inclusive way for the future leaders of tomorrow. Ensuring that these are inclusive and equitable for all involved.

#### **Marinha Grande, a better place to live after the largest logistics investment in our history**

We continue to work for an efficient and sustainable industrial future, in this case, through the construction of a **new 30,000 m<sup>2</sup> warehouse in SB Vidros (Marinha Grande)** and the implementation of automatic internal transport solutions and electric vehicles, taking a further step towards **flow efficiency, reduction of energy consumption, and digitalisation**.

In addition, thanks to the support of the Municipal Chamber of Marinha Grande, the access route of the trucks that access the plant has been diverted, thus contributing to **decongest traffic for the benefit of the inhabitants of the area**. As a result, since May 2021, 350 trucks per week have stopped traveling along the narrow street of Santos Barosa. Instead, they now circulate through a wider exit, with direct access to Dos Guilhermes street, thus helping to reduce traffic in the area, specifically in the Picasinos neighbourhood, and improving the quality of life of its inhabitants. Additionally, we also have set-up a **large interior space for trucks to queue, which prevents trucks from causing congestion as they wait to enter our site**.

SB Vidros **employs more than 500 people** directly. Given its exporting character, it represents a very relevant **contribution to the regional trade balance**, in addition to supporting the local and national economy through the payment of taxes. Since its acquisition by Vidrala back in 2017, the Group has **invested more than EUR 50 million** to equip the plant's furnaces with the **latest, start-of-the-art technology, reduce energy consumption and control CO<sub>2</sub> emissions**.

During 2021, we directly supported a number of charities through projects and activities ranging from local schools, clubs, and associations which support community engagement, sports, education and health. A portion of our donations also focuses on sustainability initiatives that support and develop activities in line with our Glass Made Good strategy. In total we donated over EUR 192,000 to these causes.

We also organised charity events at site level which supported various other initiatives. This detail is outlined below:

**Solidarity race.** The solidarity race was created with the aim of bringing together all the running enthusiasts in Bizkaia, Spain to enjoy a day full of sports, healthy living, fun and fellowship. However, the race is not just for exercise, we also use the time to raise donations towards a social cause that we are passionate about.

This year we collaborated with the Koolen-de Vries Syndrome (KdVS) Foundation and the CTNNB1 syndrome association. The mission of the KdVS Foundation is to support, inform, make visible and create a network among people affected by Koolen-de Vries Syndrome, promoting projects to help family members, create literature and support research on this rare disease. CTNNB1 is a rare and usually non-inherited genetic neurological disorder that begins to manifest in early childhood. It can cause severe deficits that affect almost all aspects of life: the ability to speak, walk, eat, and participate socially. Donations are raised by each runner who donates 10 euros for each kilometer completed (the race consists of a total of 8km). The runners this year who participated in the race donated a total of EUR 640 to the association to fight against these diseases.

**SUMA+ Association.** This is an organisation dedicated to working with children, youth, and families, and providing resources to families where a child requires extra support due to special education needs. This project was conducted by a group of parents through the AFAs Federation of Castellar and with the support of the Town Council and all the schools and institutes of the town. This year Vidrala Castellar has contributed EUR 1,500 to help ensure that the values such as closeness, honesty, innovation, optimism, and specialization continue to be carried out within this project. The aim is to raise funds to respond to the individual needs that arise in the diverse society in which we live and in which everyone has a place.

**Supporting Cancer.** This year we also supported three different cancer charities in Spain, with each site picking a different focus to support the needs of the local area. At our Crisnova Vidrio site, we collaborated with the Regional Centre for Biomedical Research at the University of Castilla la Mancha. The research here is developing new tools to improve treatment. At our site in Aiala Vidrio, we supported the BioCruces Bizkaia Institute which supports research and development to optimise the diagnosis of cancer risk factors in paediatric patients. And finally at our site in Castellar Vidrio, we supported The Hospital de Sabadell in their research of lung and digestive system cancers. The total amount raised is 11,200 EUR.

**>EUR 192,000**  
donated to charity



### **MasterGlass design contest, in search of innovative and sustainable packaging ideas**

Over the last 6 years we have been involved in the MasterGlass awards in collaboration with the University of Deusto and Edide. The purpose of the contest is to search for new ideas among **students of Industrial or Graphic Design, Engineering or Graphic Arts** from all over Spain and Portugal.

The positive aspect of this competition is the **engagement and learnings we experience by interacting with young, ambitious individuals** who are passionate about sustainability and making a positive impact of the environment. The key objective of the MasterGlass competition is to **encourage innovation** by asking our participants to design a glass container whose production and recycling process has the least impact on the environment, while focusing on innovation, originality, functionality, viability, and sustainability.

The MasterGlass awards is a **unique opportunity** to support training and the gaining experience of the next generation of sustainability leaders. It is also incredibly valuable for us to observe and learn from the vision and witness the potential that today's young people have.

This year the first prize went to "**OLIE**" designed by Ana Ribierio and Joao Freitas. And then there was a three-way tie for the projects: "**CHI**" by Helena Maestre and Alvaro Pardo, "**DOIS FINS**" by Marcos Nevers and "**SNACKIT**" proposed by Barbara Cruz and Joao Paulino.



### **Promoting Science, Technology, Engineering, and Mathematics (STEM) in our communities**

Statistics from universities have shown that in the UK women only made up 16% of IT programmes and 10% in engineering. And in the workplace women only make up 24% of the Science, Technology, Engineering, and Mathematics (STEM) roles. Why is this?

**Paloma Gonzalo, our Chief IT Officer**, believes it is a mix of stereotyping, prejudices, societal and self-imposed barriers. She feels that **education needs to be adapted**, to promote Science, Technology, Engineering, and Mathematics (STEM) career paths to young girls. So how can leaders in the industry make a difference?

By participating in a programme called 'Inspira STEAM', created by the University of Deusto, **Paloma now leads workshops in schools** for girls and boys aged around 11, to provide them with mentoring to broaden their understanding of what options they have in for their future.

'**Inspira STEAM**' is a pioneering project to **promote a scientific-technological vocation** among girls, based on **awareness-raising and orientation actions** taught by professional women from the world of research, science and technology.



## CUSTOMER AND SUPPLY PARTNERS

Improving the integration up and down our supply chain with our customers and suppliers is a key priority for us. The synergies that arise from doing so help us all realise a greater impact. This includes reducing our environmental impact by limiting our collective GHG emission, ensuring that human rights are protected across the whole supply chain, and partnering with local suppliers where possible to support the local economy and the communities nearby.

