

# 2021 ANNUAL REPORT



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# CHAIRMAN'S LETTER

Dear Shareholder,

For Vidrala, 2021 was a year full of external challenges that confirmed the consistency of our business structure resulting from our previous strategic actions.

We made progress, properly assimilating the strategy and serving our clients efficiently, despite the many difficulties of the context. This was evidenced in higher production and revenue figures, supported by solid levels of operating efficiency, reaping the benefits of managing a more simplified industrial perimeter after the divestments at the end of 2019. Thus, sales grew by more than 9%, exceeding EUR 1,084 million. Despite results being negatively affected by growing inflationary pressures, Vidrala generated more cash than the previous year, which was reflected in a 50% debt reduction versus 2020.

With regards to 2022, it is probably going to be another complex year. As we have all experienced, the cost of manufacturing has risen abnormally in recent months, particularly in the energy field. Consequently, Vidrala needs to implement substantial price increases during 2021, primarily to address this cost inflation and the resulting unsustainable pressure on margins. We will continue to execute a tight cost control and adapt pricing where necessary in order to protect our profitability over the coming months.

Looking ahead, despite the current turbulent times, our product has a brighter future than ever. Demand is growing steadily, driven by a strong commitment to glass as the ultimate sustainable packaging by brand owners, packers and consumers. Therefore, we will invest to grow and improve our levels of competitiveness, with our future and our customers in mind, expanding our production capacity and diversifying our business with the aim of manufacturing glass containers and supplying our packaging services in the most sustainable and profitable way. And we will do so, guaranteeing a strict financial discipline.

Vidrala's financial position remains solid and our cash flow generating potential over the medium to long term is robust. In recognition of this, we are proposing a dividend that represents a 5% increase compared to 2020. At the same time, we will intensify the share repurchases that will be subsequently amortised for the benefit of the shareholders.

To finish, I would like to thank you for your trust in Vidrala.



**Carlos Delclaux**  
Vidrala Chairman







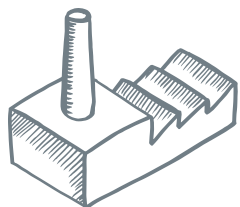
2021  
ANNUAL  
REPORT

# VIDRALA, AT A GLANCE

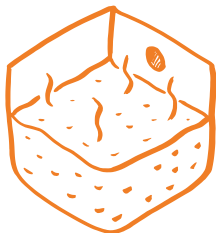


# 2021 HEADLINES

Percentage variations over FY 2020



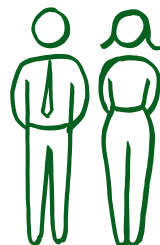
**8**  
Manufacturing  
sites



**19**  
Furnaces



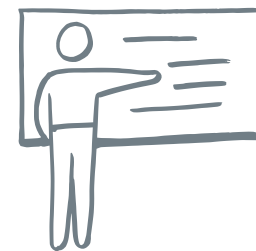
More than  
**8,0**  
billion containers  
produced



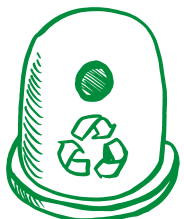
More than  
**1,600**  
customers



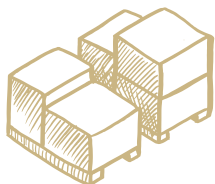
More than  
**3,500**  
employees



More than  
**100,000**  
training hours



**48%**  
recycled glass over  
raw materials



**+2.9%**  
consumption of raw  
materials



**-9.2%**  
in water usage



**-1.7%**  
in energy consumption



**-4.5%**  
in CO<sub>2</sub> emissions



**-0.8%**  
customer complaints

*\*Annual variation over 2020, 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.*





## Factories

### AIALA VIDRIO

Llodio, Spain

### CRISNOVA VIDRIO

Caudete, Spain

### CASTELLAR VIDRIO

Castellar del Vallés, Spain

### GALLO VIDRO

Marinha Grande, Portugal

### SB VIDROS

Marinha Grande, Portugal

### ENCIRC ITALIA

Corsico, Italy

### ENCIRC ELTON

Elton Cheshire, ENGLAND

### ENCIRC DERRYLIN

Fermanagh, Irlanda del Norte

### VIDRALA Headquarters

Tel. +34 946 719 700

### ENCIRC Headquarters

Tel. +44 (0) 1928 725 300



# SALES

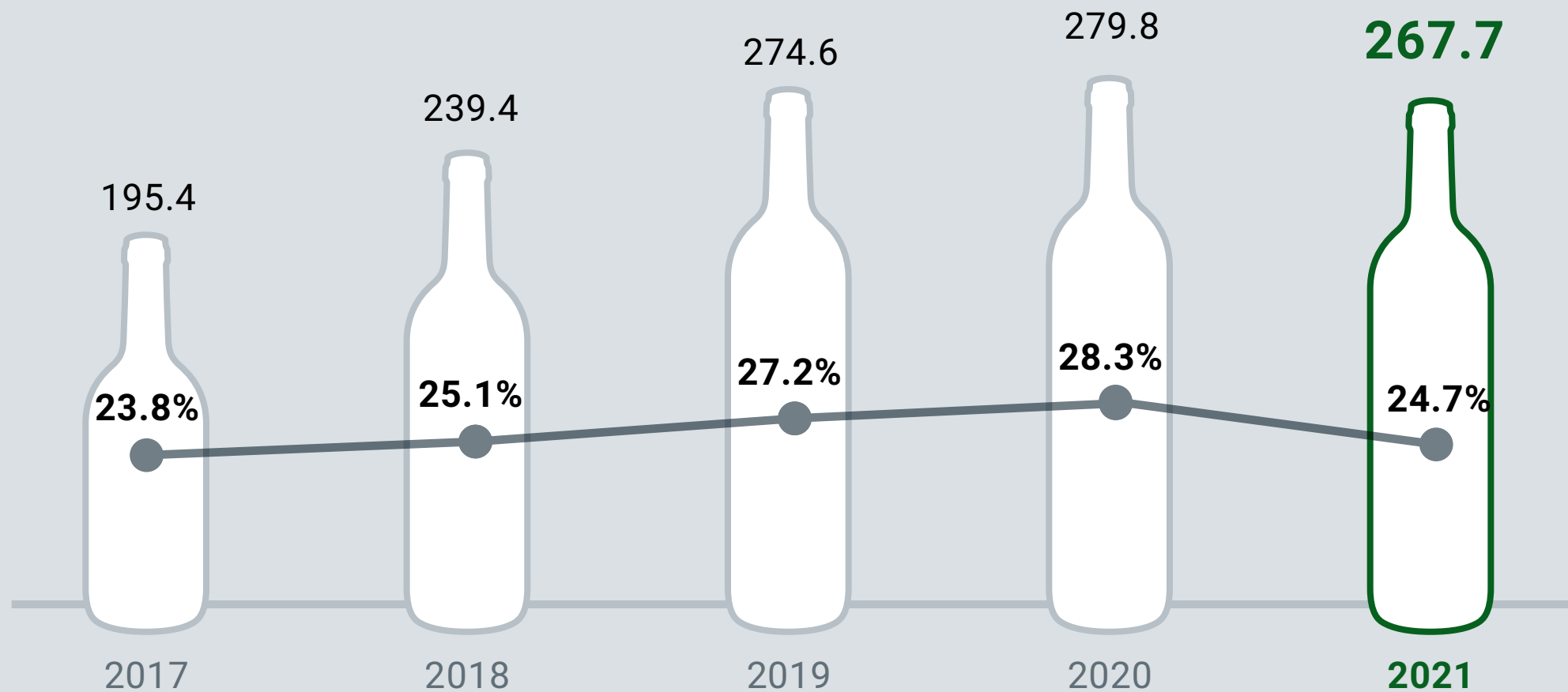
EUR million





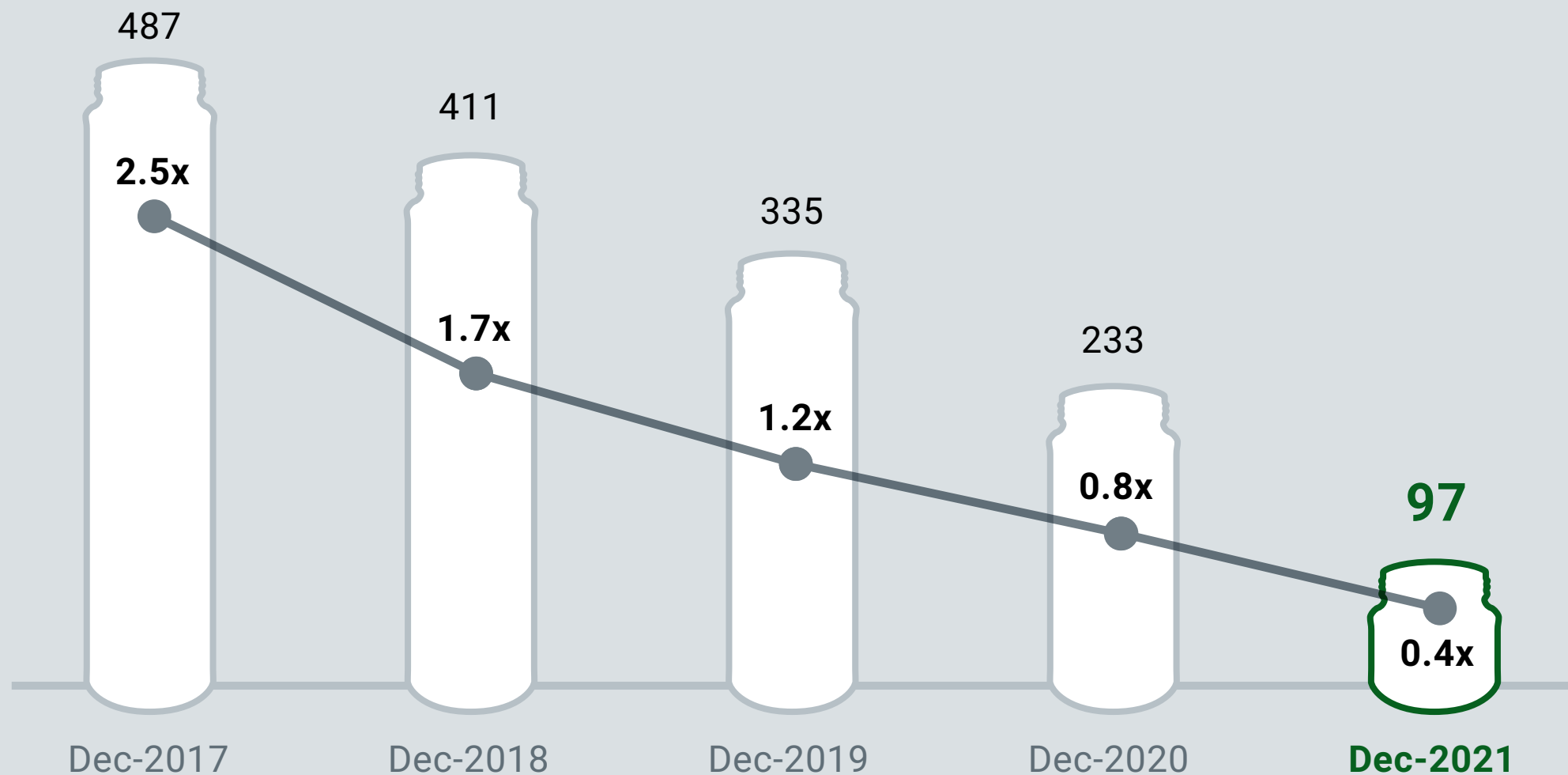
# OPERATING INCOME

EBITDA in EUR million and as percentage of sales



# FINANCIAL POSITION

Debt in EUR million and times EBITDA





# CASH DIVIDENDS AND AGM ATTENDANCE BONUSES

EUR million

**+5%\***  
2022 vs 2021

## Cash Remuneration 2022

*Expected 2022 dividend payments, with charge to full year 2021 results  
Proposal for approval by the annual general meeting (AGM)*

**Interim dividend (February 2022)**

EUR 0.8430 per share

**Complementary dividend (July 2022)**

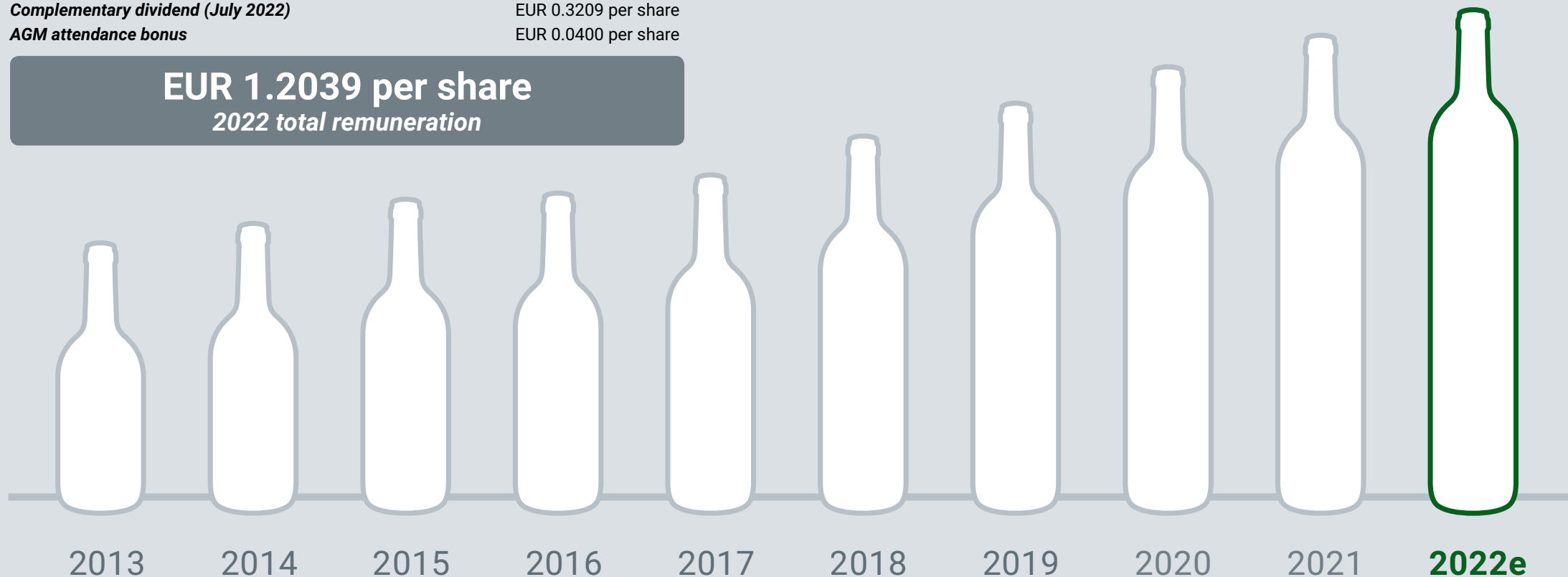
EUR 0.3209 per share

**AGM attendance bonus**

EUR 0.0400 per share

**EUR 1.2039 per share**  
2022 total remuneration

**35.8**

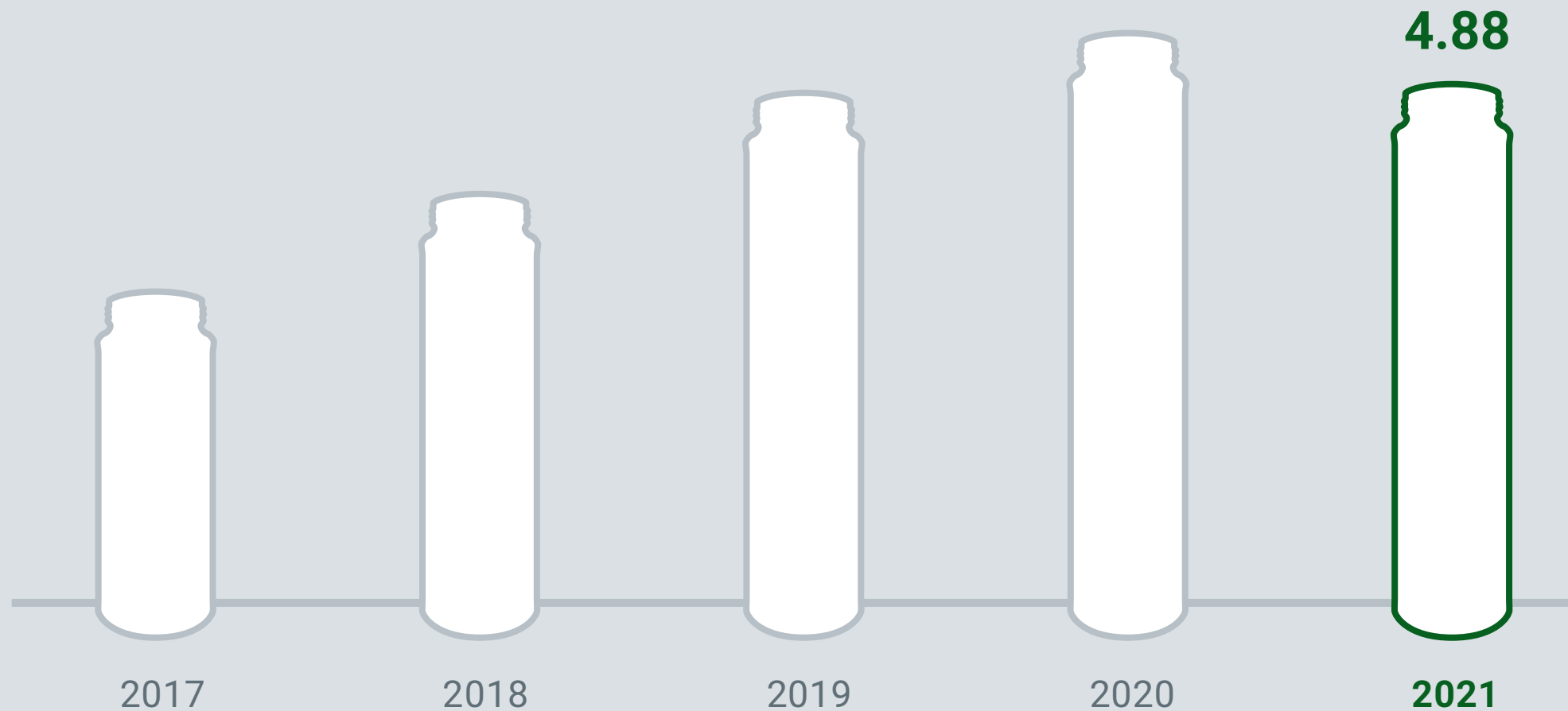


\*Considering the effect of the bonus share issue completed in December 2021.

