



# **SUSTAINABILITY REPORT**

# Index





# 1. Introduction

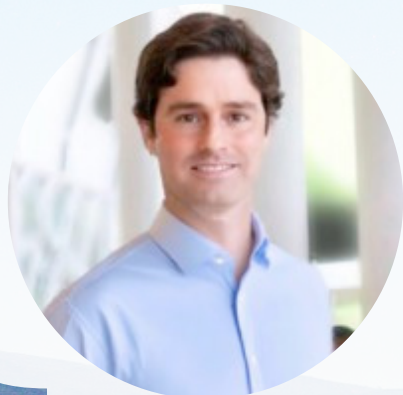
The following Statement of Non-Financial Information (hereinafter, SNFI) complies with the requirements stipulated in Law 11/2018 of 28 December 2018 on non-financial information and diversity. This report has been prepared following the guidelines of the Global Reporting Initiative (hereinafter, GRI) in its version updated in 2021, effective as of January 2023. It also addresses the relevant issues identified by the Vidrala Group (hereinafter, Vidrala, the Group, the Company or the Organisation) in its double materiality analysis carried out in 2023.

The Vidrala Group is comprised of its parent company, Vidrala, S.A., with its registered office and tax domicile in Llodio (Álava), and its subsidiaries.

The information and quantitative data reported cover the period from 1 January to 31 December 2023, and relate to the same entities included by the Vidrala Group in the scope of consolidation of its financial information, except Vidroporto, S.A., whose results are consolidated from December 1, 2023.





**Galo Álvarez**

Vidrala Group's Sustainability Director

*"I am pleased to present our 2023 Sustainability Report, a clear evidence of our commitment to sustainable development, innovation and social responsibility. This year, we have achieved significant milestones towards the consolidation of more sustainable practices, focusing on the continuous improvement of our energy efficiency and the performance of our production processes, the promotion of the circular economy, and the strengthening of our social impact."*

*In this document, we proudly share the progress made in our 'Glass Made Good' strategy, which underlines our efforts to not only sustainably produce glass containers but also to generate added value for our people, the communities in which we operate and the environment. We are convinced that the path to sustainability is a collective journey, and therefore, this report also highlights the importance of collaborating to build a more sustainable future."*

*Looking forward, we hold true to our vision of being pioneers in the glass packaging industry through innovation and sustainability. This document is not only a proof of what we have achieved so far, but also an invitation to our collaborators, customers and communities to join us on this journey towards a greener and more responsible future. Together, we can make the difference, ensuring that Vidrala continues to lead the way towards a more sustainable world."*



## 2. Our (ID)Entity

### 2.1 Our organisation and its hallmarks

**Our story begins back in 1965 in Llodio (Álava).** Since then, we have experienced robust growth, becoming a supplier of reference in the manufacture of glass container products. Since our humble beginnings, our mission has been perfectly clear: **to produce glass containers and supply packaging services as efficiently, profitably and sustainably as possible, whilst ensuring the safety and well-being of our people.**

One of our most important milestones came in **1985**, when we successfully **listed on the Madrid and Bilbao stock exchanges**. Four years later, we expanded our capacity through the commissioning of our Crisnova plant in Caudete (Albacete), reaching a total annual production in that year of 225,000 tonnes.

Our expansion continued with the acquisition of **Ricardo Gallo** (2003), a Portuguese company with a century's worth of experience in the glass industry under its belt. Later, in 2005, we acquired **BSN Glasspack** in Castellar del Vallés (Barcelona) and **Avir** in Corsico (Italy), followed by the purchase of **Manufacture du Verre** in Belgium (2007). Thanks to these acquisitions, our annual production capacity increased substantially, hitting 805,000 tonnes in the Iberia region and 950,000 for the Group as a whole.

Our upward growth trend continued with the acquisition of **Encirc** (United Kingdom and Ireland) in 2015 and **Santos Barosa** (Portugal) in 2017. Furthermore, in 2023 we purchased the beverage filling facilities and logistics infrastructure in Bristol, known as the **"The Park"**, improving our services in the UK market and strengthening our position in the beverage supply chain. That same year, we also acquired **Vidroporto, S.A.**, a Brazilian maker of glass containers, as part of our strategy to further diversify the business.

#### • The origin of Vidrala

- **1965.** Vidrala begins operations in Alava (Spain).

#### • Vidrala goes Public

- **1985.** IPO Madrid and Bilbao stock exchanges.
- **Domestic expansion**
- **1989.** Second greenfield in Albacete (Spain).

#### • Internationalisation

- **2003.** Acquisition of one plant in Portugal.
- **2005.** Acquisition of two plants: Barcelona and Italy.
- **2007.** Acquisition of one plant in Belgium.

#### • Transformational acquisitions

- **2015.** Acquisition of Encirc (UK & Ireland).
- **2017.** Acquisition of Santos Barosa (Portugal).

#### • Strategic divestments

- **2019.** Sale of our manufacturing activity in Belgium.

#### • Differentiation and Diversification

- Acquisition of "The Park" (UK) and Vidroporto (Brazil).