**Supporting our customers.** Packaging has always been under scrutiny, and a number of less sustainable materials like plastics are causing growing concerns on society. In response, many of our customers are exploring the sustainability of their packaging decisions.

As a key supplier, we are strongly committed to support them in these efforts. It becomes critical for us that our customers know they have a partner who can drive change, invest with sustainability in mind, believe in a better future and who will collaborate with them on their journey as they seek sustainable transformation within their supply chain.

Glass packaging will play a critical role in this process. The glass container protects, preserves, ensures quality and health, enables efficient distribution, and reduces waste. And above all, it is 100% recyclable, infinitively, becoming the ultimate sustainable packaging material for the future. Many aspects of the lifestyles that we are predicating are grounded on the availability of a sustainable glass packaging supply chain.

### **Building solid, long-term relationships with suppliers and customers**

*Suppliers and customers working together is key to upholding human rights, maintaining a resilient supply chain, encouraging innovation, delivering a high-quality service and product, and addressing climate change our supply chain.*

*In recognition of our outstanding service and commitment to collaboration and innovation throughout 2022, we've been awarded the **Supplier of the Year award at Diageo's 2021 Global Supplier Awards**. Working in close partnership with world-class businesses like Diageo allows us to make our ground-breaking projects and services possible, as we continue striving towards a better glass sector for everyone.*

*We were also awarded the **Special Projects Award** by Diageo, for delivering a significant and critical project on time, on budget, and with exceptional leadership. This involved the **successful pilot project** that pioneered the **lowest carbon footprint glass bottles** every produced for a Scotch Whisky Brand. We used waste-based biofuel-powered furnaces to reduce the carbon footprint of the bottle making process by up to 90%. The trial produced 173,000 bottles.*

*Finally, our Encirc business unit offers its customers **the world's only complete beverage supply chain solution** for glass products. This unique **360 model** allows global brands to bulk ship their wine to be filled into bottles (which are made at the same facility) and then delivered directly to retailers. This model is **the most sustainable** of its kind as it cuts out several steps along a product's traditional route to market.*

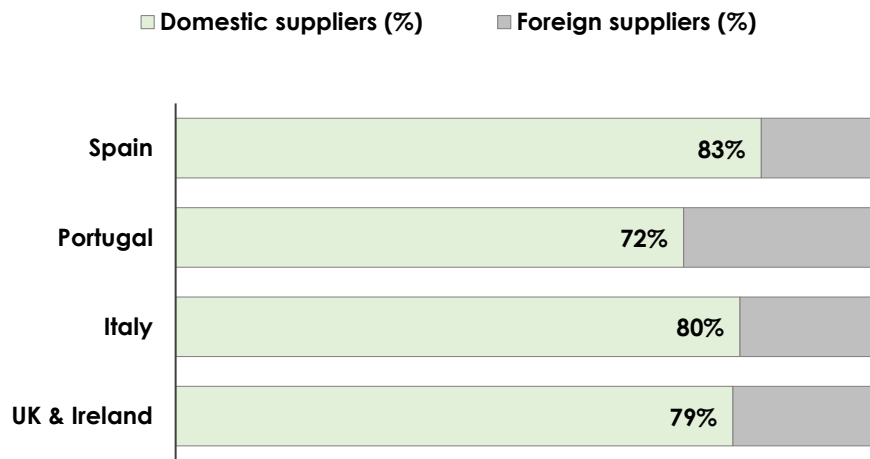
*To support our customers in their sustainability journey we have committed to **increasing wine filling capacity by a further 75 million litres over the next year**. This will be one of the most significant increases in UK filling capacity in the industry for many years.*



**Local Suppliers.** The communities and businesses in the local areas that our sites operate in are very important to us and we endeavour to work with as many local suppliers as we can to support economic development, and jobs in these regions. We always have developed strong relationships with local businesses and we're grateful for their partnerships.

On average across our organisation, 80% of our suppliers are local, demonstrating our commitment in this area and to the local communities that we operate in.

The robustness of our supply chain was successfully tested during the pandemic, with no supply disruptions even during the most restrictive lockdowns. This is thanks to a strategically diversified supply chain as well as the local suppliers of each region playing a key strategic role.



## BIODIVERSITY

Biodiversity is extremely important, it provides humans with raw materials for consumption and production, supports functioning ecosystems that supply clean air and water essential for our survival, the pollination of plants, many recreational benefits such as being out in nature and much more. By understanding how important biodiversity is and how much we depend on it, we strive to take steps to improve it. Our principles are that we will play an active role in promoting biodiversity, and we will raise awareness levels of our colleagues, communities, customers, and suppliers on how they can have a positive impact on biodiversity.



**Vidrala announces a project with Forest Nation to plant trees in Tanzania**

Making a positive impact on communities and their biodiversity is important to us. In 2021, we partnered with Forest Nation to **plant 100,000 trees in a heavily deforested area of Tanzania**. By planting these trees, Forest Nation aims to reverse the impacts of deforestation and improve the life and biodiversity for the surrounding communities.

70% of the total trees planted will be of the fruiting variety **which will not only provide nutrition to support a healthier environment but can also be used to generate income for community**. The trees will also be **planted and managed by local women, providing valuable employment opportunities**. The forests will also naturally sequester carbon, improve soil conditions, provide cleaner air, and support life for many different plant and animal species. An essential ingredient to the success of each programme is the continued education of community families around the importance and value of the forest.

To date, Forest Nation on our behalf has planted 30,000 trees, including fruit bearing ones providing pear, papaya, avocado, plum, peach, banana, apple, mango, and orange.



## ABOUT THIS REPORT

### REPORTING FRAMEWORK

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 considered, 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.