# EARNINGS PER SHARE

EUR/share

**-9%\***  
2022 vs 2021



\*Considering the effect of the bonus share issue completed in December 2021.



## SHARE PRICE PERFORMANCE

Comparative performance in percentage terms, base 2012



|  | Full Year 2021 |
|--|----------------|
| Price at the end of the period (EUR)   | <b>86.60</b>   |
| Market capitalisation (EUR million)    | <b>2,584</b>   |
| Cash remuneration (EUR per share)      | <b>1.2039</b>  |
| <i>Interim (Feb-2021)</i>              | 0.8430         |
| <i>AGM attendance bonus (May-2021)</i> | 0.0400         |
| <i>Complementary (Jul-2021)</i>        | 0.3209         |

## Key figures

|  | 2020    | 2021           |
|--|---------|----------------|
| Sales (EUR million)                        | 988.4   | <b>1,084.2</b> |
| EBITDA (EUR million)                       | 279.8   | <b>267.7</b>   |
| EBITDA margin (as percentage of sales)     | 28.3%   | <b>24.7%</b>   |
| EBIT (EUR million)                         | 194.3   | <b>178.6</b>   |
| Net profit (EUR million)                   | 159.5   | <b>145.2</b>   |
| Free cash flow (EUR million)               | 140.0   | <b>172.0</b>   |
| Debt (EUR million)                         | 233.5   | <b>97.1</b>    |
| Debt / EBITDA (multiple)                   | 0.8x    | <b>0.4x</b>    |
| Debt / shareholders' equity (multiple)     | 0.3x    | <b>0.1x</b>    |
| EBITDA / net financial expenses (multiple) | 50.74x  | <b>79.01x</b>  |
| Total assets (EUR million)                 | 1,521.4 | <b>1,703.2</b> |
| Shareholders' equity (EUR million)         | 816.2   | <b>966.9</b>   |



# MANAGEMENT REPORT

# ACCUMULATED FIGURES

|                                   | Full Year<br>2021 | Full Year<br>2020 | Reported<br>change | Change on a<br>constant<br>currency<br>basis |
|-----------------------------------|-------------------|-------------------|--------------------|--|
| Sales (EUR million)               | <b>1,084.2</b>    | 988.4             | +9.7%              | +8.2%  |
| EBITDA (EUR million)              | <b>267.7</b>      | 279.8             | -4.3%              | -5.7%  |
| Earnings per share adjusted (EUR) | <b>4.88</b>       | 5.35              | -8.8%              |  |
| Debt / EBITDA (multiple)          | <b>0.4x</b>       | 0.8x              | -0.4x              |  |

**Important:** In order to improve comparability, earnings per share has been adjusted for the effect of the bonus share issue carried out in December 2021.

Sales in the year 2021 amounted to EUR **1,084.2 million**, showing an organic growth of **8.2%**.

Operating profit, EBITDA, amounted to EUR **267.7 million** representing an operating margin of **24.7%**.

Earnings per share declined 8.8% over the same period last year, to EUR **4.88** per share.

Cash generation allowed for a 58% debt reduction during the year, to a level of EUR **97.1** million at year-end, equivalent to **0.4 times last twelve months EBITDA**.





# INTRODUCTION

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 beverages filling activities.

Our industrial knowledge, growing geographical presence, glass manufacturing expertise, best-in-class 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 our services help maintain our customers' reputation and play a role in their strategies, helping to **develop the end consumers' brand experiences**.

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**, meeting the expectations of our customers whilst ensuring the safety and wellbeing of our people.



## Global consumer trends are changing

Global 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. This process gives importance to the container, from which we now expect contributions above traditional expectations as a simple container. In this progress towards the modern consumer world, the glass container offers decisive advantages that will lead it to play an essential role.

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.



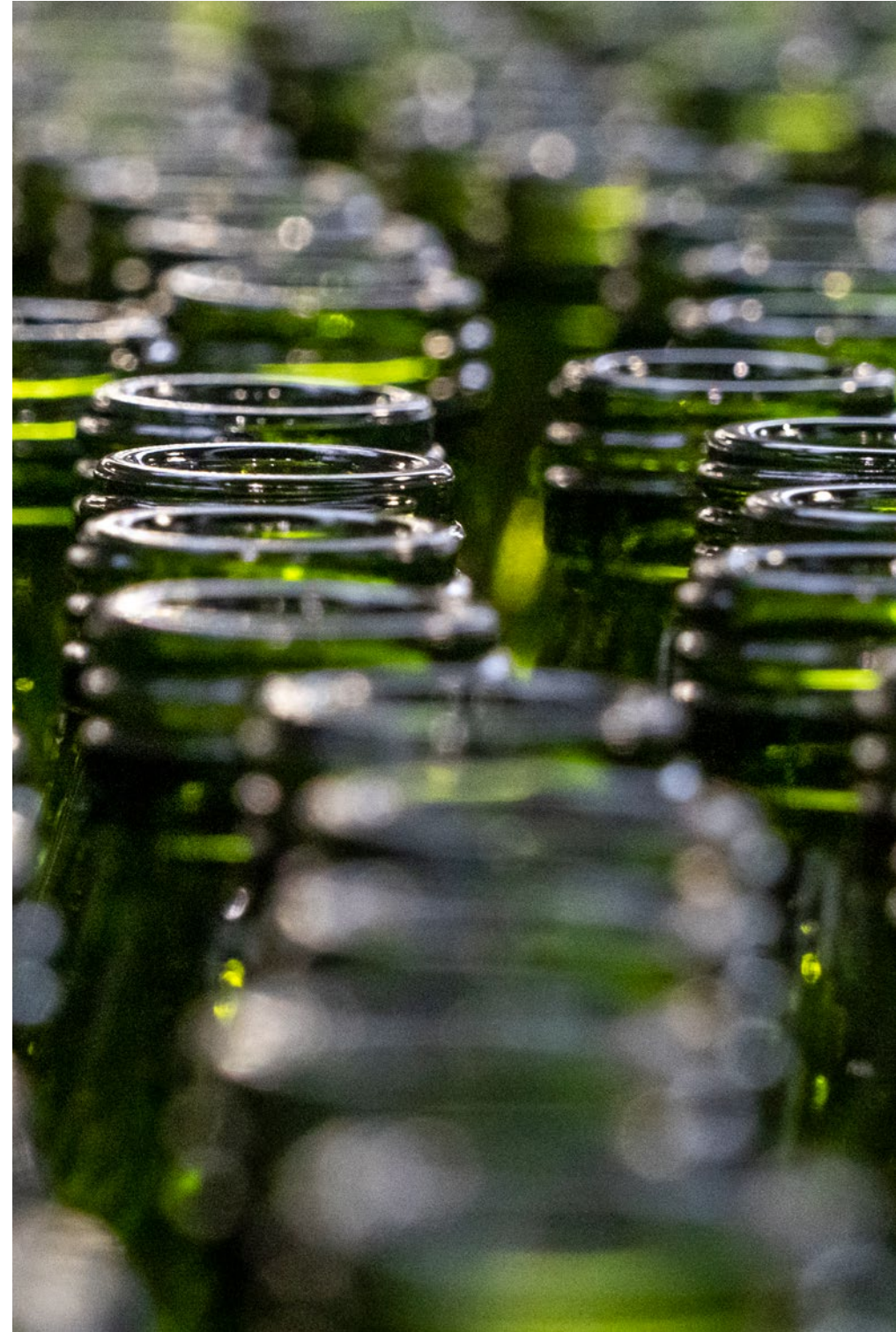
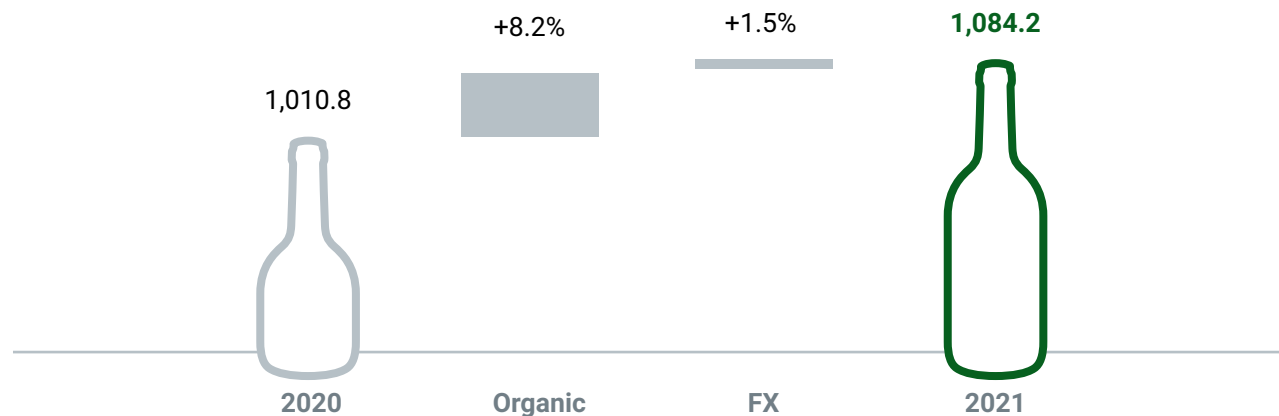
# EARNINGS PERFORMANCE

## Sales

Net sales registered by Vidrala during the full year 2021 amounted to EUR 1,084.2 million, representing an increase of 9.7% over the previous year. On a constant currency basis, sales grew organically 8.2%.

### SALES YEAR OVER YEAR CHANGE

EUR million





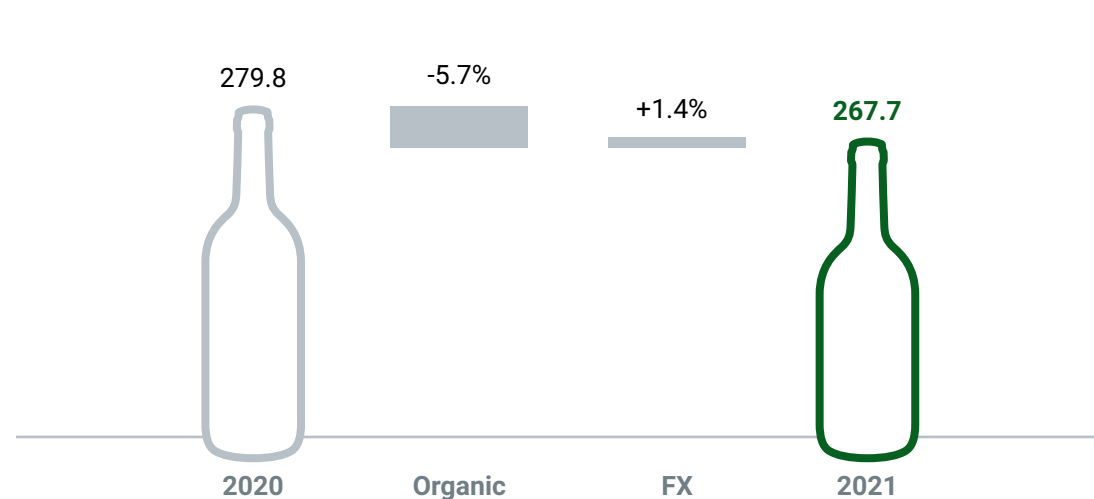
# Operating results

Operating profit –EBITDA– obtained over 2021 reached EUR 267.7 million. This represents a variation of -4.3% over the figure reported last year reflecting an organic change, on a constant currency basis, of -5.7%.

EBITDA margins reached 24.7% over sales. This represents a contraction of approximately 360 basis points over the previous year, as a result of growing inflationary pressures in glass manufacturing costs not reflected in sales prices.

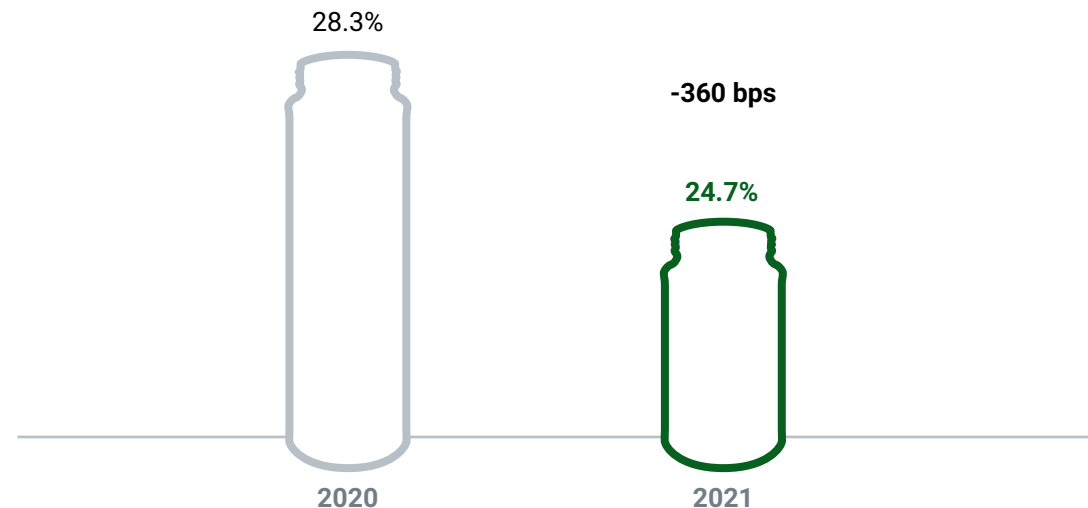
## EBITDA YEAR OVER YEAR CHANGE

EUR million



## OPERATING MARGINS EBITDA YEAR OVER YEAR CHANGE

As percentage of sales



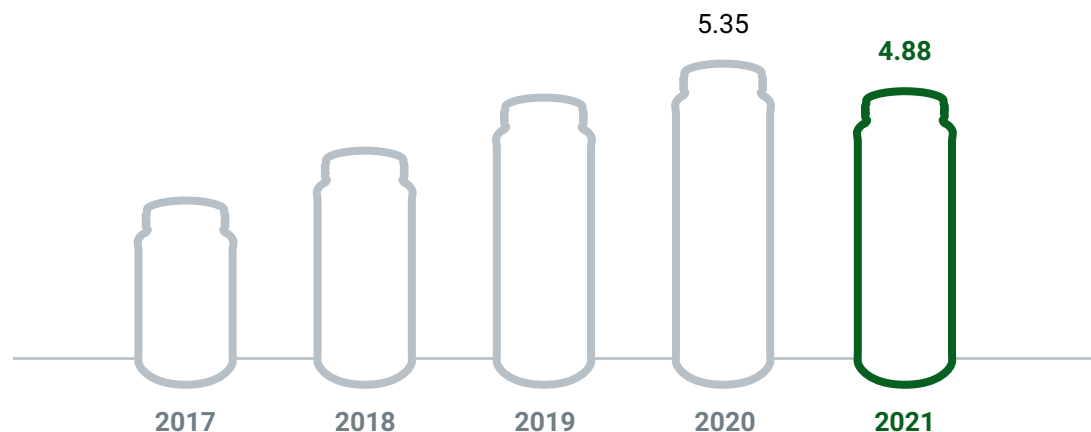
# Results and financial position

Net profit for the full year 2021 amounted to EUR 145.2 million. As a result, earnings per share during the period reached EUR 4.88 per share. This represents a decrease of 8.8% over the previous period.

The solid cash generation obtained in the year was mainly allocated, with financial discipline, to debt reduction. As a result, net debt stood at EUR 97.1 million as of December 31, 2021, 58% below the previous year. Leverage ratio stood at 0.4 times twelve months EBITDA.

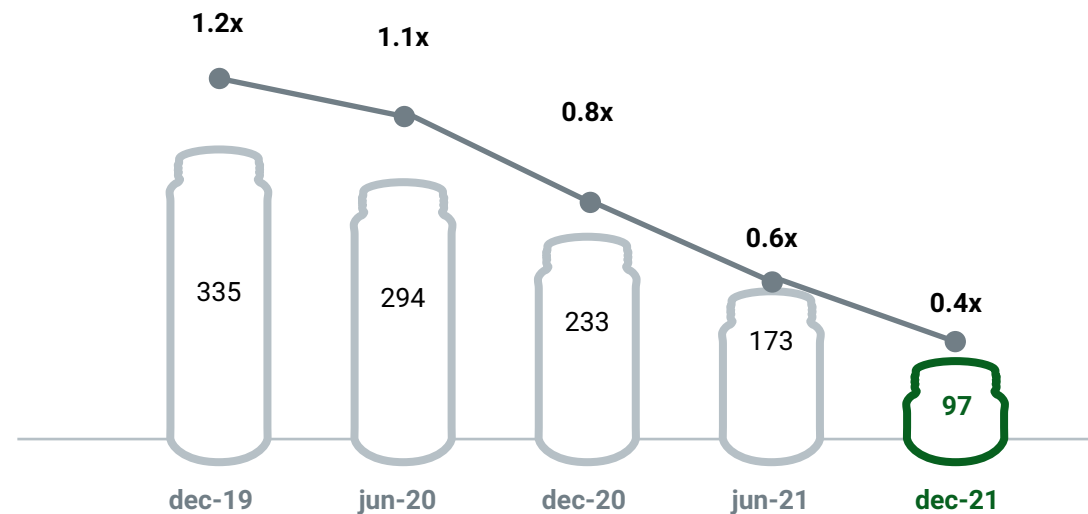
## EARNINGS PER SHARE SINCE 2017

EUR per share



## DEBT SIX-MONTHLY EVOLUTION SINCE 2019

Debt in EUR million and times EBITDA



# Key figures

|  | 2020           | 2021           |
|--|----------------|----------------|
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| Debt / shareholders' equity (multiple)     | 0.3x           | <b>0.1x</b>    |
| EBITDA / net financial expenses (multiple) | 50.74x         | <b>79.01x</b>  |
| <b>Total assets (EUR million)</b>          | <b>1,521.4</b> | <b>1,703.2</b> |
| <b>Shareholders' equity (EUR million)</b>  | <b>816.2</b>   | <b>966.9</b>   |



# CONCLUSIONS AND OUTLOOK

**Demand for glass packaging across our regions of activity is growing solidly**, grounded on the strong underlying fundamentals for consumption of food and beverages, the progressive normalization of social activities and **the continuous support from packagers**, brand owners and consumers to glass as the ultimate sustainable packaging material.