1965

1980

1990

2000

2010

2023





Currently, we have consolidated our position as a leading company in the consumer packaging sector. We are a listed company with a market capitalisation in excess of EUR 3.0 billion. In addition to the production of **glass containers for food and beverage products**, we also offer a wide range of services that include logistic solutions and beverage filling activities. Our track record in the industrial sector, growing geographical presence, high level of glass manufacturing expertise, and an understanding of our customers' demands and procedures, make us a trusted partner for numerous well-known food and beverage brands.

We currently produce **over 8 billion containers** per year, which are held in high regard by our portfolio of over 1,600 customers who have placed their trust in us. At Vidrala, we want to transform glass into a more ecological, economic, attractive and healthier product. To reach this ambitious goal, we are committed to following a path of constant innovation, which is mainly based on carrying out projects aimed at improving glass as a material and the manufacturing processes we employ. This steadfast commitment goes hand in hand with our strong responsibility for the safety and well-being of our employees, and with our ongoing efforts to consistently exceed our customers' expectations.

*We produce over 8 billion glass containers annually, contributing to the creation of the world we aspire to live in: engaged, healthy, respectful, and sustainable for the planet.*

With **over 4,000 employees** currently, we are one of the leading manufacturers of glass containers in Western Europe, supported by a network of nine strategically located production centres. Our activity takes place at three facilities in Spain, two in Portugal, three in the United Kingdom and Ireland and one in Italy. Manufacturing activity is based on an uninterrupted industrial process, operating 24 hours a day, 365 days a year.

Moreover, **our corporate structure** is underpinned by a solid shareholder base that supports our operations and business vision. Our board of directors is made up of experienced leaders who contribute their expertise and strategic vision to the company.





## 2.2 Our portfolio of products and services

Vidrala has an **extensive and solid portfolio** of customers, which is largely made up of **well-known food brands**, packaging specialists and container distributors. Our main area of operations is **Western Europe and the United Kingdom**. Our **glass containers** are intended for a wide range of products in the food and beverage sectors, including diverse segments such as wine, beer, food preserves, water, spirits, and soft drinks. We also offer **logistics and beverage filling services**, the latter complying with the most stringent of quality and environmental standards. In this regard, our aim is to meet the demands of our customers through the supply of products of the highest quality, all of which is backed by our vast experience and renowned excellence in the industry.

Glass bottles offer exceptional benefits for the preservation of food and beverages. Glass containers are an inert material that does not react chemically with the product inside. This ensures the purity of the contents, preserving the original flavour and preventing the transfer of undesirable flavours.

Another quality of this material is that it provides an effective barrier against light and ultraviolet rays. This factor is very important for the preservation of sensitive food and beverages, since exposure to light can cause undesirable changes in their taste and quality. In addition, glass is 100% recyclable and does not compromise its quality.

***We leverage innovation and technology to produce containers that not only meet consumer demands but also revolutionise the glass manufacturing industry.***





## 2.3 Our value proposition


Within the consumer packaging market, we stand out as a model of corporate responsibility, uniting people in their efforts to consume glass in a responsible fashion and contributing to its perpetual circulation through recycling. The purpose of these efforts is to protect the future of glass and that of society as a whole.

**R&D+i.** Our ability to achieve these goals, we rely on innovation, a factor that enables us to offer our customers a wide range of sustainable and high-quality packaging solutions. We hold a prominent position in the sector, thanks to our active investment in research, development and innovation (**R&D+i**) and a conscious move to make glass **the most ecological, profitable, attractive and healthiest raw material**. Similarly, we are very open to and receptive of the latest trends. In fact, we were trailblazers in terms of the adoption of the industry 4.0 model some years ago.

Against this backdrop, **our vision, mission and values** intrinsically reflect our identity. This identity is our insignia and something that sets us apart in the market where we operate. We harness these three pillars as conduits to convey our objectives and ambitions, the driving force at the heart of our organisation, to our employees, customers and suppliers.







Our **VISION** is to create a globally-reaching organisation where people—our customers, employees, and suppliers—are at the core of everything we do. We aim to be recognised for delivering exceptional, high-quality services to our customers and for fostering responsible relationships with our employees and suppliers. This is all done within our solid **MISSION** to have a constantly improving and innovative team, the basic purpose of which is to seek out and provide ever more sustainable packaging solutions.

Our commitment to customer satisfaction, team development, sustainability, operational and financial excellence, collaboration, innovation, and continuous improvement forms the cornerstone of our **VALUES**. These values are reflected in our policies and guide the organisation's decision making. They guide our behaviour, choices, and decisions.

We firmly believe that our vision, mission and values define the framework in which we should perform our activity and on which we must build our **actions and strategies**, which, in line with our philosophy, are aimed at:

- 1. Customer satisfaction:** Our primary motivation is customer satisfaction, which guides all other actions. We want to actively contribute to our customers' success, and we tirelessly strive to earn their trust day after day.
- 2. Employee satisfaction:** We believe that the people making up our company are our most valuable asset. Their development and well-being are at the heart of our growth. That is why we are committed to supporting the well-being and health of our employees and to fostering equality, diversity and inclusion within our organisation.
- 3. Operating performance:** We firmly believe that operational excellence is pivotal to our organisation, as it guarantees the efficiency of our processes, the satisfaction of our customers and the company's sustainable profitability.
- 4. Profitability and continued reinvestment:** In our view, these are essential to ensure financial stability, sustainable growth and the capacity to innovate in order to create value and constantly improve our products and services.