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

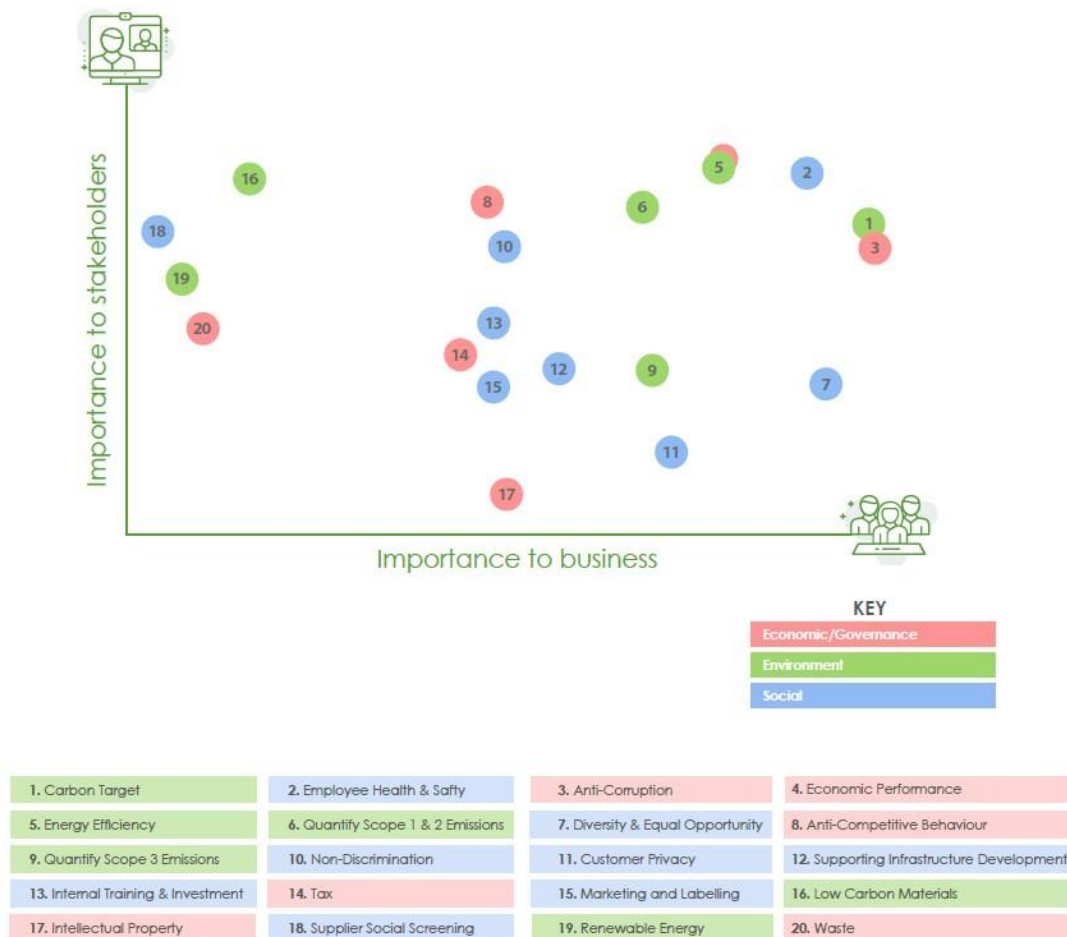


## MATERIALITY AND STAKEHOLDER ENGAGEMENT

As part of our 4 P's strategy, we are committed to acting and reporting on all the relevant issues that our stakeholders indicate as being most important.

In 2020, we undertook a materiality assessment to ensure our strategy and reporting includes what matters most to our stakeholders. We performed a stakeholder mapping exercise which highlighted our key stakeholders, conducted interviews, and issued a quantitative survey to understand the level of stakeholder concern regarding a wide range of sustainability issues. Insights from the assessment were used as additional input for the definition of our sustainability strategy. Likewise, this qualitative and quantitative analysis served to guide the content of this report.

The result of mentioned materiality analysis is presented in the matrix below, ranked in terms of their perceived importance to the business and the different stakeholders.



## EU TAXONOMY DISCLOSURES

The Taxonomy Regulation (Regulation (EU) 2020/852) requires large non-financial companies to publish information on how and to what extent the undertaking's activities are associated with economic activities that qualify as environmentally sustainable.

The Taxonomy Regulation is being implemented in phases with the environmental objectives of climate change mitigation and climate change adaptation applicable first.

Article 3 of Regulation (EU) 2020/852 establishes the criteria by which an economic activity will be considered environmentally sustainable. The activity must make a substantial contribution to at least one of the EU's Taxonomy objectives, while at the same time not significantly harming any of these objectives and meeting minimum social safeguards.

Article 8 of Regulation (EU) 2020/852 required the EU Commission to adopt a Disclosures Delegated Act to specify the content and presentation of the information to be disclosed. The Disclosures Delegated Act became applicable on 1 January 2022. The overall objective of the Disclosures Delegated Act is to increase transparency in the market.

Article 10 of the Disclosures Delegated Act states that from 1 January 2022 until 31 December 2022, non-financial undertakings shall only disclose the proportion of Taxonomy-eligible and Taxonomy non-eligible economic activities in their total turnover, capital and operational expenditure and qualitative information referred to in Section 1.2 of Annex 1.

### Assessment of compliance

Annex 1 supplementing Regulation (EU) 2020/852 was used to define our scope. A list of activities our business could align to was drawn up.

10 eligible activities have been identified. The taxonomy-eligible activities included in scope are the following:

- 1.2 Rehabilitation and restoration of forests, including reforestation and natural forest regeneration after an extreme event: reforestation project in Tanzania.
- 4.15 District heating/cooling distribution: installation and commissioning of Waste Heat Recovery system for District Heating at Vidrala Italia.
- 4.25 Production of heat/cool using waste heat: waste heat recovery studies.
- 5.2 Renewal of water collection, treatment, and supply systems: water cooling and affluent treating activity.
- 6.6 Freight transport services by road: logistic equipment.
- 7.3 Installation, maintenance, and repair of energy efficiency equipment: installing new pumps, fans, compressors, and lighting systems across all manufacturing sites.
- 7.4 Installation, maintenance, and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings): charging stations for electric vehicles across.
- 7.5 Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings: deployment of a full-digital Energy Management System across the manufacturing sites.

- 7.6 Installation, maintenance, and repair of renewable energy technologies: on-going installation of a 12MWp solar plant for self-consumption at Crisnova Vidrio.
- 9.1 Close to market research, development, and innovation: technology and data development.

#### Accounting policy

0.0% of turnover, 7.6% of capital expenditure (CapEx) and 1.3% of operational expenditure (OpEx) meet the requirements established for the environmental objective of climate change mitigation.

Turnover, capital expenditure and operating expenditure were determined and allocated to the numerator using Section 1.1 of Annex 1 of the Disclosures Delegated Act.

An assessment in the allocation of revenues or expenditures to different economic activities was undertaken and formed the basis for how turnover, capital expenditure and operating expenditure were calculated. Total capital expenditure can be found in the financial statements. A case study highlighting the project with Forest Nation can be found in our Sustainability Report.

Avoiding any double counting in the allocation in the numerator of CapEx and OpEx key performance indicators (KPIs) across economic activities was achieved by using a unique identifier to map spend. The reasons for any changes in the figures of each key performance indicator (KPI) will be explained in the next reporting period.

### GOVERNANCE OF OUR SUSTAINABILITY STRATEGY



Our sustainability strategy is ensured at Group level in accordance with the following governance framework:

Board of Directors: Monitors progress and advises on our 4 P's sustainability strategy.