Under this favourable market context, our **ambitious capex program** initiated in 2019 is progressing well, including specific selective investment plans directed to better serve our customers, grow the business, offer differential services, enhance our manufacturing facilities, realign our capacity and improve the sustainability of our operations. In return, **our industrial footprint is today stronger** and the way we serve our customers evolves at comparable good levels even though external supply chain conditions remain challenging and inventories are tight across the industry.

As a result of all the above, our sales are expected to keep on **continuously growing** at double digit levels over the next following quarters.

Despite these solid internal conditions, **external cost pressures remain abnormally accelerated** and will unavoidably affect our margins in the short term until inflation progressively stabilize and our sales prices adapt.

In any case, **the structural business fundamentals will remain strong** and our strategic guidelines firmly committed to our long-term priorities: **customer, competitiveness and capital**. We will invest to grow and to improve our levels of competitiveness **with our customers in mind**, expanding our capabilities and diversifying our business with the aim to supply our services and make our products in the most sustainable way. And we will do it securing a **strict capital discipline**.





# RELEVANT INFORMATION FOR SHAREHOLDERS

The shareholder remuneration policy implemented by Vidrala is based on the **gradual growth in cash dividends** as the main way of distributing benefits. The shareholder remuneration policy implemented by Vidrala is based on the gradual growth in cash dividends as the main way of distributing benefits. Annual payments are typically increased by attendance bonuses to the shareholders' annual general meeting. In addition, Vidrala tries to define **complementary tools for shareholder remuneration** that are considered efficient and consistent with prevailing business conditions.

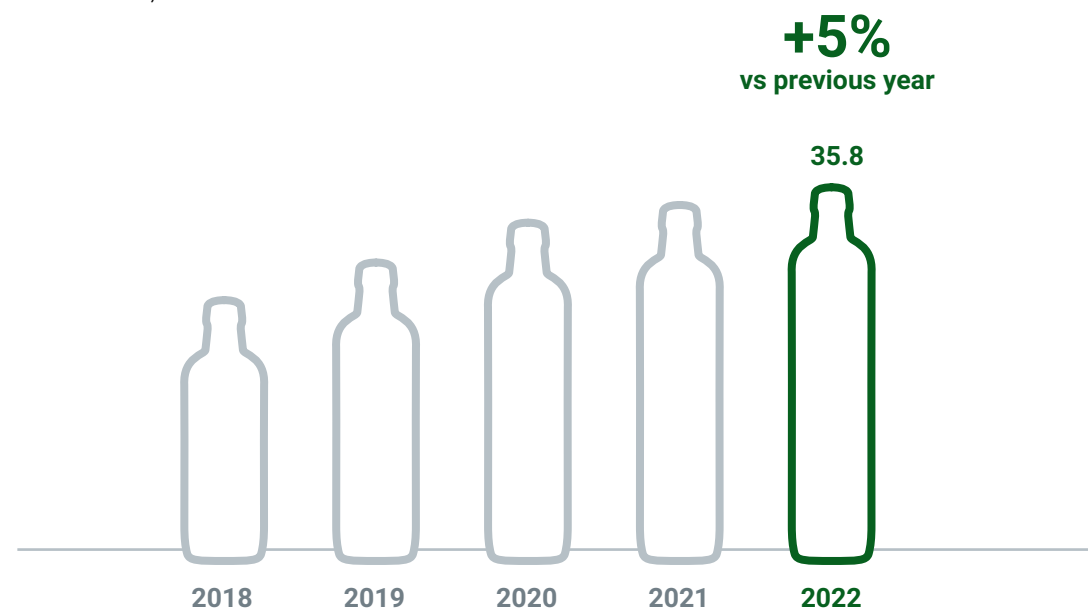
Consistent with that policy, cash dividends distributed during the **year 2021** amounted to EUR 1.1639 per share, and EUR 4.00 cents per share were offered as attendance bonus to the general meeting, accumulating an **annual cash distribution of EUR 1.2039 per share**.

Likewise, during November 2021, Vidrala executed a **free share capital increase** in a proportion of one new share for every twenty existing shares to be freely allocated between all shareholders. All outstanding company shares, without distinction, were fully granted for this 5% bonus share issue.

Regarding the dividend payments for **2022**, Vidrala has proposed a **results distribution that represents** –considering the effect of the new shares assigned free of charge after the bonus share issue completed in December 2021– **an increase in the annual dividend of 5%**. The first interim payment was paid on February 15, 2022 for EUR 84.30 cents per share. A second complementary payment is proposed to be paid on July 14, 2022 for an amount EUR 32.09 cents per share. Additionally, EUR 4.00 cents per share will be offered as attendance bonus to the general meeting. Overall, cash remuneration during 2022 would accumulate EUR 1.2039 per share.

## SHAREHOLDERS' REMUNERATION CASH DIVIDENDS AND AGM ATTENDANCE BONUSES

EUR million, since 2018



As an additional extraordinary measure, on December 17, 2021, the Company announced the **extension of the previous share buy-back program**, through which up to a maximum of 270,000 shares will be acquired for a maximum cash amount of EUR 27 million. The purpose of the programme is to reduce the share capital of Vidrala by the redemption of own shares, with the aim of contributing to the shareholders' remuneration policy through the increase in earnings per share.

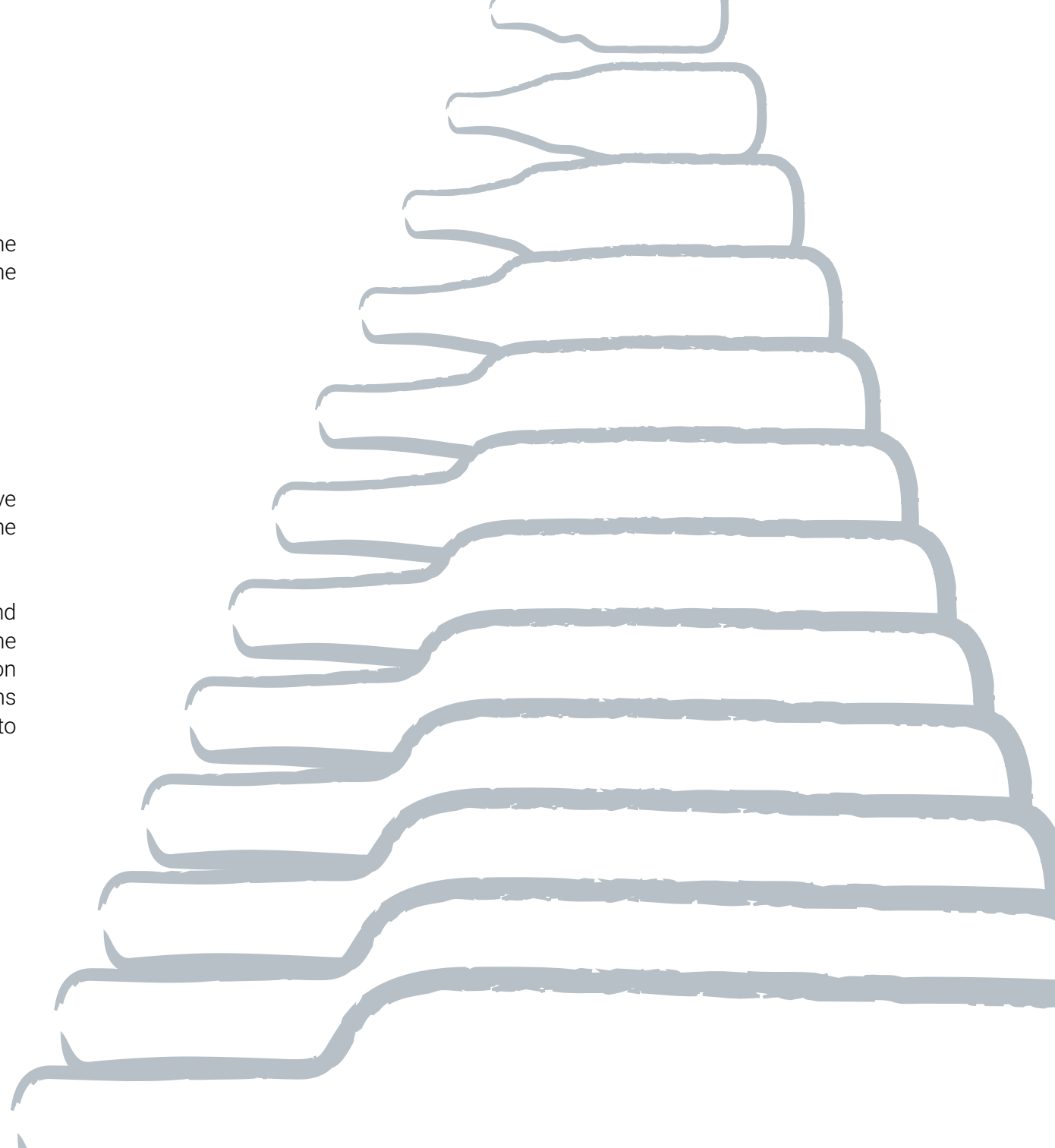
# BUSINESS RISKS

Risk management in the Vidrala Group involves procedures supervised by the directors, coordinated by management and implemented in each operating area of the organization.

## Operational risk

Vidrala, through eight production centers, carries out a continuous production-intensive industrial manufacturing activity that is subject to inherent risks linked to routine operations.

In this respect, during the year 2021, work continues on the review, evaluation and definition of business risks defined as operational and documented in a risk map. The aim was to engage in a dynamic process to identify potential risks, gain a perspective on their impact and probability of occurrence and, principally, to link each area of operations and each business process to adequate control and monitoring systems in order to minimise their potential adverse effects.



## I. Environmental risks

The Vidrala Group declares itself firmly committed to protecting the environment. In order to minimise the impact on the environment, Vidrala implements specific action plans in relation to emissions in the atmosphere, dumping, waste, the consumption of raw materials, energy, water and noise.

Glass manufacturing is an energy-intensive process as melting furnaces are in operation 24 hours a day, 365 days a year. As a consequence of the industrial process, one of the primary management objectives is to reduce contaminating emissions. In order to do this, specific investments are made to upgrade factory facilities and adapt them to the most efficient technological systems for reducing environmental impacts. Additionally, operating priorities are focused on the growing use of recycled products as the main raw material for manufacturing glass, which not only avoids the consumption of natural raw materials but also contributes to reducing energy consumption and emissions volumes.

One of the Group's strategic guidelines is the implementation of environmental management systems. In line with this commitment, all Group's production facilities have ISO 14001:2015 certification, demonstrating that Vidrala operates under the guidelines of a global, verified and recognised



**The result of the efforts towards energy efficiency  
has a global effect on the business,  
reducing consumption, improving costs and  
minimising environmental impact**

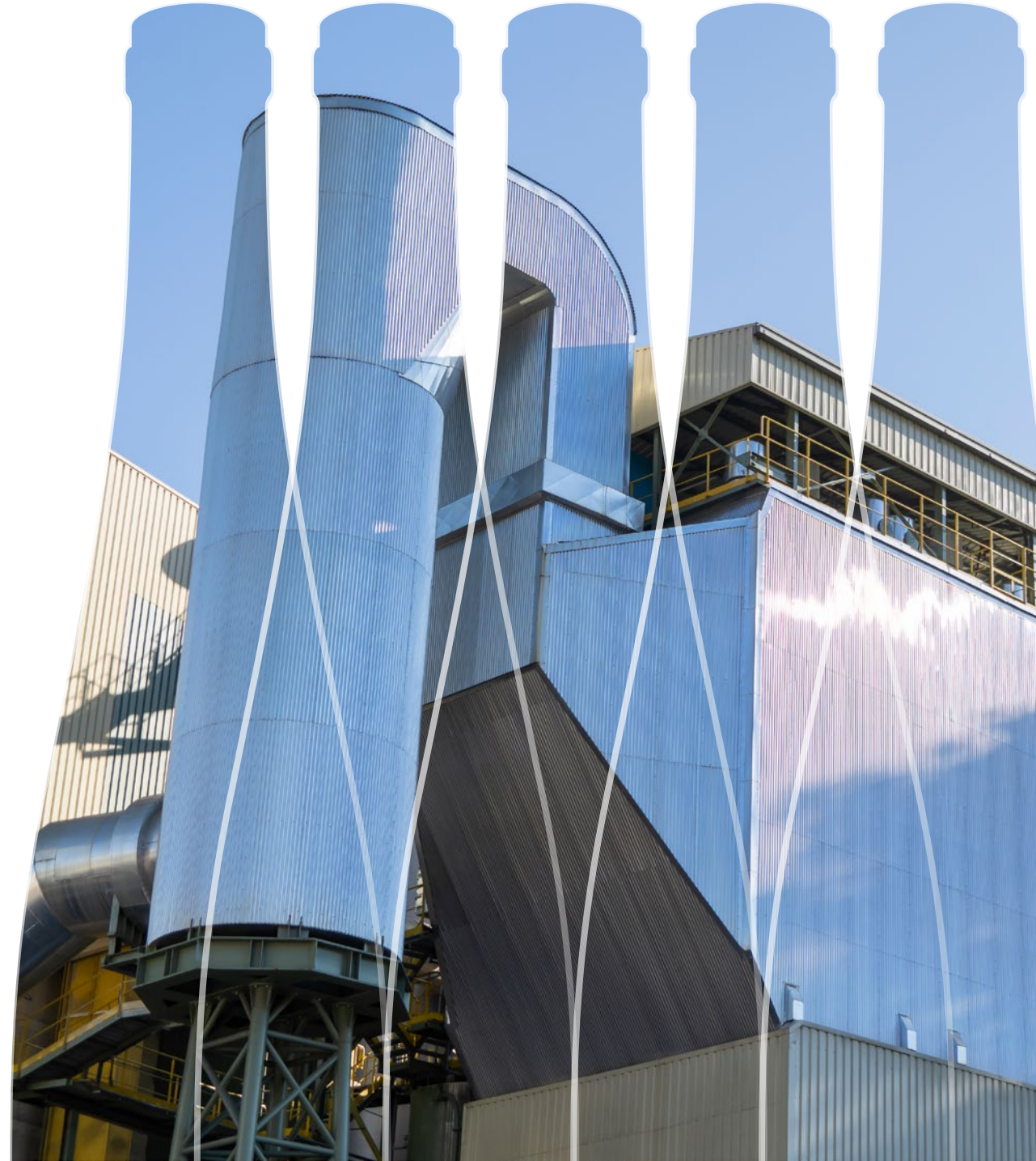


environmental management system. Furthermore, in line with its undertaking to continuous improvement, we have started implementation and verification processes for new environmental standards such as ISO 14064:2018, related to the voluntary declaration of CO2 emissions, or ISO 50001:2018, on energy management systems.

In addition, Vidrala maintains an investment commitment specifically designed to minimise the potential pollutant effect of its facilities. Of special importance in recent years, this concrete effort has materialised in the conclusion of an extensive investment project developed for the installation, in all the production centers, of special systems of purification of atmospheric emissions, denominated electrostatic precipitators or electrofilters. These installations are aimed at reducing emissions of pollutant particles and are recognized as the best technology available for this purpose by the European legislation. The installed electrofilters act to retain the particles generated in the melting process by attracting them through electric fields, reducing the usual emissions of glass melting furnaces by more than 90%. The electrofilters installed in Vidrala have been accompanied by systems for purifying SOx emissions, desulfurizers, which have considerably reduced the emission of this pollutant.

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).

Progress in the Group's environmental efficiency is certified annually and documented in a sustainability report / statement of non-financial information.







## II. Occupational health and safety

The activity developed by the Vidrala group is cemented in the daily work of the more than 3,500 people employed, most of which operate in a context of industrial or manufacturing work.

In this sense, the Vidrala group remains determined to establish the most effective measures of prevention and protection against occupational accidents. This commitment is evidenced by the progressive implementation of occupational health and safety systems, based on the ISO 45001:2018 standard, which are certified by independent entities accrediting the existence of an internationally recognised management framework.

With the aim of preventing labour-related accidents and, more relevant, with the guideline to improve health and well-being at work, Vidrala implements specific and systematic ongoing staff training and awareness plans. The sustainability report / statement of non-financial information details the evolution of the indicators linked to the management of occupational risk prevention. These plans are developed and disseminated among all the agents involved in the organisation and allow the business to objectively document the trend in occupational safety indicators and, consequently, the actual effectiveness of the implemented control processes, evidencing whether additional corrective measures are necessary.

**Vidrala implements specific and systematic ongoing staff training and awareness plans**

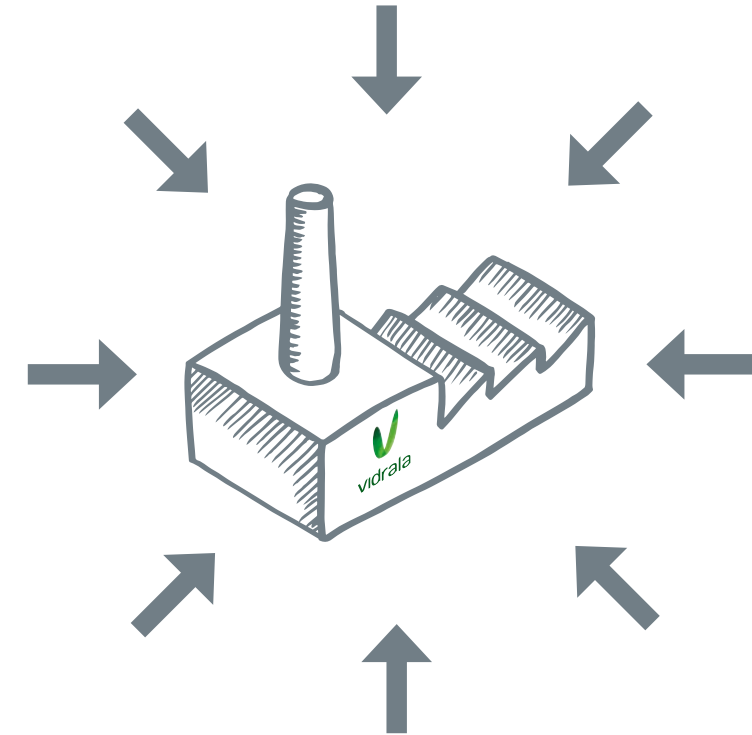
### III. Supply chain risk

Production-intensive, continuous-service industries such as Vidrala's can be vulnerable to risks of distortion in the supply chain.

With regard to supply risk affecting key assets or products for the production process, management initiatives include the continual and specialised search for supply sources and strengthening ties with suppliers, diversifying and forging long-term relationships, establishing ongoing audit and standardisation processes and developing supply alternatives in all relevant areas.