***We create sustainable  
value for the future.***



## 3. Sustainability as an essential pillar of our corporate strategy

### 3.1 Background and key trends

#### 3.1.1 Sector context

The global glass manufacturing market has **steadily expanded** in recent years, and is forecasted to **continue growing**. There are several key drivers behind this buoyant sector trend. Firstly, there is a **growing tendency towards sustainable and environmentally friendly products**. Increased environmental awareness has driven a growing demand for recycled glass, as well as the adoption of greener practices in production processes. Recycling and reusing glass not only reduces waste generation, but also reliance on raw materials, which positively impacts both the ecology and corporate image of companies.

On the other hand, the **incorporation of cutting-edge technology** plays a vital role in glass manufacturing and in the overall growth of this sector, as it raises the quality of containers by reducing defects in their production, optimises the efficiency of processes and, consequently, significantly reduces energy consumption.

This expansion is also underpinned by **changing consumer preferences**. The inherent qualities of glass such as its shelf life make it the preferred choice for packaging beer, spirits or wine. Consumers value product integrity and rely on glass to preserve the quality

of delicate beverages such as these. In addition, there is a growing consumer desire to be able to see the product they are buying. Transparent glass containers allow the contents to be clearly displayed, generating confidence in the quality and presentation of the products.

However, despite its enduring success and positive trends, the glass packaging sector is facing a challenging scenario that requires constant adaptation and a solid strategy to ensure its long-term viability. To fully understand the state of the industry, it is crucial to explore the three underlying fundamental pillars.

Firstly, **logistics** plays an important role in this industry. Glass containers, despite their many advantages, have certain natural characteristics that limit distribution efficiency. This means that proximity to the customer and the ability to provide a high level of service are essential to meeting the growing demand for packaging and ensuring flexibility in supply. Consequently, the need to establish an **efficient and well-structured logistics network** becomes essential. This means that companies must ensure that their distribution systems can guarantee the timely delivery of glass products to their customers, which often requires careful logistical planning and precise coordination.



Secondly, the **glass manufacturing process is a continuous and highly intensive process** in terms of capital, labour and energy. Glass production involves operating furnaces at high temperatures to melt and shape the material. This high demand for energy, combined with the need to constantly invest in technology to uphold production quality and efficiency, generates significant costs. Therefore, **investment in technology and process improvement are essential to maintaining competitiveness** in the market and reducing the environmental footprint of glass production. This continuous process requires constant adaptation and a focus on efficiency to meet the quality and sustainability standards demanded by the market and environmental regulations.

Meanwhile, the **costs and investments necessary** to produce glass packaging often result in a high level of operating leverage. In other words, companies must **maintain a high production capacity utilisation rate** to ensure the profitability of their operations. In this context, the need to maintain a high level of efficiency is essential to ensuring the long-term sustainability and competitiveness of glass packaging companies.

To meet all these challenges, Vidrala has made **significant investments in energy efficiency**, adopting cutting-edge technologies and processes that reduce energy consumption and minimise our environmental impact. In addition, we have **diversified our energy sources**, reducing our reliance on fossil fuels and advocating the use of **more sustainable** energies. Our **robust supply chain management** ensures a continuous flow of raw materials, reducing the risk of production stoppages, even in times of energy crisis. **Technological innovation** and our commitment to sustainability are the driving forces behind the search for more efficient and technological solutions. In this regard, we have **diversified our product range**, exploring lighter glass containers and innovative solutions that contribute to more efficient production and fewer resource requirements. We have thus positioned ourselves as a:

*As leaders in the glass container industry, we at Vidrala have demonstrated a proactive and strategic approach to addressing the challenges inherent in glass container production.*

*Resilient and forward-looking company, able to meet the challenges of the sector with determination and long-term vision.*





### 3.1.2 ESG trends in the sector

The fact that the United Nations (UN) has declared **2022** to be the “**International Year of Glass**” is no coincidence, but a response to the **importance of this material on the road to a more sustainable future**. As highlighted by the UN:

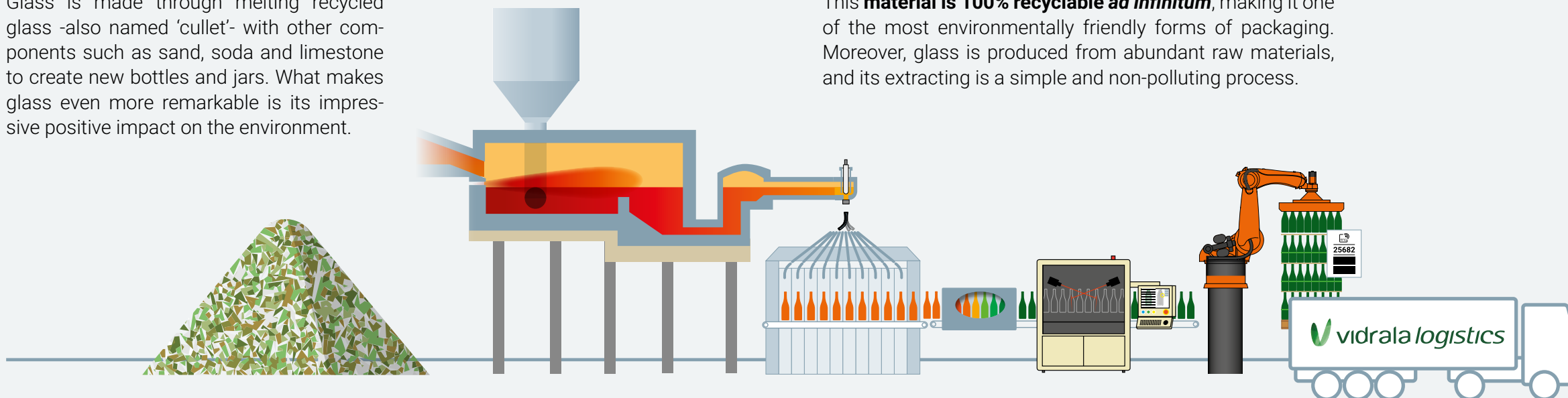
*“Glass has accompanied humanity for centuries, enriching the quality of life of millions of people as one of the most important, versatile and transformative materials in history.”*