Executive Committee: Responsible for the company's performance related to the key targets of the 4 P's sustainability strategy.

ReNEWed Energy Taskforce: The ReNEWed Energy Taskforce is made up of 7 key stakeholders that includes our Chief Executive Officer (CEO), Chief Financial Officer (CFO), Chief Operations Officer (COO), Encirc's Managing Director (MD), Technical Director, Sustainability Director, and Energy Procurement manager.

The focus of the taskforce is to develop, oversee, and implement our 4 P's strategy's targets and direction to ensure we're taking the right action on climate change, energy



efficiency, innovation, diversity & inclusion, employee well-being, biodiversity, and our communities.

Director of Sustainability: Responsible for day-to-day strategy building, goal setting, execution, and progress reporting of all 4 P's related performance metrics. There are also a broad group of stakeholders which includes HR, HSE and others, that bring a broad spectrum of experience to our sustainability strategy, and which further supports us in achieving our people, place, and prosperity initiatives. This joined up approach helps to ensure our 4 P's strategy is integrated to all areas of the business.



## ANNEX 1. Full data tables.

**Table 1:** Consumption of raw materials (tons)

	2019	2020	2021
Raw materials	2,798,803	2,600,642	2,949,598
Auxiliary raw materials	609	523	748
<b>TOTAL</b>	<b>2,788,412</b>	<b>2,601,165</b>	<b>2,950,346</b>

**Table 2:** Water consumption (m³)

	2019	2020	2021
Water consumption	990,007	949,946	950,459

**Table 3:** Other pollutants (kg)

	2019	2020	2021
Nitrogen Oxides – NO <sub>x</sub>	3,648,800	3,894,426	4,248,111
Sulphur Dioxides – SO <sub>x</sub>	3,149,171	2,955,850	3,003,145
Particles	62,562	43,496	77,242
<b>TOTAL</b>	<b>6,860,533</b>	<b>6,893,772</b>	<b>7,328,498</b>

**Table 4:** Waste generation (tons)

	2019	2020	2021
Hazardous / Disposed	3,205	2,468	2,539
Hazardous / Recovered	2,087	1,420	1,957
Non-hazardous / Disposed	3,139	2,370	9,446
Non-hazardous / Recovered	13,842	18,362	3,650
<b>TOTAL</b>	<b>22,273</b>	<b>24,620</b>	<b>17,592</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 5:** Employees by country (#)

	2019	2020	2021
United Kingdom	1,315	1,321	1,358
Spain	1,109	1,123	1,102
Portugal	885	868	848
Belgium	237	0	0
Italy	197	193	190
Ireland	13	12	11
France	10	10	11
<b>TOTAL</b>	<b>3,766</b>	<b>3,527</b>	<b>3,520</b>

Vidrala sold its manufacturing activity in Belgium in December 2019.

**Table 6:** Employees by gender, age, and professional category (#)

	2019	2020	2021
Female	499	493	499
Male	3,267	3,034	3,021
<b>TOTAL</b>	<b>3,766</b>	<b>3,527</b>	<b>3,520</b>
Under 30 years old	380	359	347
31-50 years old	2,403	2,255	2,226
Over 50 years old	983	913	947
<b>TOTAL</b>	<b>3,766</b>	<b>3,527</b>	<b>3,520</b>
Directors	48	47	49
Line Managers	394	399	452
Other employees	3,324	3,081	3,019
<b>TOTAL</b>	<b>3,766</b>	<b>3,527</b>	<b>3,520</b>

**Table 7:** Indefinite contracts by gender, age, and professional category (#)

	2019	2020	2021
Female	428	445	464
Male	3,049	2,838	2,853
<b>TOTAL</b>	<b>3,477</b>	<b>3,283</b>	<b>3,137</b>
Under 30 years old	251	255	269
31-50 years old	2,267	2,135	2,121
Over 50 years old	959	893	927
<b>TOTAL</b>	<b>3,477</b>	<b>3,283</b>	<b>3,137</b>
Directors	48	46	49
Line Managers	387	391	445
Other employees	3,042	2,846	2,823
<b>TOTAL</b>	<b>3,477</b>	<b>3,283</b>	<b>3,137</b>

**Table 8:** Temporary contracts by gender, age, and professional category (#)

	2019	2020	2021
Female	71	47	36
Male	218	197	167
<b>TOTAL</b>	<b>289</b>	<b>244</b>	<b>203</b>
Under 30 years old	129	104	78
31-50 years old	136	121	105
Over 50 years old	24	19	20
<b>TOTAL</b>	<b>289</b>	<b>244</b>	<b>203</b>
Directors	0	1	1
Line Managers	7	8	7
Other employees	282	235	195
<b>TOTAL</b>	<b>289</b>	<b>244</b>	<b>203</b>

**Table 9:** Part-time contracts by gender, age, and professional category (#)

	2019	2020	2021
Female	49	46	43
Male	71	93	61
<b>TOTAL</b>	<b>120</b>	<b>139</b>	<b>104</b>
Under 30 years old	3	3	1
31-50 years old	39	48	41
Over 50 years old	78	88	62
<b>TOTAL</b>	<b>120</b>	<b>139</b>	<b>104</b>
Directors	1	1	1
Line Managers	8	13	9
Other employees	111	125	94
<b>TOTAL</b>	<b>120</b>	<b>139</b>	<b>104</b>

**Table 10:** Dismissals by gender, age, and professional category (#)

	2019	2020	2021
Female	9	3	4
Male	35	28	27
<b>TOTAL</b>	<b>44</b>	<b>31</b>	<b>31</b>
Under 30 years old	7	9	5
31-50 years old	26	15	13
Over 50 years old	11	7	13
<b>TOTAL</b>	<b>44</b>	<b>31</b>	<b>31</b>
Directors	4	0	1
Line Managers	7	3	7
Other employees	33	28	23
<b>TOTAL</b>	<b>44</b>	<b>31</b>	<b>31</b>

**Table 11:** Average remuneration\* by gender, age and professional category (EUR)

	2019	2020	2021
Female	33,750	36,377	38,154
Male	42,420	41,471	44,293
<b>TOTAL</b>	<b>41,258</b>	<b>40,772</b>	<b>43,423</b>
Under 30 years old	32,579	33,928	37,003
31-50 years old	41,890	41,730	44,141
Over 50 years old	43,206	41,108	44,087
<b>TOTAL</b>	<b>41,258</b>	<b>40,772</b>	<b>43,423</b>
Directors	164,648	158,912	164,586
Line Managers	66,718	72,653	70,842
Other employees	36,460	34,856	37,351
<b>TOTAL</b>	<b>41,258</b>	<b>40,772</b>	<b>43,423</b>

**Table 12:** Average remuneration\* of the Board of Directors, by gender (EUR)

	2019	2020	2021
Female	93,998	90,528	93,100
Male	138,152	143,408	146,701
<b>TOTAL</b>	<b>126,110</b>	<b>128,986</b>	<b>132,083</b>

\*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.