Steps taken to address customer service and product quality risks include the development of a specific departmental area, separate from the rest of the organisational areas dedicated exclusively to quality. Specific investments are being made across all the Group's facilities to guarantee quality targets and optimise product quality control in production plants through implementation of the latest available technological advances.

Concerning inventory risk, the Group systematically carries out specific and periodic control measures to ensure the quality of finished products in the warehouse, to optimise ageing and rotation so that stocks, both in volume and value, are balanced to sales forecasts. These controls have resulted in the implementation of automated stock monitoring processes and the subsequent application of specific physical and valuation measures. During 2021, as a result of the improvement experienced by the business context in relation to the CoVid-19 pandemic, the provision for inventory depreciation of finished product has been reversed for an amount of EUR 6.7 million.



**Continual search for supply sources,  
strengthening ties with suppliers and  
developing supply alternatives in all  
relevant areas**

# Fiscal risk

The Vidrala Group operates in a multinational environment, through companies with activities in Spain, Portugal, the United Kingdom, Ireland, Italy and France, subject to different tax regulations.

The purpose of Vidrala's fiscal policy is to ensure compliance with applicable regulations in all the tax territories in which the Group operates. That respect for tax regulations is developed in coherence with the purpose of the business, that is to create value in a sustained manner for the shareholder, avoiding tax risks and seeking fiscal efficiencies in the execution of business decisions.

Under tax risks we include those potentially derived from the application of aforementioned regulations, the interpretation thereof within the framework of the Group's corporate structure or the adaptation to tax modifications that may occur.

For its monitoring, Vidrala has a comprehensive risk management system that includes the relevant fiscal risks and the mechanisms for its control. Likewise, the Board of Directors assumes among its powers the supervision of the fiscal strategy.

In order to incorporate the indicated control principles into corporate tax planning, **Vidrala assumes among its practices:**



**Prevention**, adopting decisions on tax matters based on a reasonable and advised interpretation of the regulations, avoiding possible conflicts of interpretation through the use of instruments established by the relevant authorities such as prior consultations or tax agreements, evaluating in advance the investments or operations that present a special fiscal particularity and, above all, avoiding the use of opaque or artificial structures, as well as operations with companies resident in tax havens or any others that have the purpose of avoiding tax burdens.



**Collaboration with tax administrations** in the search for solutions regarding tax practices in the countries in which the Vidrala group is present, providing information and tax documentation when requested by the tax authorities, in the shortest possible time and a fully manner, strengthening agreements and, finally, encouraging a continuous dialogue with tax administrations in order to reduce fiscal risks and prevent behaviors likely to generate them.



**Information to the Board of Directors**, through the Audit and Compliance Committee, providing information on the fiscal policies and criteria applied and reporting on tax consequences when they are a relevant factor.



# Financial risk

Global uncertainty in the financial markets and the growing scale of Vidrala's operations expose the Group to potentially destabilising elements of an external nature. These financial risks require the implementation of specific control mechanisms.

Managing the Group's financial risks focuses on the identification, analysis and monitoring of natural market fluctuations in items that could affect the business's profits. This involves defining systematic measurement, control and monitoring processes to minimise any potential adverse effects and structurally reduce the volatility of results. To hedge certain risks, the Group employs, or is in a position to employ, derivative financial instruments which are described in the annual report.

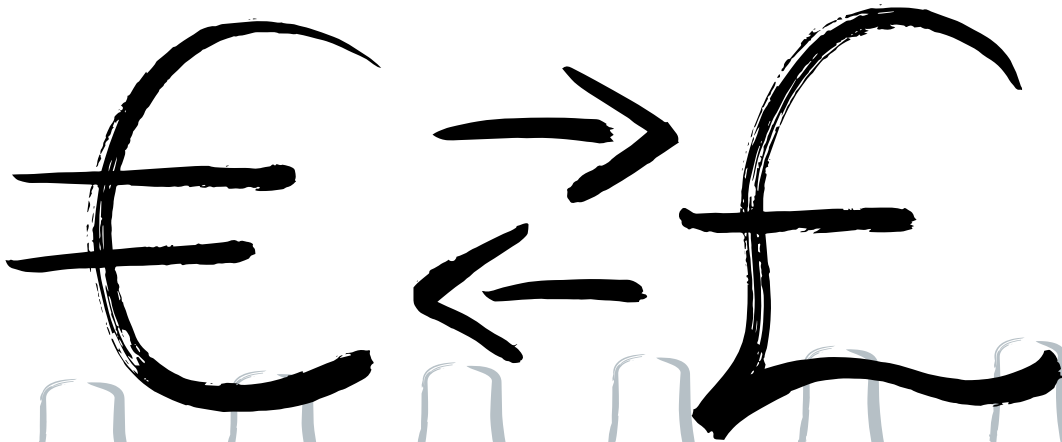
The most relevant financial risks identified are as follows:

## I. Currency risk

The Vidrala group operates at international level and is therefore exposed to currency risk on foreign currency operations.

Currency risk affecting the Group's present structure arise, mainly, from the risks inherent in the global expansion of the Group after the incorporation of Encirc Ltd. in 2015, whose business is largely conducted in Pounds Sterling. In order to quantify the sensitivity to the currency at a consolidated level, as a result of the above, 33.77% of sales and 43.64% of operating income, EBITDA, obtained during 2021 is generated in Pounds Sterling, which may be affected by fluctuations in this currency against the Euro. There is also a risk of translating cash generated by the acquired business in Pounds Sterling to Euros, to repay a debt that was acquired in Euros. The depreciation of the Pound Sterling against the Euro could reduce its equivalent value in Euros, thus reducing cash.

Quantifying currency risk based on 2021 data, if the Pound Sterling depreciated against the Euro by an average of 5% over a year, without considering any hedging or insurance instruments, and the remaining variables remained constant, consolidated profit of the group would be affected by approximately 2%, and annual cash flow would be reduced by approximately 3%.



## II. Interest rate risk

Borrowings contracted at variable interest rates expose the Group to the risk of interest rate fluctuations, which in turn affects forecast cash flows.

The Group's financing policy is to focus its borrowings on variable rate instruments. The Group manages interest rate risks in cash flows mainly through interest rate swaps. These instruments convert variable-rate borrowings to fixed-rate, thus avoiding the risk of fluctuations in variable interest rates. Generally, the Group obtains long-term variable rate borrowings and

swaps them for fixed interest rates. This normally give better rates than had the financing been obtained directly with fixed interest rates. Through interest rate swaps the Group undertakes to periodically exchange the difference between fixed and variable interest with other financial entities. The difference is calculated based on the contracted notional amount. Under interest rate caps the Group has the right, and the counterparty the obligation, to settle the difference between the variable interest rate and the established rate if this is positive. The effectiveness of these instruments as regards fixing the interest rate of contracted financing is assessed and documented using accepted methodologies under applicable accounting legislation.

As a result of this risk control policy, at year closing, 2021, Vidrala has contracted interest rate hedging instruments in the form of interest rate swaps for a notional of EUR 235.0 million, with progressive maturities up to 2026. Consequently, it is expected that the entire cost to be borne by the group in 2022 in the form of interest on debt will be secured against fluctuations in interest rate markets.



### III. Credit risk

The Vidrala Group has a well-diversified customer base made up of a combination of large owners of widely recognised global consumer brands, local or regional packers and packaging distribution companies. No customer accounts for more than 10% of revenue. Top ten clients represent approximately 32% of revenue. The 50th percentile of sales is composed of the main 23 customers.

The Vidrala Group has policies to ensure that sales are only made to customers with adequate credit records and solvency in order to minimise the risk of default. This control process involves ongoing solvency analysis, setting specific, assumable risk limits for each customer considering variables such as specific credit metrics, the segment or geographical area in which they operate and preparing detailed individual ratings typical of evolved credit control systems, using a proprietary rating system.

Furthermore, control of collection risk is intensified with a second level of control through policies of repeat contracting of credit insurance with external insurance policies to cover the impact of any bad debts.

As a result of the control procedures described above, during 2021, the provision for bad debts has been reverted by an amount of EUR 0.8 million, against results of the period.

Other credit risks: financing, derivative and cash operations are only carried out with financial entities with high credit ratings.



## CUSTOMERS

Large owners of widely recognised global consumer brands



Local or regional packers



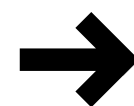
Packaging distribution companies



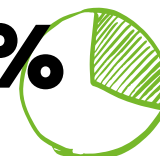
No customer accounts for more than

**10%**  
of revenue

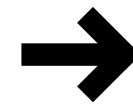
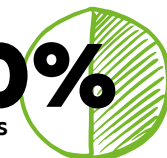
**TOP 10  
clients**



**32%**  
of revenue  
aprox.



**50%**  
of sales



Main  
**23**  
customers



## IV. Liquidity risk

Vidrala's liquidity risk basically stems from the maturing of current and non-current debt obligations, transactions with derivative instruments and payment commitments with other trade creditors. Group policy is to continually monitor and ensure that sufficient resources are available to meet these obligations, maintain internal control processes through follow-ups of budgets and deviations, and implement any necessary contingency plans.

In order to accomplish these objectives, the Group prudently manages its liquidity risk by adapting maturities to the financed assets, diversifying the sources of financing used and maintaining the availability of immediate financing.

At December 31, 2021 the Group maintains EUR 594 million in external financing resources, of which EUR 65 million correspond to promissory notes issued in the Alternative Fixed Income Market (MARF) and whose maturities will take place in the short term.

Vidrala bases its financial liquidity management strategy on prudence, flexibility, cost efficiency and the appropriate duration long-term structure. For this reason, in order to maintain a solid financing position capable of assuming the repayment of the maturities of the currently arranged debt, as well as the impact of any unforeseen or change of context in the markets, the Group has –as of December 31, 2021– EUR 497 million in immediately available, undrawn credit, of which excluding the outstanding nominal amount on commercial paper would result in an amount of EUR 432 million. This amount includes EUR 161 million in Group's cash and cash equivalents.



## V. Debt and solvency

At December 31, 2021 Vidrala's consolidated net debt amounted to EUR 97.1 million, which is a reduction of EUR 136.4 million compared against previous year end. As a result, indicators of financial solvency at the end of the period reflect a leverage of 0.36 times last twelve months EBITDA.

The core of the financing structure is concentrated in a long-term syndicated financing agreement, signed by a selected group of nine financing entities, for an amount in force at the reporting date of EUR 260 million. Its maturity date is September 13, 2025, being progressively amortizable from September 13, 2024. Consequently, during the years 2022 and 2023 the financing will be in a grace period with no obligations to repay the loan principal.

The mentioned loan contract contains certain covenants, mainly in relation to the net debt to EBITDA ratio. All these covenants had been met at December 31, 2021:

**Leverage ratio (Financial Net Debt / Consolidated EBITDA):**

**0.36x**

**Consolidated EBITDA / Net Financial Result:**

**79.01x**

In addition to the syndicated structure, Vidrala has complementary financing in force. In the short term, the Group has a Commercial Paper Program (CPP) registered in MARF for a limit of EUR 200 million – which as of December 31, 2021 is used in EUR 65 million– and credit lines for approximate limits of EUR 85 million. In the long term, in order to provide flexibility and financial strength and to adapt the Group's debt duration structure to its future needs, credit lines and loans have been contracted for an amount of EUR 181 million with maturities between 2022 and 2029.



## VI. Price risk in purchases of energy and raw materials

Energy consumption, principally natural gas and electricity, represents a significant source of costs inherent in most production-intensive industries. Supplies of other raw materials are an equally relevant cost for the Group. Volatility in the variables affecting their prices, represented by the natural variability of the global commodity markets, affects the cost of the production process and can have a greater or lesser impact on the business profitability.

Risk management is based on establishing processes to mitigate potential unforeseen effects on operating margins that would occur in the event of inflationary market trends.

These measures consist of the implementation of adapted price-setting formulas, the continuous monitoring of market variables through specifically dedicated departments and risk control through price hedging strategies, including the contracting of tariffs at fixed prices and the use of derivative hedging instruments.

Due to this risk management policy, at December 31, 2021, the Vidrala group had contracted energy commodity derivatives to hedge the price for a nominal amount equivalent to EUR 48 million. Additionally, some energy supplies have been directly contracted at a fixed price. As a result of these measures, the Group estimates that it has approximately 23% of its expected exposure to changes in the energy markets until 2024.





## VII. General risks related to economic and political circumstances

Vidrala is a consumer packaging company. The products and services we offer are an essential part of the food chain. Its demand is, therefore, in some way conditioned by the operational situation of this chain and, structurally, by the progress in the rate of consumption of food and beverage products in our regions of activity.

Thus, general economic conditions, including the moment in the cycle, the political situation, the degree of consumer confidence and employment rates, somehow affect the rate of consumption of food and beverage products, conditioning the evolution of demand. Likewise, the volatility of raw material costs, the condition of the logistics supply structures and any other disruptive circumstance that may affect the normal activity of our facilities or those of our customers or suppliers, may promptly affect our sales.

In this sense, health crises such as the CoVid-19 pandemic that occurred in the years 2020-2021 or the inflation experienced, may have an effect on economic activity, affecting consumption and demand for glass containers for food products, in the same way that it can create a temporary disruption on supply chains blocking normal activities and temporarily affecting our sales and/or costs.





## VIII. Other risks: UK negotiations to exit from the European Union

The Vidrala group maintains strategic business activities in the United Kingdom and Ireland through Encirc Ltd., acquired in early 2015. Encirc is a glass packaging manufacturer aimed at supplying domestic demand for food and beverage products in Ireland and the United Kingdom, where it operates two plants from which it offers a complete range of services including, in addition to the manufacture of glass containers, packaging processes of the latest technology and logistical services.

Overall, Encirc's business is primarily domestic, producing glass containers locally for internal commercialisation, with the volume of exports outside the British Isles being immaterial outside these regions.

On June 23, 2016, a referendum was held in the United Kingdom on its stay in the European Union, which resulted in a decision to depart and after a long period of negotiations, the exit of the United Kingdom materialized at the beginning 2020. On December 30, 2020, the European Union and the United Kingdom signed a Trade and Cooperation Agreement with entry into force on January 1, 2021. The agreement



establishes the absence of tariffs for any goods related to Vidrala's business, despite the fact that the United Kingdom and the European Union submit, since January 1, 2021, their commercial transactions to new customs procedures, in the same way that taxation and the movement of people must adapt to new requirements. More importantly, freedom of movement within the island of Ireland has been guaranteed by avoiding any border between the Republic of Ireland and Northern Ireland.

In summary, the impact of the new political framework for the business has been small, since Vidrala's transactions between the British Isles and the European Union are not material. In any case, adaptation processes have been put in place to guarantee the continuity of supply in compliance with their legal obligations.



# FINANCIAL STATEMENTS



# Consolidated balance sheet

31 December 2020 and 2021 (EUR thousands)

| ASSETS                           | 2020             | 2021             |
|----------------------------------|------------------|------------------|
| Property, plant and equipment    | 728,397          | 773,627          |
| Right-of-use assets              | 1,303            | 770              |
| Goodwill                         | 209,890          | 209,890          |
| Other Intangible assets          | 27,104           | 48,510           |
| Other financial assets           | 28               | 26               |
| Deferred tax assets              | 39,116           | 41,542           |
| Derivative financial instruments | 1,294            | 6,411            |
| Other non-current assets         | 127              | 103              |
| <b>Non-current assets</b>        | <b>1,007,259</b> | <b>1,080,879</b> |
| Inventories                      | 161,514          | 166,491          |
| Trade and other receivables      | 220,949          | 240,536          |
| Current tax assets               | 5,883            | 17,016           |
| Derivative financial instruments | 1,378            | 24,010           |
| Other current assets             | 12,286           | 13,774           |
| Cash and cash equivalents        | 112,178          | 160,540          |
| <b>Current assets</b>            | <b>514,188</b>   | <b>622,367</b>   |
| <b>Total assets</b>              | <b>1,521,447</b> | <b>1,703,246</b> |

| EQUITY AND LIABILITIES                                   | 2020             | 2021             |
|--|------------------|------------------|
| <b>Equity</b>  |                  |                  |
| Share capital  | 28,989           | 30,438           |
| Other reserves   | 7,833            | 8,109            |
| Retained earnings  | 863,051          | 973,506          |
| Own shares   | (7,679)          | (9,246)          |
| Other comprehensive income                               | (52,153)         | (10,839)         |
| Interim dividend distributed during the year             | (23,885)         | (25,066)         |
| <b>Equity attributed to equity holders of the Parent</b> | <b>816,156</b>   | <b>966,902</b>   |
| Deferred income  | 7,279            | 9,129            |
| Loans and borrowings                                     | 185,518          | 184,003          |
| Derivative financial instruments                         | 6,941            | 480              |
| Deferred tax liabilities                                 | 54,461           | 73,705           |
| Provisions   | 26,210           | 69,120           |
| Other non-current liabilities                            | 886              | 947              |
| <b>Non-current liabilities</b>                           | <b>281,295</b>   | <b>337,384</b>   |
| Loans and borrowings                                     | 160,142          | 73,613           |
| Derivative financial instruments                         | 3,884            | 29,552           |
| Trade and other payables                                 | 215,202          | 259,271          |
| Current tax liabilities                                  | 13,740           | 6,466            |
| Provisions   | 10,893           | 9,971            |
| Other current liabilities                                | 20,135           | 20,087           |
| <b>Current liabilities</b>                               | <b>423,996</b>   | <b>398,960</b>   |
| <b>Total liabilities</b>                                 | <b>705,291</b>   | <b>736,344</b>   |
| <b>Total equity and liabilities</b>                      | <b>1,521,447</b> | <b>1,703,246</b> |

## Consolidated income statement

31 December 2020 and 2021 (EUR thousands)

|   | 2020           | 2021             |
|---|----------------|------------------|
| Revenues  | 988,370        | <b>1,084,166</b> |
| Services rendered   | 554            | <b>533</b>       |
| Other income  | 30,076         | <b>47,638</b>    |
| Changes in inventories of finished goods and work in progress           | (21,886)       | <b>4,261</b>     |
| Merchandise, raw materials and consumables used                         | (317,783)      | <b>(373,794)</b> |
| Employee benefits expense   | (185,795)      | <b>(196,396)</b> |
| Amortisation and depreciation   | (84,144)       | <b>(86,284)</b>  |
| Impairment of non-current assets  | (1,415)        | <b>(2,840)</b>   |
| Other expenses  | (213,709)      | <b>(298,711)</b> |
| <b>Profit loss from operating activities</b>                            | <b>194,268</b> | <b>178,573</b>   |
| Finance income  | 1.746          | <b>114</b>       |
| Finance costs   | (6,848)        | <b>(6,173)</b>   |
| <b>Profit before income tax from continuing operations</b>              | <b>189,166</b> | <b>172,514</b>   |
| Income tax expense  | (29,703)       | <b>(27,357)</b>  |
| <b>Profit for the year from continuing operations</b>                   | <b>159,463</b> | <b>145,157</b>   |
| <b>Profit for the year</b>  | <b>159,463</b> | <b>145,157</b>   |
| <b>Profit for the year attributable to equity holders of the Parent</b> | <b>159,463</b> | <b>145,157</b>   |
| <b>Earnings per share (expressed in Euros)</b>                          |                |                  |
| - Basic   | 5.62           | <b>4.88</b>      |
| - Diluted   | 5.62           | <b>4.88</b>      |



[Click here for full financial statements and explanatory notes.](#)



# SUSTAINABILITY REPORT



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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.