## How glass is made

Glass is made through melting recycled glass -also named 'cullet'- with other components such as sand, soda and limestone to create new bottles and jars. What makes glass even more remarkable is its impressive positive impact on the environment.

This **material is 100% recyclable *ad infinitum***, making it one of the most environmentally friendly forms of packaging. Moreover, glass is produced from abundant raw materials, and its extracting is a simple and non-polluting process.



### 1. Raw Materials

The core ingredients of silica sand, soda ash, and recycled glass, are mixed into a precise batch formulation. More ingredients can be added to create different colours of glass.

### 2. Melting

The prepared batch travels along a conveyor belt to the furnace, which melts the raw materials at 1,600°C for 24 hours. Now ready for forming, the melted glass is distributed to a forehearth, where it is conditioned and equalised into a uniform temperature.

### 3. Forming

Streams of melted glass enter a feeder and are pushed down a narrow tube by a plunger. As they emerge, mechanical shears cut them into gobs, before going to blank moulds in the forming machine to create partially shaped melted glass called 'parisons'. There are two methods of forming: the 'Press & Blow' method and 'Blow & Blow' method.

### 4. Annealing lehr.

Loaded into the annealing lehr, the bottles are heated again and then cooled to room temperature, relieving internal stress and improving durability.

### 5. Quality control

Moving along to the automated inspection area, careful monitoring involves a comprehensive range of electronic, mechanical and manual checks to ensure bottles are of the highest quality, and any that don't pass the test are returned for recycling.

### 6. Packaging and expedition

All the bottles are automatically packed into pallets and wrapped hermetically so they can be delivered to customers in the best condition.





This underlines the sustainability of glass as a responsible packaging option that not only meets the needs of the industry, but also **contributes to preserving the natural environment**.

The **glass industry is at a crucial juncture in its important transformation**, where sustainability has become a necessity. The market is becoming **increasingly regulated**, with governments and authorities exerting **pressure** on companies to adopt manufacturing practices that eliminate emissions and promote the circular economy, creating a closed loop based on reuse and optimisation of resources. **Responsibility** for environmental impact is a priority, and **transparency**, coupled with **good corporate governance**, are aspects to be taken into account when making decisions. In addition, a commitment to social well-being is vital for ensuring that the **industry makes a positive contribution to society** as a whole, creating jobs and supporting local communities.

Against this backdrop, companies are striving to find greener ways to produce glass packaging and address environmental challenges as the demand for sustainable products continues unabated. In this respect, a number of **key trends** have developed that are shaping the future of the glass packaging industry. These trends focus not only on carbon footprint reduction, but also on resource efficiency, recycling and the circular economy.

## ***Glass, the naturally sustainable packaging***



## ***Trend 1: Zero emissions target***

By 2050, the glass packaging industry aims to revolutionise glass production and offer packaging solutions that are completely climate neutral and fully circular. As this sector is energy intensive, the industry is constantly investing to reduce and optimise energy consumption, and to migrate towards green and renewable energy sources.

In this regard, the industry has made considerable progress in decarbonising its production process. Today, according to data from the European Container Glass Federation (FEVE), glass is 30% lighter, uses 70% less energy and emits 50% less carbon dioxide (CO<sub>2</sub>) than five decades ago. However, the sector requires substantial change to achieve the ambitious goal of zero carbon emissions.

In this context, the transition to climate-neutral production requires significant investment in terms of capital and operating costs. This is why public sector funding and support is crucial to assisting industries in implementing the technologies needed to meet the decarbonisation targets set out in the Paris Climate Agreement, which entail a 61% reduction in CO<sub>2</sub> emissions by 2030 compared to 2005 levels and the achievement of net carbon neutrality by 2050.

## ***Trend 2: Circular economy***

Within a process of double transformation, the industry today is fully engaged in implementing fully integrated production models that keep resources in a closed loop. This circular model seeks to avoid the extraction of new virgin raw materials and, in the long term, to ensure the conservation of natural resources.

Companies in the sector are thus channelling their efforts towards the efficient closing of the cycle through the reincorporation of cullet, fomenting the increasing reincorporation of glass cullet, including both the surplus not used in the manufacturing process due to quality considerations, and glass from containers that have completed their life cycle on the market.