**Table 13:** Employees with disabilities (#)

	2019	2020	2021
Employees with disabilities	35	36	45

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

**Table 14:** Absenteeism (hours and index)

	2019	2020	2021
Total hours lost	592,718	593,587	589,617
Theoretical working hours	6,711,465	6,277,911	6,254,915
<b>INDEX</b>	<b>8.8%</b>	<b>9.5%</b>	<b>9.4%</b>

**Table 15:** Occupational diseases by gender (#)

	2019	2020	2021
Female	12	12	15
Male	64	62	52
<b>TOTAL</b>	<b>76</b>	<b>74</b>	<b>67</b>

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

**Table 16:** Number of work accidents\*\* by gender (#)

	2019	2020	2021
Female	13	7	11
Male	173	110	105
<b>TOTAL</b>	<b>186</b>	<b>117</b>	<b>116</b>

\*\*Lost-time injuries.

**Table 17:** Frequency rate by gender (index)

	2019	2020	2021
Female	18.13	9.40	14.36
Male	36.86	23.97	21.76
<b>TOTAL</b>	<b>34.38</b>	<b>21.65</b>	<b>20.74</b>

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

**Table 18:** Severity rate by gender (index)

	2019	2020	2021
Female	0.28	0.24	0.72
Male	0.98	0.96	0.79
<b>TOTAL</b>	<b>0.89</b>	<b>0.85</b>	<b>0.78</b>

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

**Table 19:** Total hours of training by professional category (hours)

	2019	2020	2021
Directors	946	863	1,632
Line Managers	24,100	25,428	22,494
Other employees	114,022	126,826	89,863
<b>TOTAL</b>	<b>139,068</b>	<b>153,117</b>	<b>113,989</b>

**Table 20:** Average hours of training by professional category (hours per employee)

	2019	2020	2021
Directors	20	18	33
Line Managers	61	64	50
Other employees	34	41	30
<b>TOTAL</b>	<b>37</b>	<b>43</b>	<b>32</b>

**Table 21:** Contributions to non-for-profit organisations (EUR)

	2019	2020	2021
Group	98,098	240,328	192,084

**Table 22:** Local and non-local suppliers by country (#)

	2019 Locals	2019 Foreign	2020 Locals	2020 Foreign	2021 Locals	2021 Foreign
Spain	9,754	1,918	9,994	1,996	10,178	2,053
Portugal	2,238	864	2,344	906	2,464	960
Italy	1,590	391	1,650	403	1,699	428
UK & Ireland	3,102	820	3,333	920	3,569	977

**Table 23:** Number of dissatisfactions per million tons sold (index)

	2019	2020	2021
Dissatisfaction index	446	414	411
<b>YoY CHANGE</b>	<b>-4.7%</b>	<b>-7.1%</b>	<b>-0.8%</b>

**Table 24:** Profits obtained, country by country (EUR '000)

	2019	2020	2021
Spain	184,715	158,532	236,583
United Kingdom	33,794	50,233	41,772
Portugal	28,172	26,876	14,139
Italy	2,358	11,548	5,659
Ireland	1,820	1,990	1,694
France	150	130	-71

**Table 25:** Taxes paid on profits (EUR million)

	2019	2020	2021
Group	26.4	32.4	27.8

**Table 26:** Public grants received (EUR million)

	2019	2020	2021
Group	0.9	0.9	0.8

## ANNEX 2. Global Reporting Initiative (GRI) Index.

### General Disclosures

Topic	Indicator	Reporting framework	Page N°	Answer, Additional comments, Reason for omission
Organizational profile	Name of the organization	GRI 102-1		Vidrala, S.A.
Organizational profile	Activities, brands, products, and services	GRI 102-2		Manufacturing of glass containers for food and beverage products
Organizational profile	Location of headquarters	GRI 102-3		Llodio, Álava (Spain)
Organizational profile	Location of operations	GRI 102-4		Spain (3), Portugal (2), UK & Ireland (2), Italy (1)
Organizational profile	Ownership and legal form	GRI 102-5		Listed, public limited company
Organizational profile	Markets served	GRI 102-6		Main markets: Southern Europe, Western Europe, UK & Ireland
Organizational profile	Scale of the organization	GRI 102-7		Annual production: more than 8.0 billion containers Annual revenue: EUR 1.084 million Employees: more than 3,500
Organizational profile	Information on employees and other workers	GRI 102-8	22-28, 40-43	
Organizational profile	Supply chain	GRI 102-9	8-9, 20, 32-33	
Organizational profile	Significant changes to the organization and its supply chain	GRI 102-10	14	
Organizational profile	Precautionary principle or approach	GRI 102-11	49-50	
Organizational profile	External initiatives	GRI 102-12		Global Reporting Initiative (GRI), Friends of Glass
Organisational profile	Membership of associations	GRI 102-13		Fédération Européenne du Verre d'Emballage (FEVE), International Partners in Glass Research (IPGR), Ecovidrio, British Glass, Glass Futures, Consorzio Recupero Vetro (CoReVe), HyNet Northwest, The Drinks Trust, The Wine and Spirit Trade Association (WSTA)
Strategy	Statement from senior decision-maker	GRI 102-14	4	
Ethics and integrity	Values, principles, standards, and norms of behavior	GRI 102-16		Innovation and continuous improvement, People commitment and development, Commitment to customers, High performance, Sustainability, Collaboration  <a href="https://www.vidrala.com/en/vidrala/about-us/information/">https://www.vidrala.com/en/vidrala/about-us/information/</a>  Code of Ethics
Governance	Governance structure	GRI 102-18	10-11, 38	<a href="https://www.vidrala.com/en/investors/governance/committee/">https://www.vidrala.com/en/investors/governance/committee/</a> <a href="https://www.vidrala.com/en/investors/governance/commission/">https://www.vidrala.com/en/investors/governance/commission/</a>