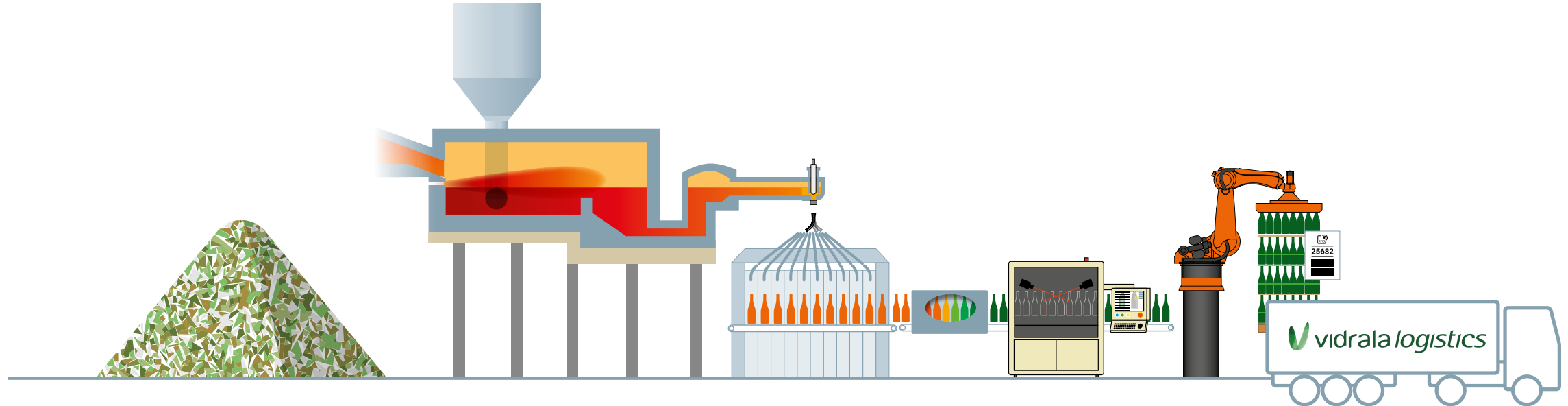
***Consumer trends are changing. It not only matters what we eat and drink but where we do it, how the experience is, as well as the impact it has on our health, social interactions and the environment and, as a result, what we expect the packaging to deliver above and beyond traditional expectations.***

***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



## 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.

## Melting

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

## 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.

## Lehr

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

## Inspection

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

## 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

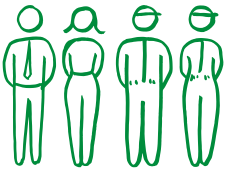
**Fiacre O'Donnell, Sustainability Director:** *"The last couple of years have shown all of us how governments, businesses, and communities can come together to address a global crisis. Now, as we move steadily closer to a post-pandemic world, we must not lose focus when it comes to combatting the other 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.



Fiacre O'Donnell, Sustainability Director.

# GLASS MADE GOOD



## People

We put everyone first



## Place

We are responsible for our surroundings



## Planet

We are making glass cleaner and greener



## Prosperity

We have a brighter outlook



*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."*

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 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.**



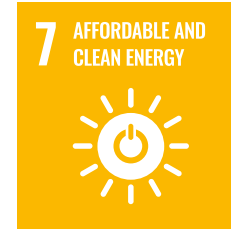
# SUSTAINABLE DEVELOPMENT GOALS

**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:



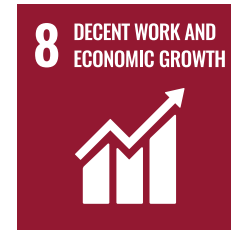
## SDG #5 - Gender Equality

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.



## SDG #7 - 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.



## SDG #8 - 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.





## SDG #9 - 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.



## SDG #12 - 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.



## SDG #13 - 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).



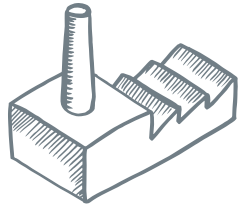
## SDG #15 - Life on Land

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.

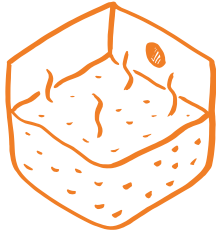


# 2021 HEADLINES

Percentage variations over FY 2020



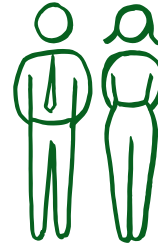
**8**  
Manufacturing  
sites



**19**  
Furnaces



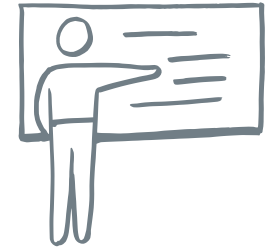
More than  
**8,0**  
billion containers  
produced



More than  
**1,600**  
customers



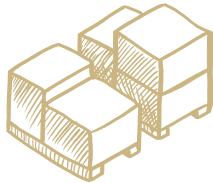
More than  
**3,500**  
employees



More than  
**100,000**  
training hours



**48%**  
recycled glass over  
raw materials



**+2.9%**  
consumption of raw  
materials



**-9.2%**  
in water usage



**-1.7%**  
in energy consumption



**-4.5%**  
in CO<sub>2</sub> emissions



**-0.8%**  
customer complaints

*\*Annual variation over 2020, 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.*

# GLASS MADE GOOD





# Prosperity

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 North West

### 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.



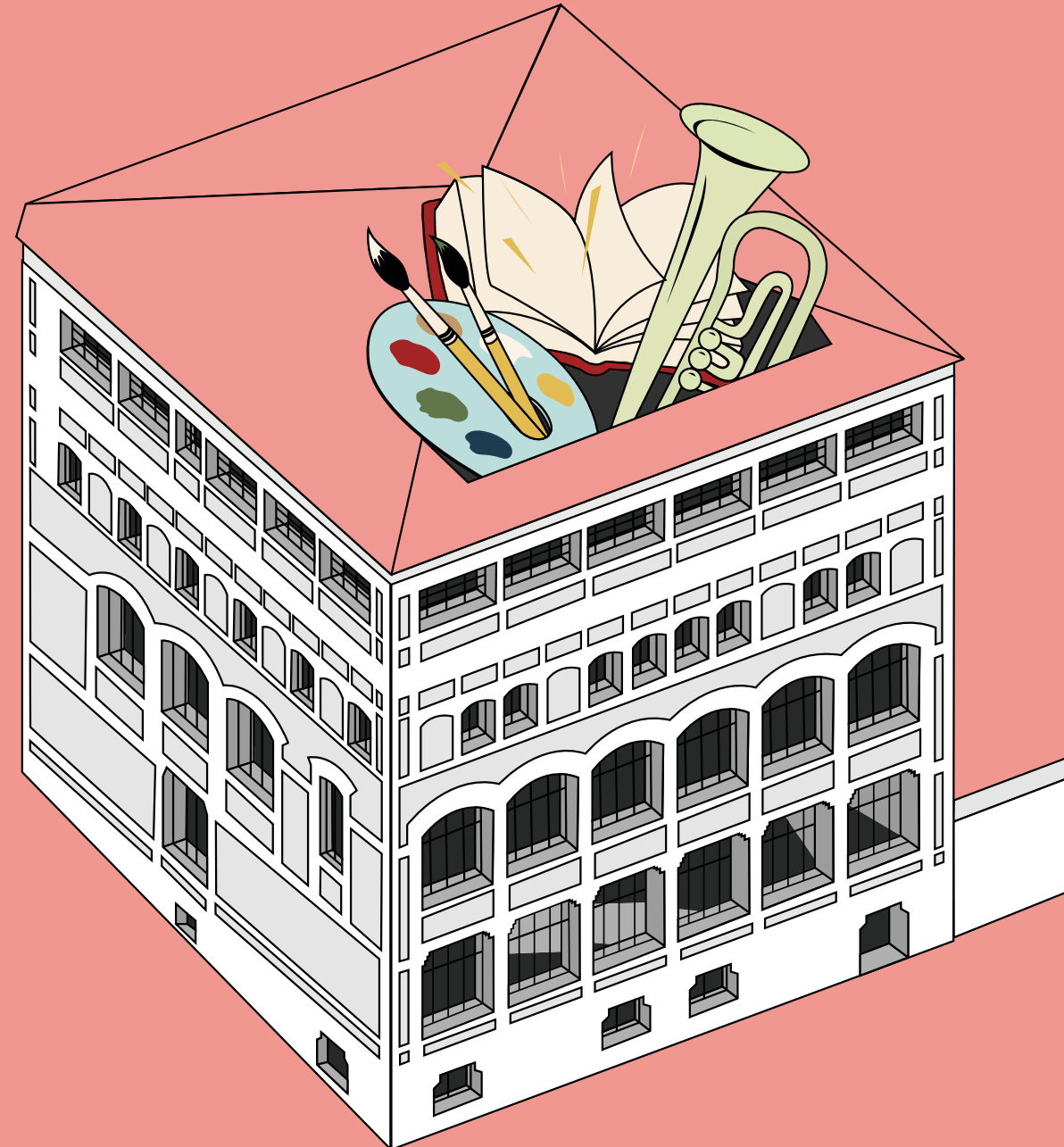


## BK Kuna, the home of the SDGs: a partnership for inclusive and sustainable progress

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.**

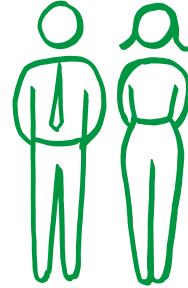


## The importance of a solid Corporate Governance structure

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.



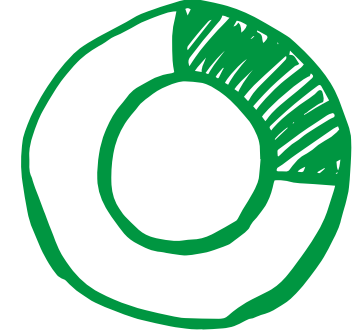
**11**  
members



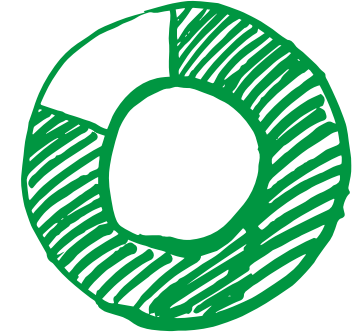
**8**  
meetings

All Board  
members are  
**non-executive**

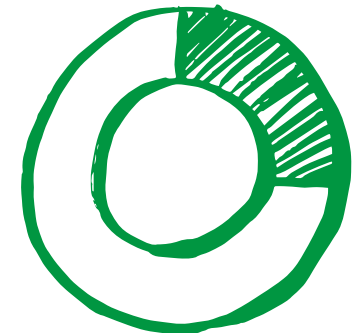
### Independence



### Nationality



### Diversity



### 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.

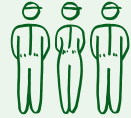


# Stakeholder Engagement

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.

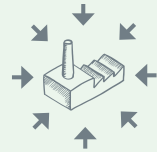
The main stakeholders or interest groups for the Group are identified below:



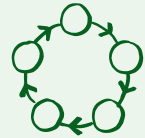
**1. Employees.** They make the business project possible. Understanding their concerns and motivations, having them play an active part in the business, and attracting and retaining talent are fundamental principles to ensure the commitment of the team, continuous improvement, and the long-term sustainability 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.

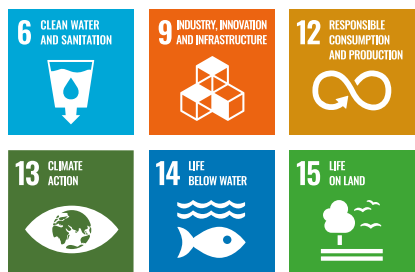
All these initiatives demonstrate the aim of Vidrala to continue to optimise the environmental impact of its processes and products whilst embedding long-term decision making into our business planning.





## 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.

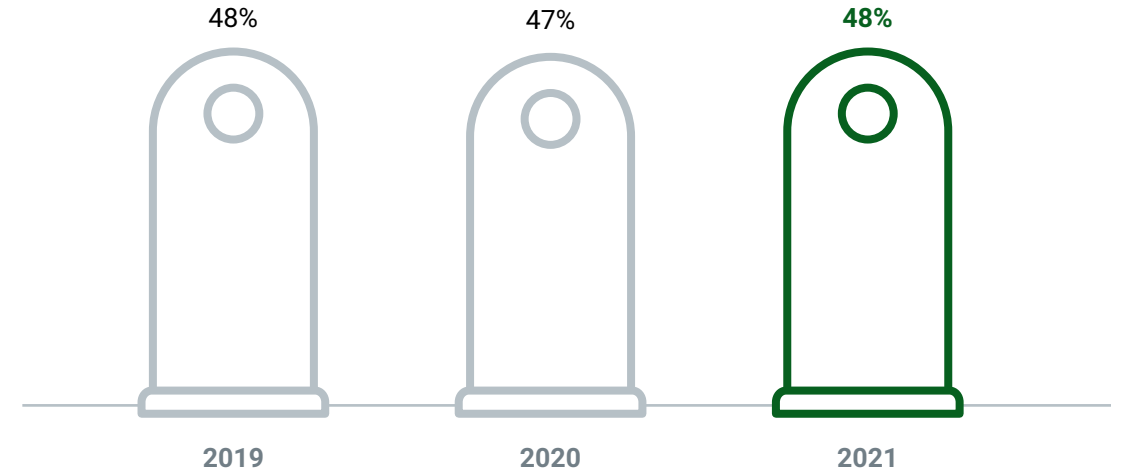
By doing so, we reduce our reliance on taking new raw materials from the planet, it reduces our energy consumption and greenhouse gas (GHG) emissions and supports us in achieving a more circular economy. This year 48% of raw materials introduced into our furnaces was recycled glass.



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.

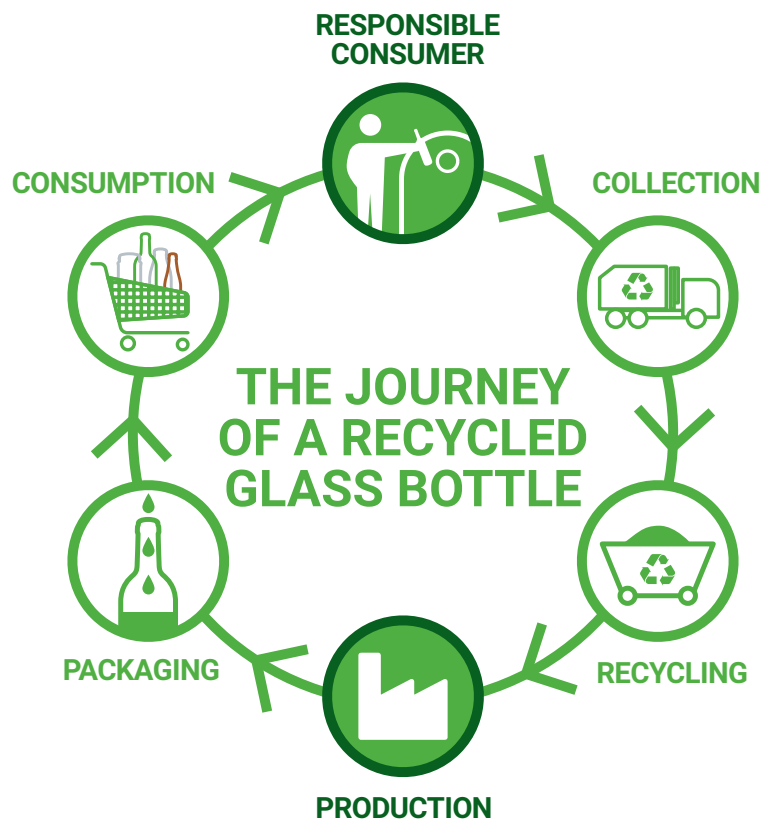
In response to these challenges, we are supporting the availability of recycled glass in the industry through our involvement with FEVE's 'Close the Glass Loop' platform. FEVE is the association of European manufacturers of glass contained and machine-made tableware, and the platform's aim is to unite 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.

## USE OF 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.

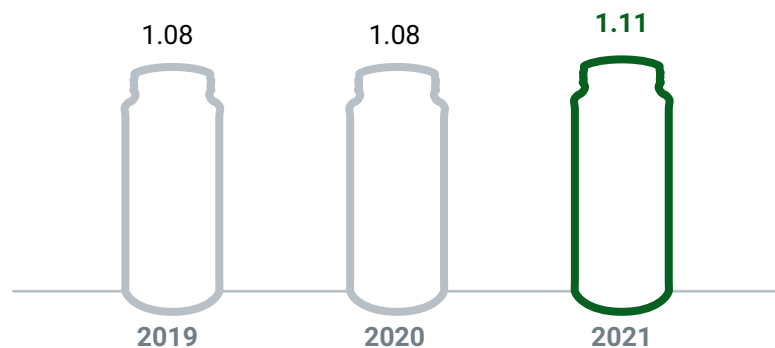




## Raw Materials

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.