Currently, more than 76% of glass packaging sold on the European market is collected for recycling, according to data from the European Container Glass Federation (FEVE). This shows a significant commitment to sustainability and the circular economy in the management of this packaging. In addition, the European glass packaging industry has set a combined target to achieve a retrieval and recycling rate of 90% of glass packaging waste across the European Union by 2030. This is a significant challenge that requires the close collaboration of various players, including industry, governments and society as a whole. It is therefore essential to invest in recycling infrastructure, establish effective policies and regulations that encourage glass recycling and educate the public on the importance of this practice.



## ***Trend 3: Industry 4.0***

Industry 4.0 has unleashed a veritable revolution in the glass sector, transforming the way glass packaging is manufactured, managed and distributed. This approach, characterised by digitalisation, automation and the interconnection of industrial processes, has brought with it a number of significant advances in terms of efficiency, quality and sustainability in production processes.

A prominent part of this Industry 4.0 revolution in the glass sector is the introduction of smart manufacturing. Through the incorporation of sensors, control systems and real-time analysis capabilities, glass production facilities can monitor and refine their processes with a high level of precision. This development not only leads to a tangible improvement in end product quality, but also to a significant reduction in waste and energy consumption, resulting in more sustainable and environmentally friendly production.

Meanwhile, automation has brought about robots and autonomous systems that carry out repetitive and dangerous tasks, enhancing safety in the workplace and making production more flexible.

The interconnection of systems and effective communication between machines facilitates collaboration throughout the entire production process, from the initial design and planning stage to logistics and distribution. The result is greater flexibility and the ability to respond swiftly to changing market needs, which translates into more effective adaptation to emerging demands.

Ultimately, companies in the glass packaging sector are destined to evolve through the adoption of the Industry 4.0 revolution. Digitalisation, automation and interconnection of processes have become the foundations for achieving greater efficiency, quality and sustainability in the production of glass containers. Companies that fully embrace this trend will be in a position to not only remain competitive in an ever-changing marketplace, but also to spearhead industry innovation.



## 3.2 Our approach to sustainability (Glass Made Good)

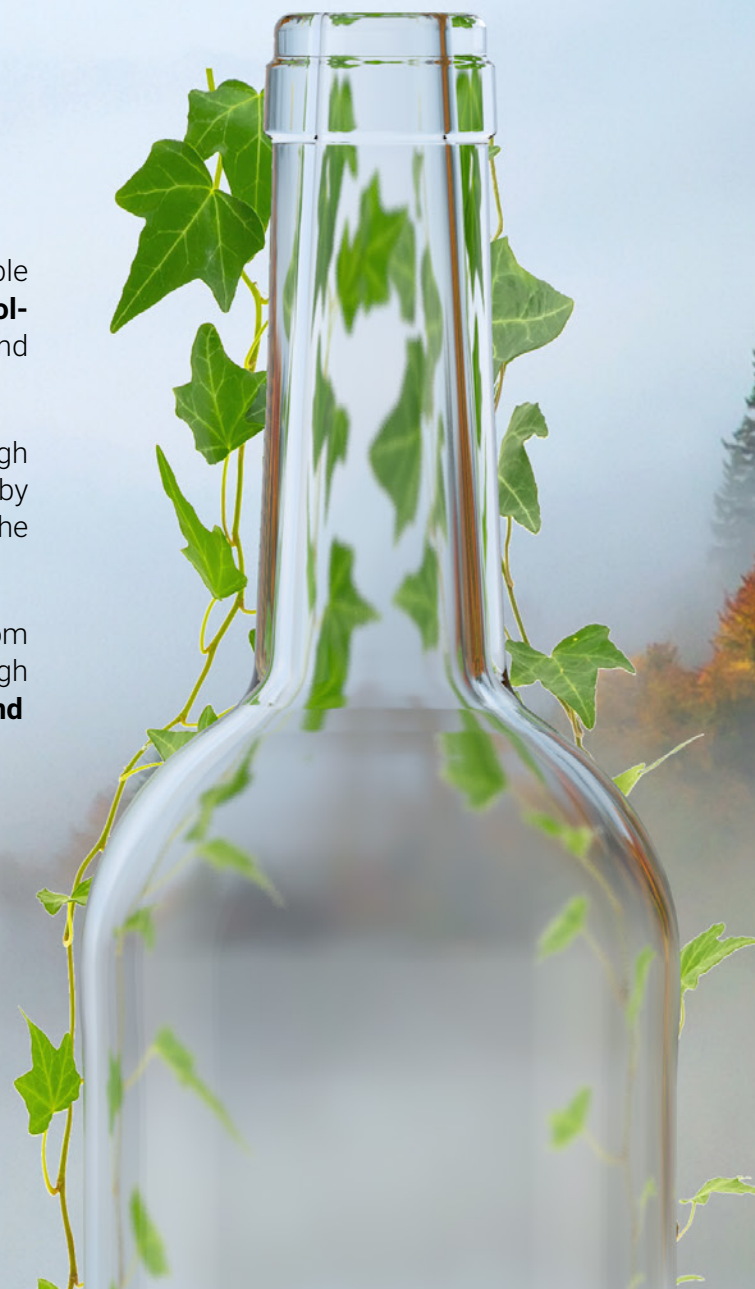
### 3.2.1 Sustainability strategy (4Ps)

Vidrala's **growth and globalisation** over more than half a century has been possible thanks to our **resilient mentality, commitment** to progress aligned with **new technologies** and, above all, by **adapting to the demands and needs** of our environment and people.