Governance	Composition of the highest governance body and its committees	GRI 102-22	10-11	<a href="https://www.vidrala.com/en/investors/governance/committee/">https://www.vidrala.com/en/investors/governance/committee/</a> <a href="https://www.vidrala.com/en/investors/governance/commission/">https://www.vidrala.com/en/investors/governance/commission/</a>
Stakeholder engagement	List of stakeholder groups	GRI 102-40	12-13	Customers, Employees, Suppliers, Community, Shareholders
Stakeholder engagement	Collective bargaining agreements	GRI 102-41	27	
Stakeholder engagement	Identifying and selecting stakeholders	GRI 102-42	12-13, 36	
Stakeholder engagement	Approach to stakeholder engagement	GRI 102-43	36	
Stakeholder engagement	Key topics and concerns raised	GRI 102-44	36	
Reporting practice	Entities included in the consolidated financial statements	GRI 102-45		This report covers all production plants and locations of Vidrala, S.A.
Reporting practice	Defining report content and topic boundaries	GRI 102-46	35	
Reporting practice	List of material topics	GRI 102-47	36	
Reporting practice	Restatements of information	GRI 102-48		Any restatements are included throughout the report.
Reporting practice	Changes in reporting	GRI 102-49		Any changes are included throughout the report.
Reporting practice	Reporting period	GRI 102-50		1 January 2021 - 31 December 2021
Reporting practice	Date of most recent report	GRI 102-51		March 2020
Reporting practice	Reporting cycle	GRI 102-52		Annual
Reporting practice	Contact point for questions regarding the report	GRI 102-53		Fiacre O'Donnell fiacre.odonnell@encirc360.com
Reporting practice	Claims of reporting in accordance with the GRI Standards	GRI 102-54		This report has been prepared in accordance with the GRI Standards: Core option.
Reporting practice	GRI content index	GRI 102-55	44-48	
Reporting practice	External assurance	GRI 102-56		This report has been verified by Ernst & Young, Climate Change & Sustainability Services (CCaSS).
Management approach	Explanation of the material topic and its boundary	GRI 103-1	36	
Management approach	The management approach and its components	GRI 103-2	4-34	
Management approach	Evaluation of the management approach	GRI 103-3	4-34	

#### Economic Performance

Topic	Indicator	Reporting framework	Page N°	Answer, Additional comments, Reason for omission
Economic Performance	Financial implications and other risks and opportunities for the organisation's activities due to climate change	GRI 201 - 2	14-21	
Public subsidies	Financial assistance received from government	GRI 201-4	43	
Indirect Economic Impacts	Extent of the development of infrastructure investments, and expected impacts on communities and local economies	GRI 203-1	29	

Procurement impacts	Proportion of spending on local suppliers	GRI 204-1	32-33, 43	
Anti-corruption	Operations assessed for risks related to corruption	GRI 205-1	12	As part of the internal audit plan, a continuous audit is carried out that involves the purchasing, invoicing and treasury processes to detect possible fraud and process improvements.
Anti-corruption	Communication and training about anti-corruption policies and procedures	GRI 205-2	12	
Anti-corruption	Confirmed incidents of corruption and actions taken	GRI 205-3	12	

### Environmental Performance

Topic	Indicator	Reporting framework	Page N°	Answer, Additional comments, Reason for omission
Materials	Recycled input materials used	GRI 301-2	3, 14-15	
Energy	Energy consumption within the organization	GRI 302-1	14, 18, 29	
Energy	Energy intensity	GRI 302-3	18	
Water and effluents	Water consumption	GRI 303-5	15-16	
Emissions	Direct (Scope 1) GHG emissions	GRI 305-1	19	
Emissions	Energy indirect (Scope 2) GHG emissions	GRI 305-2	19	
Emissions	Other indirect (Scope 3) GHG emissions	GRI 305-3	19	Scope 3 figures: 2019 and 2021 calculations include all relevant GHG categories. 2020 calculation only included GHG category 3: fuel- and energy-related activities.
Emissions	GHG emissions intensity	GRI 305-4	19	
Emissions	Reduction of GHG emissions	GRI 305-5	18-19	
Emissions	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	GRI 305-7	19, 40	
Waste	Waste by type and disposal method	GRI 306-2	40	
Environmental Compliance	Non-compliance with environmental laws and regulations	GRI 307-1		No non-compliance with the mentioned laws has been recorded.
Supplier Environmental Assessment	New suppliers that were screened using environmental criteria	GRI 308-1	9	

### Social Performance

Topic	Indicator	Reporting framework	Page N°	Answer, Additional comments, Reason for omission
Occupational health and safety	Occupational health and safety management system	GRI 403 -1	24	
Occupational health and safety	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	GRI 403-2	23-25, 42-43	

Occupational health and safety	Health and safety topics covered in formal agreements with trade unions	GRI 403-4		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.
Occupational health and safety	Worker training on occupational health and safety	GRI 403-5	24-25	
Occupational health and safety	Promotion of worker health	GRI 403-6	23-24	
Occupational health and safety	Work-related injuries	GRI 403-9	42-43	
Occupational health and safety	Work-related ill health	GRI 403-10	42-43	
Training and education	Average hours of training per year per employee	GRI 404-1	43	
Training and education	Programs for upgrading employee skills and transition assistance programs	GRI 404-2	10, 22	
Diversity and equal opportunity	Diversity of governance bodies and employees	GRI 405-1	26-27, 40-41	
Diversity and equal opportunity	Ratio of basic salary and remuneration of women to men	GRI 405-2	26, 42	
Non-discrimination	Incidents of discrimination and corrective actions taken	GRI 406-1		The whistle-blower channel complies with current legislation as set out in European Directive 2019/1937 of the European Parliament and of the Council, of October 23, 2019, regarding the protection of people who report violations of Union Law, as well as its transpositions to the regulations of the countries where the Vidrala Group has a presence. Throughout 2021, no complaint has been reported. Likewise, no activities engaged in by the companies related to the 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.
Child Labor	Operations and suppliers at significant risk for incidents of child labor	GRI 408-1		Omitted: Vidrala Group companies do not exploit child labour under any circumstances, nor do they accept as suppliers' companies that do so. They demand the strict compliance with the

				provisions of the International Labour Organization.
Forced or Compulsory Labor	Operations and suppliers at significant risk for incidents of forced or compulsory labor	GRI 409-1		Omitted: Vidrala Group companies do not exploit forced labour under any circumstances, nor do they accept as supplier's companies that do so. They demand the strict compliance with the provisions of the International Labour Organization.
Human Rights Assessment	Operations that have been subject to human rights reviews or impact assessments	GRI 412-1		Our human resources and occupational risk prevention policies regulate the performance of psycho-social risk assessments. These evaluations are conducted by external professionals and represent an essential tool to detect possible situations or cases of discrimination.
Human Rights Assessment	Employee training on human rights policies or procedures	GRI 412-2	27, 32	
Customer Health and Safety	Incidents of non-compliance concerning the health and safety impacts of products and services	GRI 416-2	8	
Customer Privacy	Substantiated complaints concerning breaches of customer privacy and losses of customer data	GRI 418-1		No non-compliance with the mentioned laws has been recorded.
Socioeconomic Compliance	Non-compliance with laws and regulations in the social and economic area	GRI 419-1		No non-compliance with the mentioned laws has been recorded.