### RAW MATERIALS CONSUMPTION (ton/tmg\*)



**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.





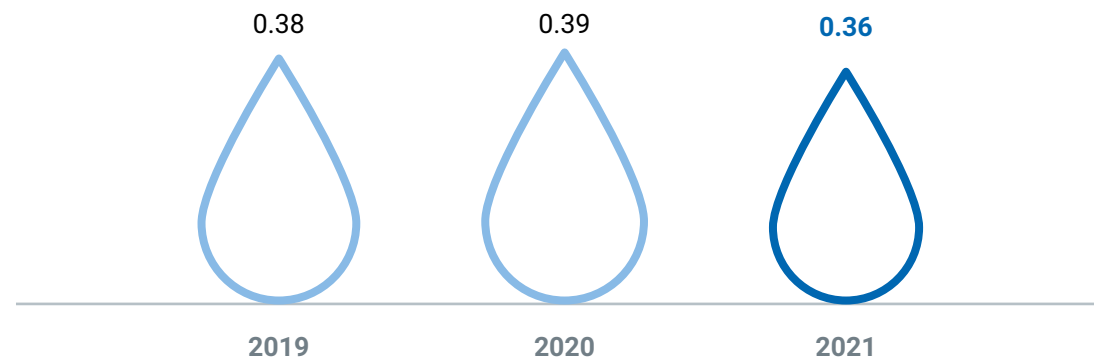
## Water Usage

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.

### WATER CONSUMPTION

(m<sup>3</sup>/tmg)





## 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.

**Finding more efficient ways to manufacture glass is fundamental for us to remain a leader in the sector**





## ***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.

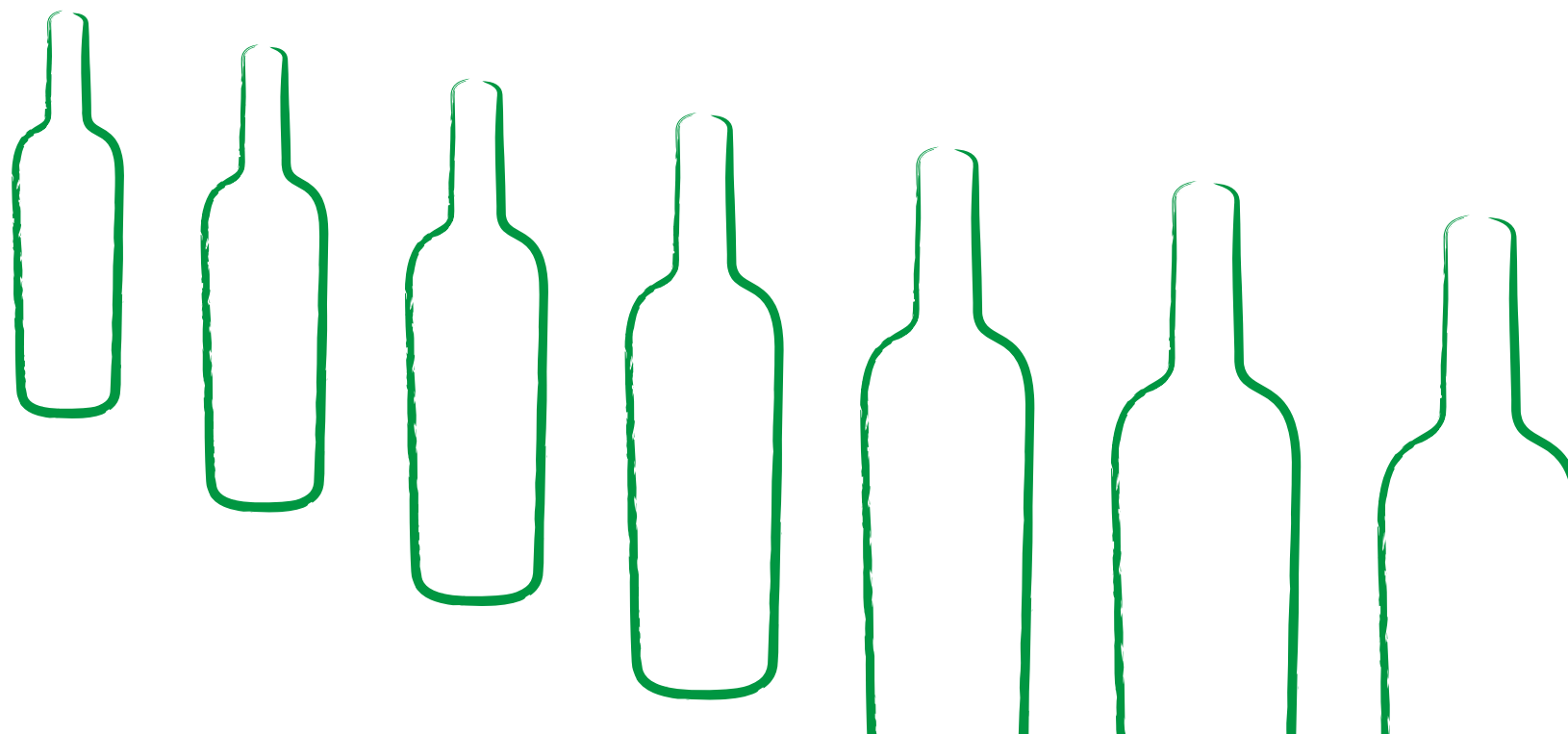
To support this, we have committed to implementing energy efficiency measures such as ISO 50001 energy management systems across all our factories. We also procure renewable electricity in a number of our sites and undertake important initiatives to reduce our energy usage and carbon footprint.

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.

**We invested more than  
EUR 20 million into  
initiatives that support  
our efforts to minimise  
our impact on the  
environment**



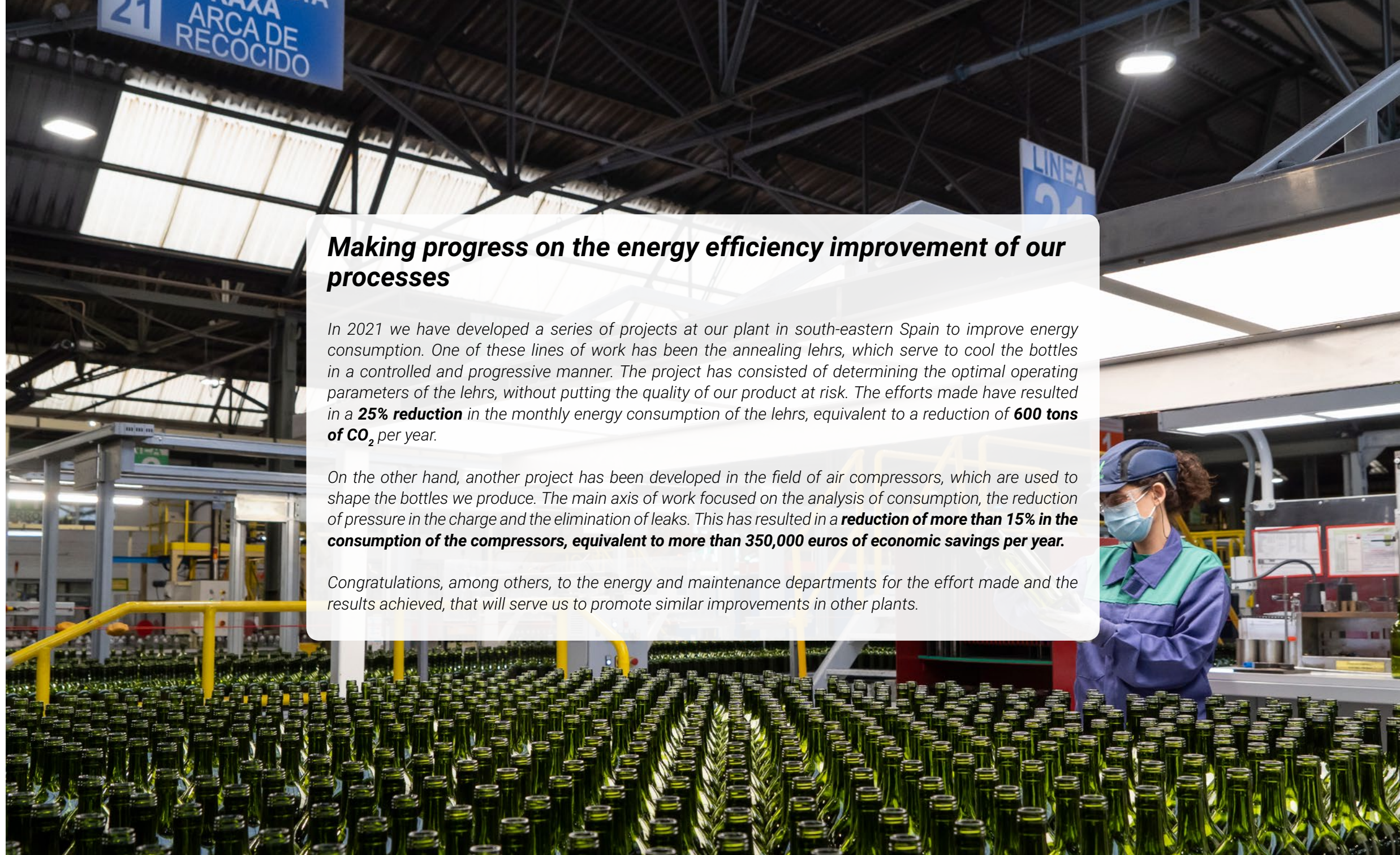


## Making progress on the energy efficiency improvement of our processes

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

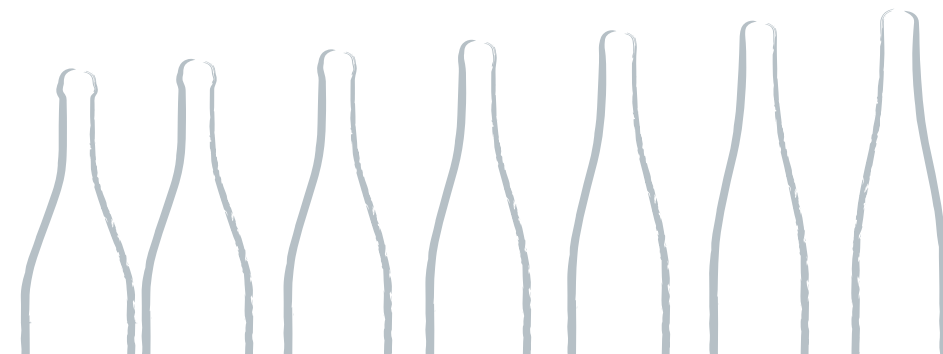
|   | 2019             | 2020           | 2021             |
|---|------------------|----------------|------------------|
| Scope 1 (tCO <sub>2</sub> e)  | 887,045          | 810,398        | 862.314          |
| Scope 2 / Location-based (tCO <sub>2</sub> e)   | 188,493          | 168,199        | 164.261          |
| 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>   |
| <i>Carbon Intensity (tCO<sub>2</sub>e/tmg)</i>  | <i>0.42</i>      | <i>0.41</i>    | <i>0.39</i>      |
| <b>Carbon Intensity (tCO<sub>2</sub>e/tmg)</b><br><b>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 (NOx) and Sulphur Dioxides (SOx) 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 NOx emission burners, to replacing fossil fuels with electrification. SOx 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.





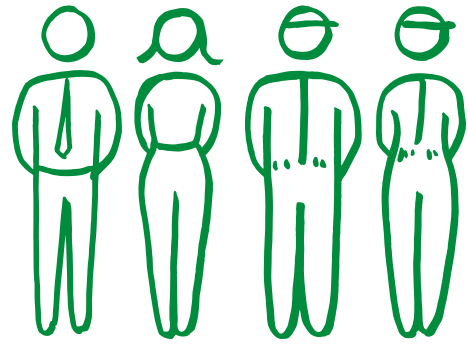


## **Vidrala Logistics, in motion for our customers on the most sustainable path**

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

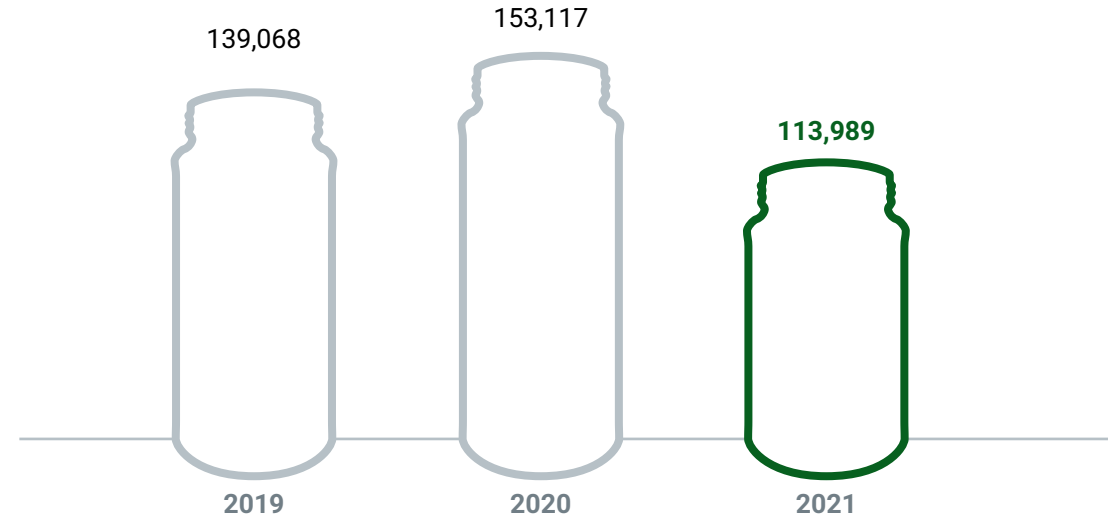
Our team of people has an instrumental role in driving the success and growth of our business. We champion the development of our staff to positively impact the business and the wider community. Without their skills, engagement, and experience, this success would not be realised. Therefore, people are 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.

## TRAINING HOURS





**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.

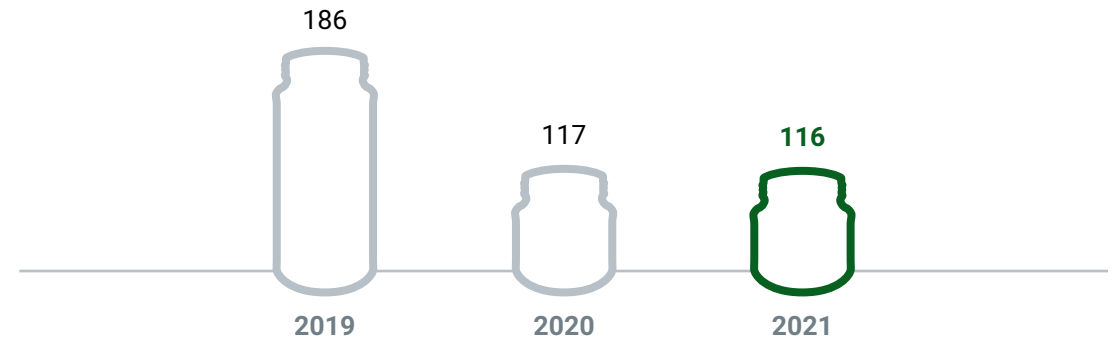
A key pillar of our health and wellbeing programme is to build a sustainable workforce through policies designed to encourage and facilitate a healthy work-life balance. Across all our sites, we have implemented different Crews programmes adapted to each site and organisational needs which aims to improve 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.



### LOST-TIME INJURIES





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.



## ISO 45001

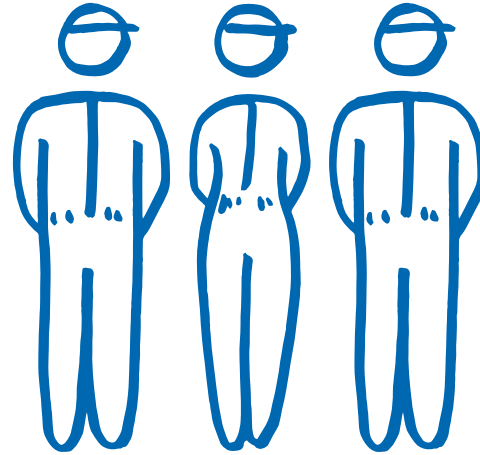
In recognition of the risks our employees face, we have implemented occupational health and safety management systems across all our sites.

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.



### FEMALE PRESENCE ACROSS 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.



**Bronze**  
Diversity Mark

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**



## 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.





## Place

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.

More than  
**192,000 €**  
donated to charity



# VIDRALA MASTER GLASS DESIGN CONTEST

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

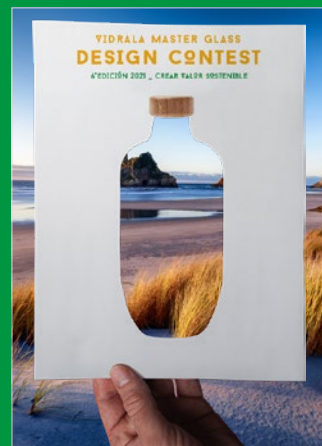
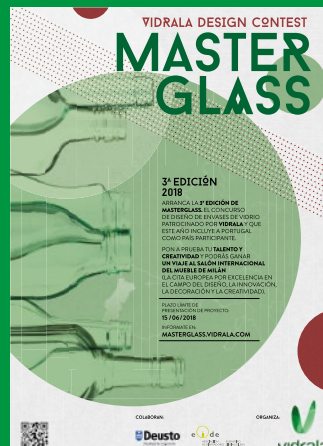
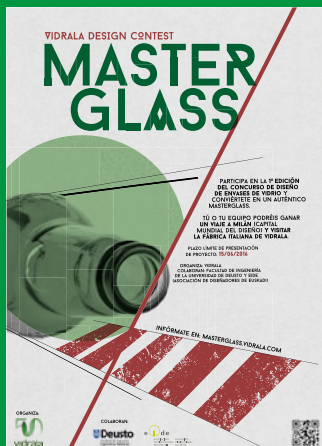
Over the last 6 years we have been involved in the MasterGlass awards in collaboration with the University of Deusto and Edide. The purpose of the contest is to search for new ideas among **students of Industrial or Graphic Design, Engineering or Graphic Arts** from all over Spain and Portugal.

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.