At Vidrala, we have demonstrated our commitment to sustainability for years, through the publication of our first sustainability reports. Today, our approach is supported by a robust and group-wide **sustainability strategy**, known as **Glass Made Good**. The scope of this sustainability strategy covers all business units.

Sustainability can be a very broad concept. Therefore, so as not to be distracted from achieving our action plan and goals, we base our **Glass Made Good** strategy through four fundamental pillars, henceforth known as the 4Ps: **People, Place, Planet and Prosperity**.

Each and every action taken by any of the business units and, at a more operational level, by Vidrala's internal management areas, must take into account each of these four pillars in their day-to-day tasks.





## People

The people who work at Vidrala are our most important asset, and fostering their development is key to our growth as a sustainable company. To this end, we are committed to supporting the well-being and health of our employees, as well as promoting equality, diversity and inclusion.

**Health, safety and well-being.**

**Work practices and people development.**

**Equality, Diversity and Inclusion (EDI).**

## Place

Vidrala's locations are spread throughout different geographies. Our surrounding communities support us every day, and are also home to many of our employees. Ensuring that we consistently give back to these areas and collaborate with ethical customers and suppliers is fundamental to maintaining our reputation as a job creator and a community asset that local people are proud to have around. For this reason, we want to give back what we receive through job creation and active participation in the communities where we operate.

**Community engagement.**

**Biodiversity.**

**Product responsibility.**

## Planet

At Vidrala, we are proud to place sustainability at the heart of our operations, from our products to our transport. We understand that we have a responsibility to invest in a greener future. As a company, we are constantly looking to go further and find new ways to have a positive impact on the planet.

**Energy transition.**

**Recyclability and resource efficiency.**

**Logistics.**

## Prosperity

This pillar represents the cross-cutting axis of our strategy and acts as an enabler for the other three Ps. This pillar represents the transverse axis of our strategy and acts as an enabler of the rest of the three Ps. Working in line with national and international environmental commitments, while remaining profitable and attractive to investors, will allow us to continue to reinvest in our sites and reinforce the circular business model.

**Corporate governance.**

**Business ethics and compliance.**

**Stakeholder participation.**





## 3.2.2. Objectives and achievements within our Glass Made Good strategy

### People

- We are **leading the way in equality, diversity and inclusion** through our “Women in manufacturing” initiative.
- We are **committed to the development, health and well-being of our people**.
- Continuous efforts to **update the value proposition** for our employees.
- **Job placement programmes** for recent graduates.

### Place

- **We engage with local communities and integrate the entire supply chain.**
- We support biodiversity projects in our factories and with the **Vidrala forest in Tanzania**.
- **Reforestation of more than a thousand trees to absorb CO2** in Spain.
- We **protect the environment** and those who depend on it.

### Planet

- Ongoing efforts to make more **efficient use** of our resources to **reduce our carbon footprint**.
- We tested the **possibility of producing bottles with 100% recycled content**.
- **Biofuels** as a source of energy for our furnaces.
- We **reuse residual heat** from our industrial process to heat offices.
- We are installing **photovoltaic panels** at numerous plants.
- We are promoting the use of glass as a **100% recyclable, healthy and environmentally friendly material**.

### Prosperity

- Strategic investment in our **furnace refurbishment plan**.
- Wine **bottling in the United Kingdom** to save up to 170 grams of emissions per bottle.
- Implementation of the first **smart production line** globally.
- Always applying the philosophy of “**getting it right the first time**”.
- Making progress to be better aligned with the **highest standards of corporate governance**, through an ongoing process towards the incorporation of more women and independent Board members.



On the other hand, we can highlight another initiative within our sustainability strategy, in which we are immersed, and which also reflects Vidrala's commitment to the environment.

## ecovadis

We continued to share data with EcoVadis in 2023, which is an organisation that helps companies to manage their network, from their initial steps to the most advanced stages. EcoVadis helps with the management of compliance data with stakeholders and performance monitoring across the value chain. Once again, we were awarded EcoVadis' silver medal, which reflects the ongoing importance of sustainability at Vidrala.



# SUSTAINABLE DEVELOPMENT GOALS

## 3.2.3 Commitment to the 2030 agenda

At Vidrala, we want to play an important role in creating the most sustainable future possible and, to this end, we use frameworks such as the **Sustainable Development Goals (SDGs)**, which help to guide and define our 4Ps Glass Made Good strategy.



## Planet

### 7 AFFORDABLE AND CLEAN ENERGY



#### SDG 7 Affordable and clean energy

Accelerating the adoption of renewable energy sources is essential to addressing the climate emergency, especially in energy-intensive sectors such as glass production. At Vidrala we want to increase the use of renewable energies in our operations, in addition to optimising the energy efficiency of our processes. For this reason, we have already invested in solar plants to generate our own clean energy and plan to continue with similar investments in the coming years.

### 13 CLIMATE ACTION



#### SDG 13 Climate action

The effects of climate change are already a stark reality and their influence will intensify without the implementation of appropriate actions. In Vidrala we consider it is vitally important to reduce our carbon footprint and minimise our climate impact. To this end, we have invested in more energy-efficient furnaces and in the adoption of renewable energy sources in order to reduce our reliance on fossil fuels. We have also set a number of targets validated by the Science Based Targets initiative (SBTi).