### ANNEX 3. Spanish Law 11/2018 Index.

#### General information

Topic	Indicator	Reporting framework	Page N°	Answer, Additional comments, Reason for omission
Business model	Brief description of the group's business model: – Business environment – Organization and structure – Markets served – Objectives and strategies of the organization – Main factors and trends that may affect its future development – Main risks related to those issues linked to the group's activities	GRI 102-2, GRI 102-4, GRI 102-6, GRI 102-7, management report (‘business risks’ section)	3-4	
Materiality	Materiality assessment	GRI 102-47	36	

#### Environmental information

Topic	Indicator	Reporting framework	Page N°	Answer, Additional comments, Reason for omission
Environmental management	Management approach	Spanish Law*	14-21	
Environmental management	Current and foreseeable effects of the company	Spanish Law*		The manufacture of glass is inherently intensive in the consumption of energy as a result of the use of melting furnaces that operate continuously, 24 hours a day, 365 days a year. As a consequence of the industrial nature of the process, the reduction of the environmental impact associated with it is highlighted as one of the management's objectives. All the Vidrala Group's plants are certified to ISO 14001: 2015. Likewise, processes have been initiated for the implementation and verification of ISO 14064:2018 and ISO 50001 standards. Furthermore, over recent years, the different Vidrala Group plants have adapted their corresponding Integrated Environmental Authorisations (IEAs) to the requirements of the BAT (Best Available Techniques) conclusions defined in the BREF document for the glass sector and in the Industrial Emissions Directive.
Environmental management	Environmental assessment and certification procedures	Spanish Law*	14	
Environmental management	Resources dedicated to the prevention of environmental risks	Spanish Law*	14	

Environmental management	Application of the precautionary principle	Spanish Law*		Vidrala allocates the necessary resources to different lines of work in the field of the environment. First, environmental consulting services are contracted to verify compliance with applicable legal guidelines at each plant. These services include the necessary support to comply with the filing fees for the annual legal documentation, modifications in environmental permits, consumption and water discharge taxes, emissions tax, among others. We also invest in continuous improvement projects to improve our environmental performance and contribute to the sustainability of the organization, for example, the 0 waste project that will be carried out in 2022. Along the same lines, we also invest in modifying or replacing facilities that allow us to improve our environmental impact. For example, renewal of Automatic Measurement Systems to verify compliance with emissions, new Industrial Wastewater Treatment Stations with the aim of minimizing water contaminants and increasing water use, noise studies for its minimization, among other projects.
Environmental management	Amount of provisions and guarantees for environmental risks	Spanish Law*		Vidrala ensures 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 8 million.
Pollution	Measures to prevent, reduce or repair emissions that affect the environment	Spanish Law*		In addition to the air pollution data reported in the report, the Vidrala Group follows the applicable state regulations in all our plants to guarantee the minimisation of the impact of noise and light pollution.
Circular economy and waste prevention and management	Measures for prevention, recycling, reuse, other forms of recovery and disposal of waste	GRI 301-2, GRI 306-2	14-17	
Circular economy and waste prevention and management	Actions to combat food waste	Spanish Law*		Omitted: Our materiality assessment exercise determined this was not a material topic to the Vidrala Group.
Sustainable use of resources	Water consumption and water supply in	GRI 303-5	20	



	accordance with local constrains			
Sustainable use of resources	Description of the initiatives carried out to minimize water consumption	Spanish Law*	17-18	
Sustainable use of resources	Consumption of reused water out of total water consumed	GRI 303-3	15-16	
Sustainable use of resources	Consumption of raw materials	Spanish Law*	14-16	
Sustainable use of resources	Measures taken to improve the efficiency of its use	Spanish Law*	14	
Sustainable use of resources	Energy consumption, direct and indirect	GRI 302-1, GRI 302-3	18-19	
Sustainable use of resources	Measures taken to improve energy efficiency	Spanish Law*	16-17	
Sustainable use of resources	Use of renewable energy	Spanish Law*	18-19	
Climate change	Significant elements of greenhouse gas emissions generated as a result of the company's activities, including the use of the goods and services it produces	GRI 305-1, GRI 305-2, GRI 305-3, GRI 305-4, GRI 305-7	18-19	2021 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 CO2 quotas. Therefore, previous years' figures may be adjusted.
Climate change	Measures taken to adapt to the consequences of climate change	Spanish Law*	19-20	
Climate change	Voluntary medium- and long-term reduction targets to reduce greenhouse gas emissions and the means implemented to that purpose	Spanish Law*	14-21	
Protection of biodiversity	Measures taken to preserve or restore biodiversity	GRI 304-3	33-34	
Protection of biodiversity	Impacts caused by activities or operations in protected areas	Spanish Law*		Omitted: Our materiality assessment exercise determined this was not a material topic to the Vidrala Group.

#### Information on employees and social matters

Topic	Indicator	Reporting framework	Page N°	Answer, Additional comments, Reason for omission
Employment	Management approach	Spanish Law*	22	

Employment	Number of employees by gender, age, and professional category	GRI 102-8, GRI 405-1	40	Directors: includes members of the Executive Committee and directors of functional areas. Line managers: includes middle management staff. Rest of employees includes the rest of white- and blue-collar workers.
Employment	Number of employees by country	GRI 102-8	40	
Employment	Number of employees by contract type	GRI 102-8	42	
Employment	Annual average of indefinite and temporary contracts by gender, age, and professional category	GRI 102-8	42	
Employment	Annual average of part-time contracts by gender, age, and professional category	GRI 102-8	42	
Employment	Number of dismissals by gender, age and professional category	Spanish Law*	42	
Employment	Wage gap	GRI 405-2	26	Wage gap has been calculated as: [(Average remuneration of women / Average remuneration of men) - 1]
Employment	Average remuneration by gender, age and professional category	Spanish Law*	42	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.
Employment	Average remuneration of the Board of Directors, by gender	Spanish Law*	43	
Employment	Average remuneration of Directors, by gender	Spanish Law*		Omitted for data protection reasons, as there is only one female director.
Employment	Implementation of labor disconnection policies	Spanish Law*	24	
Employment	Number of employees with disabilities	GRI 405-1	42	
Work organization	Organization of working time	Spanish Law*		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 am to 17.00-18.30 pm. 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.
Work organization	Number of absenteeism hours	GRI 403-2	42	
Work organization	Measures aimed at facilitating the enjoyment of work-life balance by both parents	Spanish Law*	24	
Health and safety	Health and safety conditions at work	GRI 403-4	24-27	
Health and safety	Number of work accidents by gender	GRI 403-2	42	
Health and safety	Frequency rate by gender	GRI 403-2	42	
Health and safety	Severity rate by gender	GRI 403-2	43	
Health and safety	Occupational diseases by gender	GRI 403-2	42	
Social relationships	Organization of social dialogue, including procedures for reporting and consulting staff and negotiating with them	Spanish Law*	27	
Social relationships	Percentage of employees covered by collective agreements by country	GRI 102-41	27	
Social relationships	Balance of collective agreements, particularly in the field of health and safety at work	GRI 403-4		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.
Training	Policies implemented in the field of training	Spanish Law*	22	
Training	Total hours of training by professional category	GRI 404-1	22-23	
Equality	Measures taken to promote equal treatment and equal opportunities for women and men	Spanish Law*	27	
Equality	Equality plans, measures adopted to promote employment, protocols against sexual harassment and for gender reasons	Spanish Law*	27	