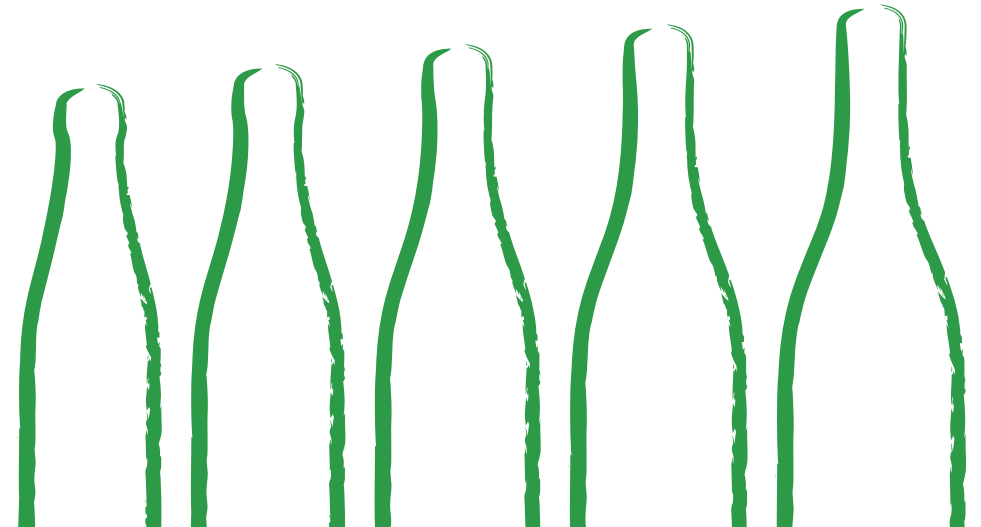


## Supporting our customers

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, infinitely, 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.*

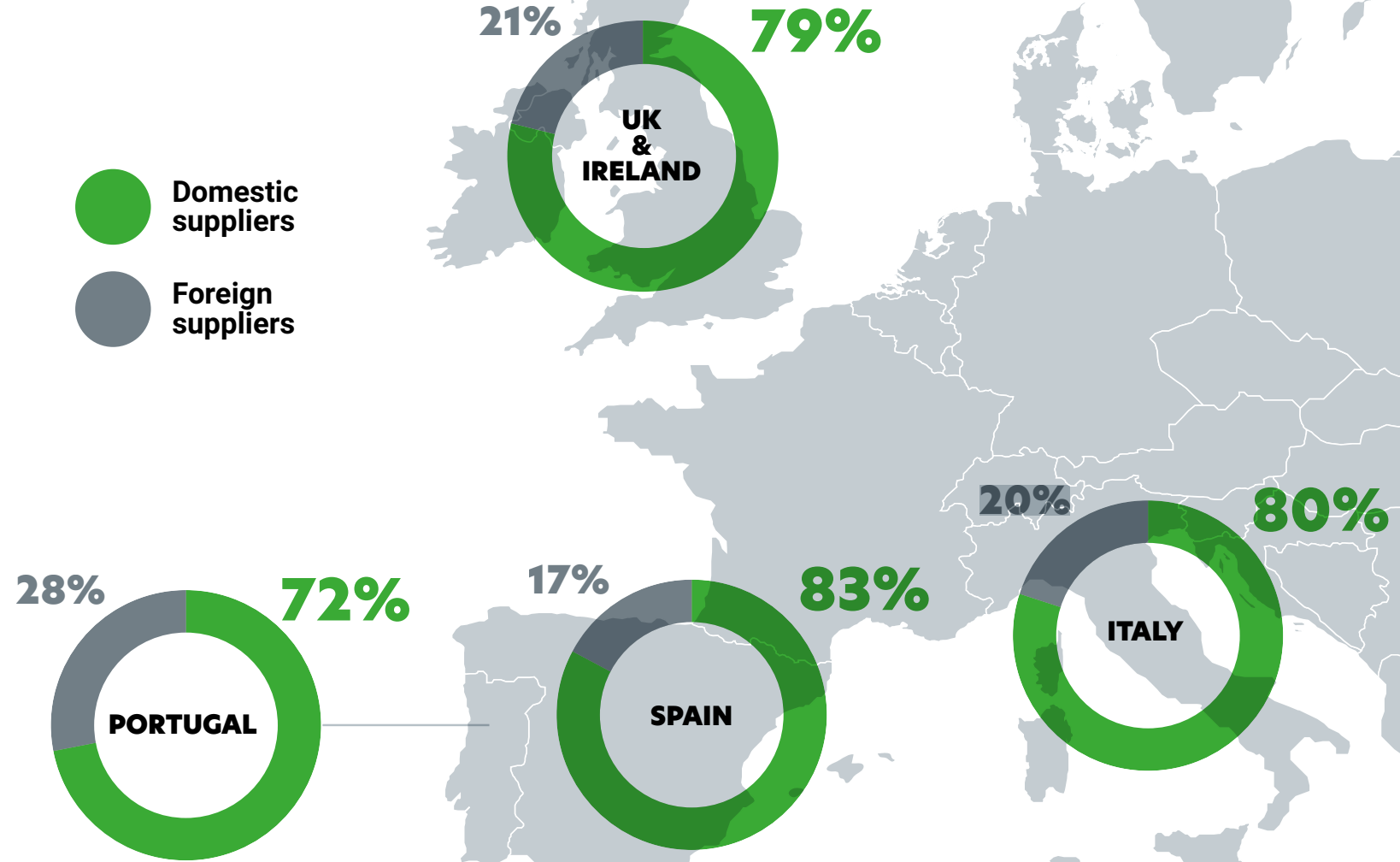
*To support our customers in their sustainability journey we have committed to **increasing wine filling capacity by a further 75 million litres over the next year**. This will be one of the most significant increases in UK filling capacity in the industry for many years.*

## 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.

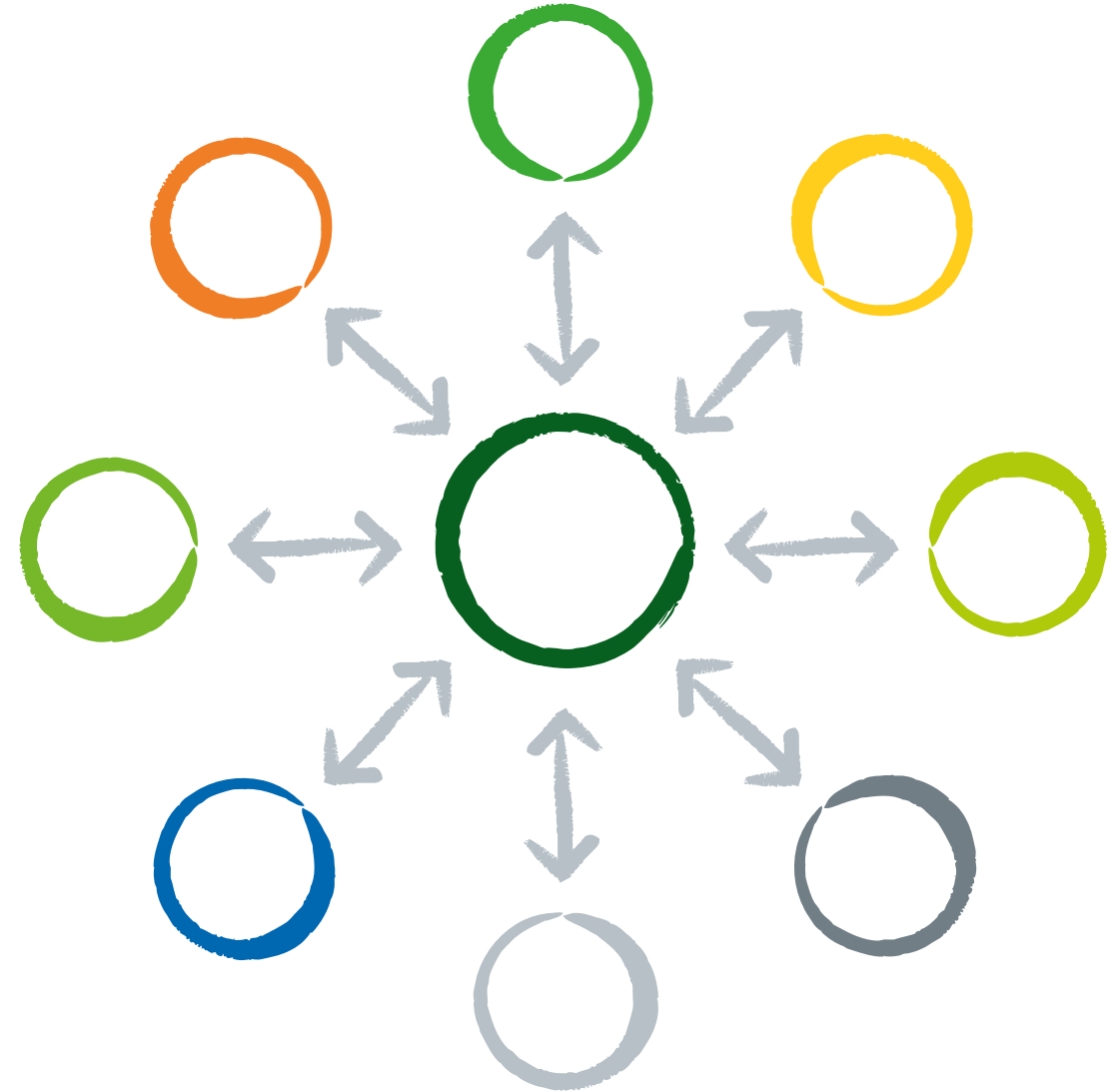




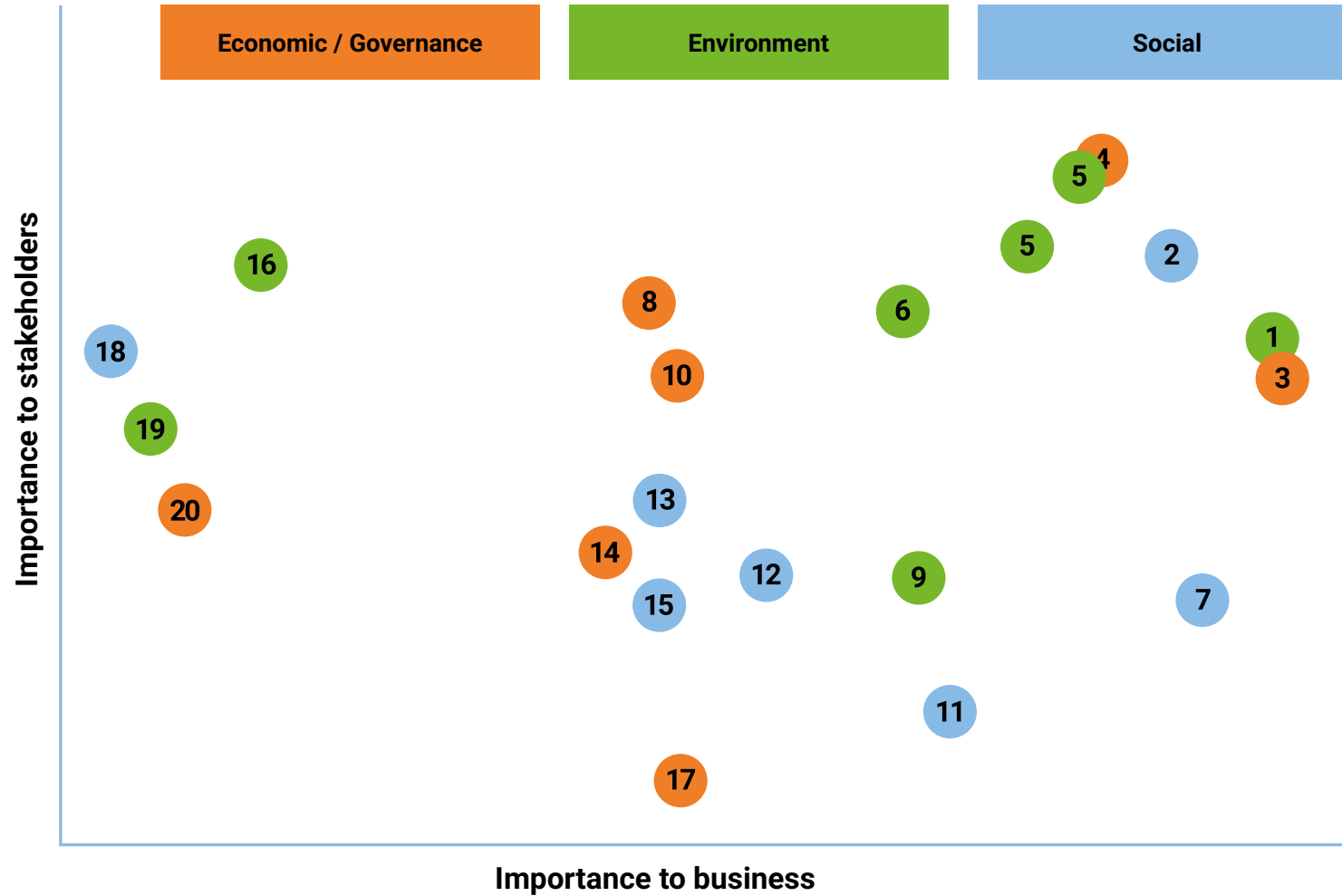
# Materiality and Stakeholder Engagement

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.



|                                      |   |
|--------------------------------------|---|
| 1. Carbon target                     | 11. Customer Privacy                      |
| 2. Employee Health & Safety          | 12. Supporting Infrastructure Development |
| 3. Anti-Corruption                   | 13. Integral Training & Investment        |
| 4. Economic Performance              | 14. Tax                                   |
| 5. Energy Efficiency                 | 15. Marketing & Labelling                 |
| 6. Quantify Scope of 1 y 2 Emissions | 16. Low Carbon Materials                  |
| 7. Diversity & Equal Opportunity     | 17. Intellectual Property                 |
| 8. Anti-Competitive Behaviour        | 18. Supplier Social Screening             |
| 9. Quantify Scope of 3 Emissions     | 19. Renewable Energy                      |
| 10. Non-Discrimination               | 20. Waste                                 |



# 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.

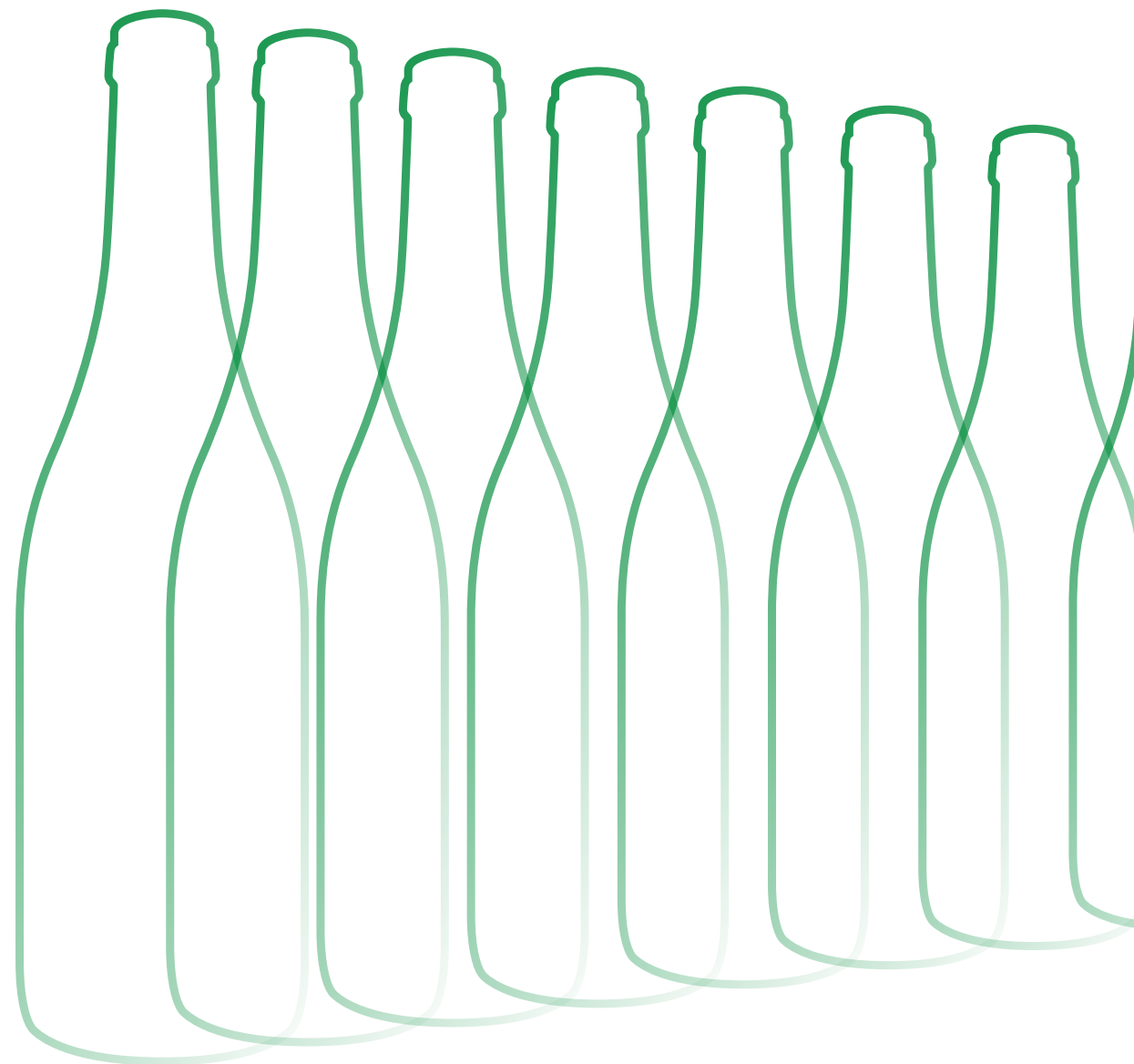
## Accounting Policy

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.