### 15 LIFE ON LAND



#### SDG 15 Life on land

At Vidrala, one of the core principles of our company is to highlight the importance of preserving the planet. This is why we are committed to preserving resources wherever feasible and to contributing to the promotion and development of biodiversity.



## Place



### SDG 4 Quality education

In order to achieve our operational and environmental, social and governance (ESG) goals, everyone's collaboration is essential. For this reason, high quality education arms people with the knowledge and skills necessary to maintain their well-being, access employment opportunities and promote tolerance and responsibility towards their environment.

## People



### SDG 5 Gender equality

At Vidrala we are dedicated to supporting the recruitment, training, professional growth and career development of people, regardless of gender, in the firm belief that by doing so we strengthen and make our organisation more resilient.

## Prosperity



### SDG 8 Decent work and economic growth

We value the significance of sustainable economic growth and the provision of optimal working conditions for our workforce. That is why we pledge to provide our employees with stable and rewarding jobs, with social benefits, as well as promoting a healthy work-life balance.



### SDG 9 Industry, innovation and infrastructure

In order to meet the challenges ahead and ensure a resilient infrastructure, we have invested in state-of-the-art manufacturing equipment and alternative energy sources. The promotion of sustainable industrial processes and the adoption of clean technologies, such as electrostatic precipitators, will be key to ensuring our long-term sustainability.



### SDG 12 Responsible consumption and production

We believe that an efficient and responsible use of natural resources, as well as investment in technological innovation to improve our manufacturing processes, are very important. In this way, we collaborate with a number of organisations in order to increase both the quantity and quality of recycled glass, which reduces our need for virgin raw materials, minimises waste generation and promotes a more circular economy.

## 3.3 Stakeholder relations

At Vidrala we **identify and analyse** our stakeholders in order to **understand their needs and expectations**. We do this through **various communication channels** set up to interact with each of these groups. The identification and selection of stakeholders is based on an **internal assessment** carried out by our **management team**, as well as on the **strategic relationships** we have forged with these groups.



**1. Employees.** Through their work they make our business plan possible. To ensure their comfort and well-being and acquire a greater commitment, at Vidrala we aim to achieve the following:

- **Motivate and inspire them towards personal growth.**
- **Listen to and understand their needs and interests.**
- **Encourage and stimulate, so we can continuously improve.**



**4. Community.** Relevant factor in economic growth linked to sustainable development. In this area, Vidrala has set itself the following goals:

- **Commitment and obligations to the circular economy**
- **Generate excellent, permanent and long-lasting employment.**
- **Boost the regional economy (local suppliers).**
- **Undertake partnership or sponsorship actions.**



**2. Customers.** They are our driving force, they are the 'why' of WHAT we do and HOW we do it. At Vidrala we:

- **Develop long-term relationships by meeting their needs and seeking their satisfaction.**
- **Deliver sustainable packaging results.**
- **Provide an adequate and quality service, at a competitive cost.**



**5. Shareholders.** They are those who believe in the effectiveness and operability of the business project, committing their capital. To make it work at Vidrala:

- **We generate value, through sustained cash production and clear prioritisation of cash allocation.**
- **We counterbalance the risk generated in the investment with an attractive return.**
- **Constant updating of shareholders and investors on the status and progress of the project and business, both in terms of performance and expected risks.**



**3. Suppliers.** They are the part of the supply chain of goods and services that contribute to our business activity. To this end, the following are essential ingredients:

- **Label them as a key player in the organisation.**
- **Hold conversations with confidence, clarity and openness.**
- **Set ourselves a "win-win" and long-term position.**
- **Generate strategic pacts and competitive advantages.**

In terms of communication with our stakeholders, we have numerous communication channels that allow us to maintain a continuous dialogue, enabling us to learn about their needs and concerns, and fostering transparency and collaboration. For our employees, we emphasise two-way communication, informative meetings adapted to their needs, union meetings, internal communication committees and multidisciplinary work teams associated with internal projects. Similarly, for our customers, we use a variety of channels, such as regular mail and online forms, to ensure effective communication. We also offer a specific supplier portal, accessible from our website, which facilitates transparent and collaborative interaction. Our community also has dedicated communication channels, including the availability of regular public financial information and the holding of the Annual General Meeting of Shareholders (AGM). To maintain close and transparent communication with our shareholders, we provide various channels, such as the Investor Relations department, and the website of the Spanish Securities and Exchange Commission (CNMV - Comisión Nacional del Mercado de Valores), among others.

In addition to the specific channels for each stakeholder group, we have common means of communication, such as telephone, email, social media and our corporate website, which facilitate access to relevant information and promote interaction between all stakeholders.





## 3.4 Double materiality

Engaging closely with our key stakeholders is crucial for our company to ensure we are attentive and responsive to the environmental, social, and governance (ESG) issues that matter most. This engagement enables us to adapt our business strategy to include these important considerations.