Equality	Integration and universal accessibility for people with disabilities	Spanish Law*		Vidrala has grown in terms of hiring people with disabilities or handicaps, which already account for about 1% of its workforce. 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 Vidrala's main activity, under the direct coordination of professionals specialised in monitoring these professionals.
Equality	Policy against all forms of discrimination and, where appropriate, diversity management	Spanish Law*	26	

#### Information on respect for human rights

Topic	Indicator	Reporting framework	Page N°	Answer, Additional comments, Reason for omission
Human rights assessment	Management approach	Spanish Law*	27	
Human rights assessment	Application of due diligence procedures in the field of human rights	GRI 412-1		Our human resources and occupational risk prevention policies regulate the performance of psycho-social risk assessments. These evaluations are conducted by external professionals and represent an essential tool to detect possible situations or cases of discrimination.
Human rights assessment	Prevention of the risks of violation of human rights and, where appropriate, measures to mitigate, manage and repair possible abuses committed	GRI 412-2		Vidrala has a Code of Conduct that acts as the guiding criterion for all its activities, one of its pillars being not to tolerate any action of corruption and bribery, among other crimes. Likewise, we also have an Anti-Corruption, Anti-Fraud and Competency Defence Policy, which highlights the situations in which a crime can be incurred and what are the complaint mechanisms in case it materialises.
Human rights assessment	Human rights violations complaints	GRI 412-1, GRI 406-1		The whistle-blower channel complies with current legislation as set out in European Directive 2019/1937 of the European Parliament and of the Council, of October 23, 2019, regarding the protection of people who report violations of Union Law, as well as its transpositions to the regulations of the countries where the Vidrala Group has a presence. Throughout 2021, no complaint has been reported. Likewise, no activities

				engaged in by the companies related to the 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.
Human rights assessment	Promotion and compliance with International Labour Organization Conventions related to association freedom respect and the right to collective bargaining	GRI 102-41		Vidrala recognises and supports the fundamental human rights contained in international Conventions and Treaties, mainly in the United Nations Universal Declaration of Human Rights, and scrupulously respects them in all its actions.
Human rights assessment	Elimination of employment discrimination	Spanish Law*		The commitment to developing policies that integrate equal treatment and opportunities among employees, without any direct or indirect discrimination based on race, sex, nationality, language, origin, personal convictions, marital or health status, 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. Likewise, there is a monitoring system that aims to guarantee the achievement of the equality objectives expressed, and communication procedures to report on the decisions, plans and measures adopted, as well as to report the progress made.
Human rights assessment	Elimination of forced labour	GRI 409-1		Omitted: Vidrala Group companies do not exploit forced labour under any circumstances, nor do they accept as suppliers' companies that do so. They demand the strict compliance with the provisions of the International Labour Organization.
Human rights assessment	Effective abolition of child labour	GRI 408-1		Omitted: Vidrala Group companies do not exploit child labour under any circumstances, nor do they accept as suppliers' companies that do so. They demand the strict compliance with the provisions of the International Labour Organization.

## Information on the fight against corruption and bribery

Topic	Indicator	Reporting framework	Page N°	Answer, Additional comments, Reason for omission
Anti-corruption	Management approach	Spanish Law*	11-12	
Anti-corruption	Measures taken to prevent corruption and bribery	GRI 205-1, GRI 205-2, GRI 205-3, GRI 206-1		As part of the internal audit plan, a continuous audit is carried out that involves the purchasing, invoicing and treasury processes to detect possible fraud and process improvements.
Anti-corruption	Measures to combat money laundering	GRI 205-2		Omitted: Vidrala's business is not included in the list of activities defined as anti-money laundering under the Spanish Law.
Anti-corruption	Contributions to non-for-profit organizations	Spanish Law*	43	

## Information on Society

Topic	Indicator	Reporting framework	Page N°	Answer, Additional comments, Reason for omission
Commitment of the company with sustainable development	Management approach	Spanish Law*	29-30, 32	
Commitment of the company with sustainable development	Impact of the company's activity on employment and local development	GRI 204-1, GRI 413-1	29-30, 32	
Commitment of the company with sustainable development	Impact of the company's activity on local populations and territory	GRI 413-1	29-30, 32	
Commitment of the company with sustainable development	Relationships maintained with the local communities and modalities of dialogue adopted	GRI 413-1	32	
Commitment of the company with sustainable development	Association or sponsorship relations/actions	GRI 102-13	29-30	
Subcontracting and suppliers	Inclusion in the procurement policy of social, gender equality and environmental issues	GRI 308-1, GRI 308-2, GRI 414-1, GRI 414-2	8-9	
Subcontracting and suppliers	Consideration in the suppliers and subcontractors' relations of their social and environmental responsibility	GRI 308-1, GRI 308-2, GRI 414-1, GRI 414-2	8-9	
Subcontracting and suppliers	Monitoring systems, audits and results	Spanish Law*	8-9	
Consumers	Measures for consumers health and safety	GRI 416-1	25	
Consumers	Complaint systems/channels	GRI 416-2		Vidrala manages 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



				<p>a progressive improvement in recent years. 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. 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.</p>
Consumers	Complaints received and resolution	GRI 416-2	43, 56-57	
Tax information	Profits obtained, country by country	Spanish Law*	43	
Tax information	Taxes paid on profits	Spanish Law*	43	
Tax information	Public grants received	GRI 201-4	43	

**\*Spanish Law 11/2018, of December 28, 2018, as regards non-financial information and diversity.**