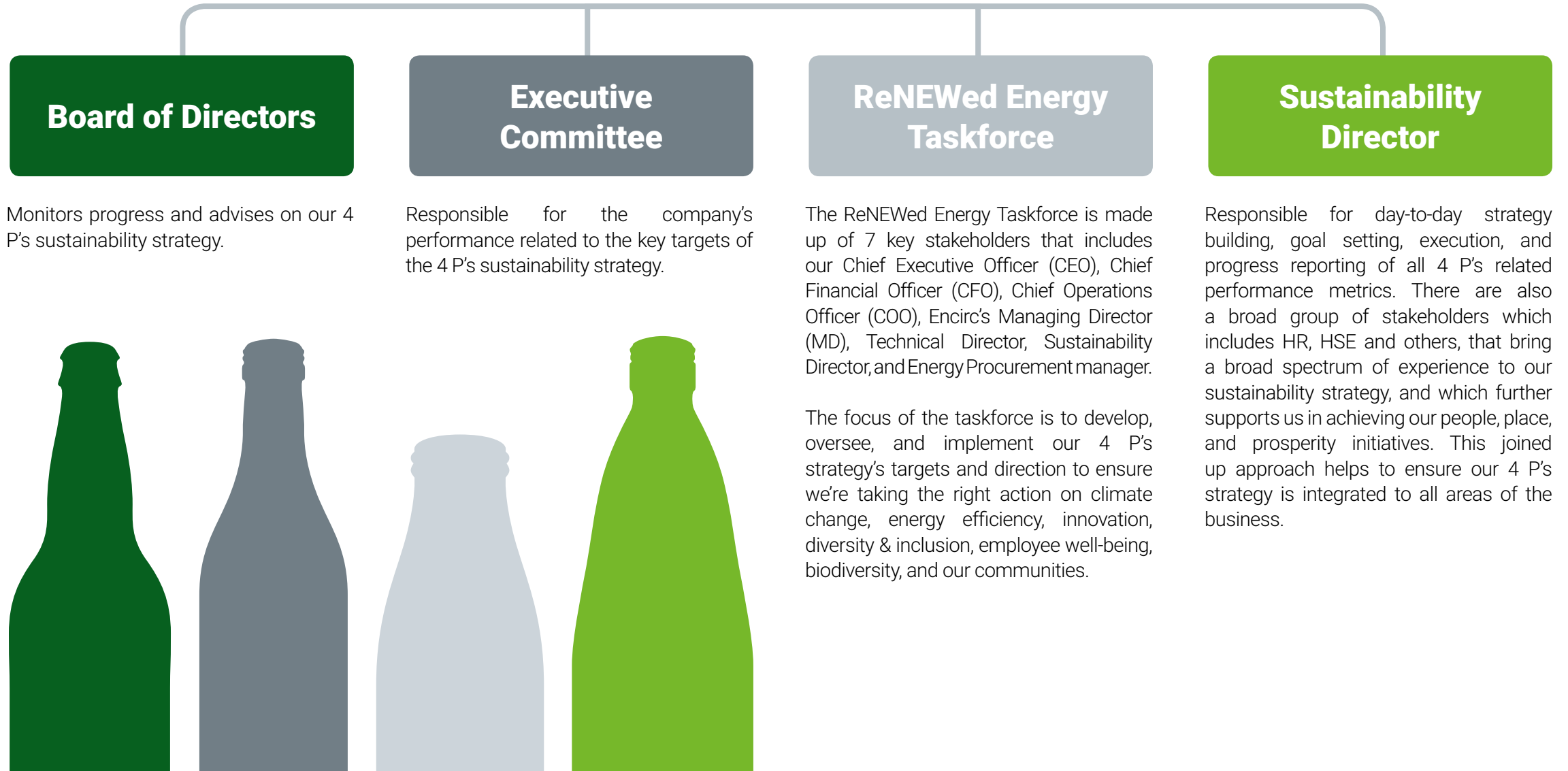
Avoiding any double counting in the allocation in the numerator of CapEx and OpEx key performance indicators (KPIs) across economic activities was achieved by using a unique identifier to map spend. The reasons for any changes in the figures of each key performance indicator (KPI) will be explained in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





# Governance of our Sustainability Strategy

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







# ANNEXES



# 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 emissions** (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 (NHNW)**, 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> |

*\*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 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> |

Los valores históricos se han modificado para ajustarse mejor a la metodología de cálculo definida por la ley.

**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 | <b>192,084</b> |

**Table 22**  
**Local and non-local suppliers by country**

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

**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)

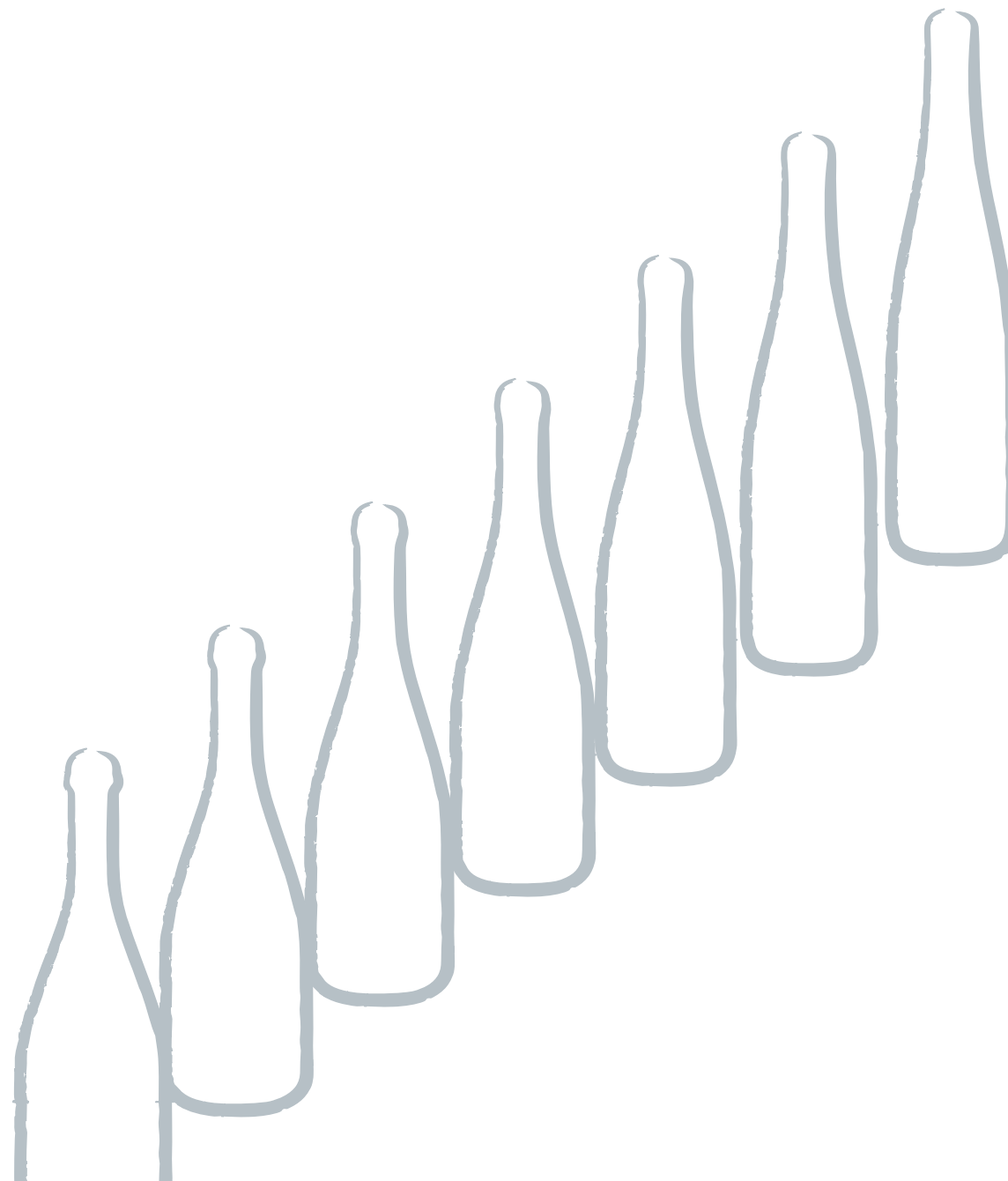
|                | 2019    | 2020    | 2021           |
|----------------|---------|---------|----------------|
| Spain          | 184,715 | 158,532 | <b>236,583</b> |
| United Kingdom | 33,794  | 50,233  | <b>41,772</b>  |
| Portugal       | 28,172  | 26,876  | <b>14,139</b>  |
| Italy          | 2,358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

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

|       | 2019 | 2020 | 2021        |
|-------|------|------|-------------|
| Group | 26.4 | 32.4 | <b>27.8</b> |

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

|       | 2019 | 2020 | 2021       |
|-------|------|------|------------|
| Group | 0.9  | 0.9  | <b>0.8</b> |



# 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<br>Annual revenue: EUR 1.084 million<br>Employees: more than 3,500  |
| Organizational profile | Information on employees and other workers                   | GRI 102-8           | 76-87, 103       |   |
| Organizational profile | Supply chain   | GRI 102-9           | 52-53, 71, 94-96 |   |
| Organizational profile | Significant changes to the organization and its supply chain | GRI 102-10          | 61-62            |   |
| Organizational profile | Precautionary principle or approach                          | GRI 102-11          | 118              |   |
| 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) |

continued on next page →



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|                        |   |            |            |   |
|------------------------|---|------------|------------|---|
| Strategy               | Statement from senior decision-maker                          | GRI 102-14 | 45         |   |
| 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<br><a href="https://www.vidrala.com/en/vidrala/about-us/information/">https://www.vidrala.com/en/vidrala/about-us/information/</a><br>Code of Ethics |
| Governance             | Governance structure  | GRI 102-18 | 55-58, 103 | <a href="https://www.vidrala.com/en/investors/governance/committee/">https://www.vidrala.com/en/investors/governance/committee/</a><br><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 | 55-58      | <a href="https://www.vidrala.com/en/investors/governance/committee/">https://www.vidrala.com/en/investors/governance/committee/</a><br><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 | 59         | Customers, Employees, Suppliers, Community, Shareholders  |
| Stakeholder engagement | Collective bargaining agreements                              | GRI 102-41 | 86-87      |   |
| Stakeholder engagement | Identifying and selecting stakeholders                        | GRI 102-42 | 59, 99-100 |   |
| Stakeholder engagement | Approach to stakeholder engagement                            | GRI 102-43 | 99-100     |   |
| Stakeholder engagement | Key topics and concerns raised                                | GRI 102-44 | 99-100     |   |
| 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 | 98         |   |
| Reporting practice     | List of material topics                                       | GRI 102-47 | 99-100     |   |
| 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<br><a href="mailto:fiacre.odonnell@encirc360.com">fiacre.odonnell@encirc360.com</a>  |
| Reporting practice     | Claims of reporting in accordance with the GRI Standards      | GRI 102-54 |            | This report has been verified by Ernst & Young, Climate Change & Sustainability Services (CCaSS).   |
| Reporting practice     | GRI content index   | GRI 102-55 | 112-116    |   |
| Reporting practice     | External assurance  | GRI 102-56 |            | This report has been prepared in accordance with the GRI Standards: Core option.  |
| Management approach    | Explanation of the material topic and its boundary            | GRI 103-1  | 99-100     |   |

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|                     |  |           |       |
|---------------------|--|-----------|-------|
| Management approach | The management approach and its components | GRI 103-2 | 44-97 |
| Management approach | Evaluation of the management approach      | GRI 103-3 | 44-97 |

## 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         | 61-75      |   |
| Public subsidies          | Financial assistance received from government  | GRI 201-4           | 111        |   |
| Indirect Economic Impacts | Extent of the development of infrastructure investments, and expected impacts on communities and local economies | GRI 203-1           | 90-91      |   |
| Procurement impacts       | Proportion of spending on local suppliers  | GRI 204-1           | 94-96, 110 |   |
| Anti-corruption           | Operations assessed for risks related to corruption  | GRI 205-1           | 58         | 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           | 58         |   |
| Anti-corruption           | Confirmed incidents of corruption and actions taken  | GRI 205-3           | 58         |   |

## Environmental Performance

| Topic               | Indicator                                  | Reporting framework | Page N°    | Answer, Additional comments, Reason for omission |
|---------------------|--|---------------------|------------|--|
| Materials           | Recycled input materials used              | GRI 301-2           | 44, 61-62  |  |
| Energy              | Energy consumption within the organization | GRI 302-1           | 61, 71, 89 |  |
| Energy              | Energy intensity                           | GRI 302-3           | 71         |  |
| Water and effluents | Water consumption                          | GRI 303-5           | 65-66      |  |

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|                                   |   |           |         |  |
|-----------------------------------|---|-----------|---------|--|
| Emissions                         | Direct (Scope 1) GHG emissions  | GRI 305-1 | 71      |  |
| Emissions                         | Energy indirect (Scope 2) GHG emissions   | GRI 305-2 | 71      |  |
| Emissions                         | Other indirect (Scope 3) GHG emissions  | GRI 305-3 | 71      | 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 | 71      |  |
| Emissions                         | Reduction of GHG emissions  | GRI 305-5 | 71      |  |
| Emissions                         | Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions | GRI 305-7 | 71, 105 |  |
| Waste                             | Waste by type and disposal method   | GRI 306-2 | 105     |  |
| 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 | 53      |  |

## 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          | 79             |  |
| 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           | 79-82, 109-110 |  |
| 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           | 81             |  |
| Occupational health and safety | Promotion of worker health  | GRI 403-6           | 79-82          |  |
| Occupational health and safety | Work-related injuries   | GRI 403-9           | 109-110        |  |

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|---------------------------------|---|------------|----------------|---|
| Occupational health and safety  | Work-related ill health   | GRI 403-10 | 109-110        |   |
| Training and education          | Average hours of training per year per employee   | GRI 404-1  | 110            |   |
| Training and education          | Programs for upgrading employee skills and transition assistance programs                     | GRI 404-2  | 55, 77         |   |
| Diversity and equal opportunity | Diversity of governance bodies and employees  | GRI 405-1  | 84-85, 106-108 |   |
| Diversity and equal opportunity | Ratio of basic salary and remuneration of women to men  | GRI 405-2  | 85, 108-109    |   |
| 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 psychosocial 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  | 87, 93         |   |
| Customer Health and Safety      | Incidents of non-compliance concerning the health and safety impacts of products and services | GRI 416-2  | 52             |   |
| 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  | GRI 102-2, GRI 102-4, GRI 102-6, GRI 102-7, management report ('business risks' section) | 23-26, 43-44, 50 |  |
|                | – 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 |  |                  |  |
| Materiality    | Materiality assessment  | GRI 102-47   | 99-100           |  |

## Environmental information

| Topic  | Indicator  | Reporting framework  | Page N° | Respuesta, comentarios adicionales, razón de la omisión  |
|--|--|----------------------|---------|--|
| Environmental management                             | Management approach  | Spanish Law*         | 61-75   |  |
| 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*         | 61-62   |  |
| Environmental management                             | Resources dedicated to the prevention of environmental risks                             | Spanish Law*         | 61-62   |  |
| 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.<br><br>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 | 61-66   |  |
| 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 accordance with local constrains                   | GRI 303-5            | 65      |  |

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|------------------------------|---|---|-------|---|
| Sustainable use of resources | Description of the initiatives carried out to minimize water consumption  | Spanish Law*  | 66    |   |
| Sustainable use of resources | Consumption of reused water out of total water consumed   | GRI 303-3   | 65    |   |
| Sustainable use of resources | Consumption of raw materials  | Spanish Law*  | 64    |   |
| Sustainable use of resources | Measures taken to improve the efficiency of its use   | Spanish Law*  | 62-64 |   |
| Sustainable use of resources | Energy consumption, direct and indirect   | GRI 302-1, GRI 302-3                                  | 71    |   |
| Sustainable use of resources | Measures taken to improve energy efficiency   | Spanish Law*  | 67-71 |   |
| Sustainable use of resources | Use of renewable energy   | Spanish Law*  | 68-71 |   |
| 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 | 71    | 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*  | 72    |   |
| Climate change               | Voluntary medium- and long-term reduction targets to reduce greenhouse gas emissions and the means implemented to that purpose                              | Spanish Law*  | 61-75 |   |
| Protection of biodiversity   | Measures taken to preserve or restore biodiversity  | GRI 304-3   | 97    |   |
| 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*         | 76      |   |
| Employment        | Number of employees by gender, age, and professional category                                  | GRI 102-8, GRI 405-1 | 106     | 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            | 105     |   |
| Employment        | Number of employees by contract type   | GRI 102-8            | 106-107 |   |
| Employment        | Annual average of indefinite and temporary contracts by gender, age, and professional category | GRI 102-8            | 106-107 |   |
| Employment        | Annual average of part-time contracts by gender, age, and professional category                | GRI 102-8            | 106-107 |   |
| Employment        | Number of dismissals by gender, age and professional category                                  | Spanish Law*         | 108     |   |
| Employment        | Wage gap   | GRI 405-2            | 85      | Wage gap has been calculated as:<br>[(Average remuneration of women / Average remuneration of men) - 1]   |
| Employment        | Average remuneration by gender, age and professional category                                  | Spanish Law*         | 108     | 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*         | 109     |   |
| 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*         | 79      |   |
| Employment        | Number of employees with disabilities  | GRI 405-1            | 109     |   |
| 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            | 109     |   |
| Work organization | Measures aimed at facilitating the enjoyment of work-life balance by both parents              | Spanish Law*         | 77      |   |

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|----------------------|--|--------------|-------|--|
| Health and safety    | Health and safety conditions at work   | GRI 403-4    | 79-82 |  |
| Health and safety    | Number of work accidents by gender   | GRI 403-2    | 109   |  |
| Health and safety    | Frequency rate by gender   | GRI 403-2    | 109   |  |
| Health and safety    | Severity rate by gender  | GRI 403-2    | 110   |  |
| Health and safety    | Occupational diseases by gender  | GRI 403-2    | 109   |  |
| Social relationships | Organization of social dialogue, including procedures for reporting and consulting staff and negotiating with them | Spanish Law* | 87    |  |
| Social relationships | Percentage of employees covered by collective agreements by country  | GRI 102-41   | 87    |  |
| 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* | 77    |  |
| Training             | Total hours of training by professional category   | GRI 404-1    | 110   |  |
| Equality             | Measures taken to promote equal treatment and equal opportunities for women and men                                | Spanish Law* | 84-86 |  |
| Equality             | Equality plans, measures adopted to promote employment, protocols against sexual harassment and for gender reasons | Spanish Law* | 84-86 |  |
| 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* | 87    |  |

## 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*         | 87      |  |
| 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*                               | 58      |   |
| 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*                               | 110     |   |

# 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*                               | 88-93, 95 |  |
| Commitment of the company with sustainable development | Impact of the company's activity on employment and local development  | GRI 204-1, GRI 413-1                       | 88-93, 95 |  |
| Commitment of the company with sustainable development | Impact of the company's activity on local populations and territory   | GRI 413-1                                  | 88-93, 95 |  |
| Commitment of the company with sustainable development | Relationships maintained with the local communities and modalities of dialogue adopted                        | GRI 413-1                                  | 89        |  |
| Commitment of the company with sustainable development | Association or sponsorship relations/actions  | GRI 102-13                                 | 90-93     |  |
| 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 | 53        |  |
| 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 | 53        |  |

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|------------------------------|--|--------------|----------|--|
| Subcontracting and suppliers | Monitoring systems, audits and results   | Spanish Law* | 53       |  |
| Consumers                    | Measures for consumers health and safety | GRI 416-1    | 83       |  |
| 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 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. |
| Consumers                    | Complaints received and resolution       | GRI 416-2    | 110, 124 |  |
| Tax information              | Profits obtained, country by country     | Spanish Law* | 110      |  |
| Tax information              | Taxes paid on profits                    | Spanish Law* | 110      |  |
| Tax information              | Public grants received                   | GRI 201-4    | 110      |  |

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







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