- **In our engagement, we are guided by four key principles:**
- **Our business decisions are made by consulting and collaborating with our stakeholders.**
- **We partner with key stakeholders to create innovative solutions, building trust and generating success for all parties.**
- **We recognise the importance of sharing both successes and challenges to have an honest dialogue with stakeholders.**

Our 4Ps strategy is anchored in acting and reporting on all ESG issues that our stakeholders identify as being key to our business. For this reason, in 2023, in the Vidrala Group we carried out a dual materiality assessment as a first step towards alignment with the Materiality Assessment Implementation Guidance, published in December 2023 by EFRAG (European Financial Reporting Advisory Group), and the European Sustainability Reporting Standards (ESRS).

The Double Materiality approach allows us to assess both impact materiality as well as financial materiality.

**Impact Materiality** – Vidrala’s potential or actual impact on the external environment and society over the short, medium, or long-term. The impact could materialise as a positive or negative impact on the environment as a result of our own operations, products and services, as well as within our upstream and downstream value chain.

**Financial Materiality** – The potential impact of an ESG topic to trigger a financial effect on Vidrala Group, affecting future financial performance. An identified financial risk or financial opportunity is expected to affect the Group’s future cash flows and enterprise value over the short, medium, or long-term.

The outcome of the Double Materiality assessment will determine the ESRS that stakeholders in the Group believe to be the most material ESG issues for the business. As such, the Group will need to report on the requirements of the ESRS deemed material within a future management report to ensure compliance with the Corporate Sustainability Reporting Directive (CSRD). Therefore, the Double Materiality assessment is essential to ensure the correct ESG topics are directing our internal strategy where required.

Key identified ESRS Sub-topics that are material from both the financial and impact materiality perspective include:

- **Energy (E1)**
- **Climate Change Mitigation (E1)**
- **Pollution of Air (E2)**
- **Resource inflows, including resource use (E5)**
- **Equal Treatment and opportunities for all (S1)**
- **Equal Treatment and Opportunities for all (S2)**
- **Corporate Culture (G1)**

Sub-topics identified as important to the Group's stakeholders from an impact materiality perspective included:

- **Pollution of Living Organisms and Food Resources (E2)**
- **Water Use (E3)**
- **Workers Conditions (S1)**
- **Other Workers-related Rights (S2)**
- **Corruption and Bribery (G1)**

While Sub-topics identified as material by stakeholders on a financially materiality basis included:

- **Management of Relationships with Suppliers including Payment Practices (S2)**

The focus on these Sub-topics and standards is expected given their importance to our business and they will continue to guide our businesses strategy. Energy usage and intensity play a major role in our sustainability strategy and remain a material topic in our assessment from last year. The reduction of waste in manufacturing and increasing circularity in the production of our products is important for our environmental strategy highlighted by our target to have the lowest carbon glass bottle in the market. The Group recognises the importance of water for the continued success of the business, and have been increasing focus on our water strategy internally which is demonstrated by the impact materiality of the Sub-Topic 'Water Use'. Our business recognises the importance of worker's rights for our employees, with the recognition that appropriate and consistent Governance is needed across the business to ensure this.

The Group recognises the importance of continuing to refine our approach to Double Materiality assessments and plans to have a regular cadence of engaging with stakeholders at least every two years to refresh the assessment. From 2025, the Group will be publishing an Annual Management Report, reporting on the ESRS requirements per standards deemed material in this Double Materiality assessment to ensure compliance with the CSRD.

For more information on the Double Materiality assessment we have carried out in the Vidrala Group, please see Annex I "Dual Materiality Analysis" of this report.

## 3.5 Partnerships and alliances with an ESG purpose

Among the **alliances and pacts** Vidrala entered into during the reporting year, it should be noted that a **new collaboration agreement** was established to achieve more efficient and sustainable manufacturing. In this regard, this kind of initiatives help us to:

- Promote **sustainable energy generation sources**, identifying, analysing, evaluating, preparing and executing renewable electricity and thermal generation solutions that can be integrated into the company's production chain.
- Implement **alternative technologies** and innovative energy operating strategies with which we can operate the way most sustainably, flexibly and economically as possible.
- Identify windows of opportunity for **energy investment** and collaboration in the locations of each of the production centres in which we operate.

### norvento enerxía

At the end of 2022, we reached a strategic agreement with Norvento Enerxía for the purpose of reaching our decarbonisation target with the aim of making our glass factories among the most sustainable in the world by 2030. This pact includes aspects such as studying technologies that will allow us to advance in our energy transition by using renewable sources, promoting self-consumption and increasing energy efficiency across our organisation. In fact, among other initiatives, this Galician company is conducting a study to cover the demand of the largest glass production furnace in Europe, located in our UK factory, using wind energy, exploring, moreover, the possibility of using green

hydrogen. Also noteworthy is the collaboration on the photovoltaic plant construction project at the Vidrala Crisnova factory (Castilla La Mancha), the largest glass industry solar project in Spain, which will cut CO2 emissions into the atmosphere by 9,000 tonnes per year.

Norvento Enerxía, will additionally act as a strategic and engineering consultant for our organisation and will also manage the energy assets in which we plan to invest in the coming years.

*"For Norvento Enerxía it is a privilege to have the trust of Vidrala to advance in its decarbonisation plan." We are sure that our experience and capabilities accumulated throughout the life cycle of renewable energy projects - from promotion to operation - together with our extensive knowledge of the company, the result of years of collaboration, will allow us to help them in their energy strategy and to implement pioneering projects in their sector." **Juan Morilla, Operations Director of Norvento Enerxía.***

*"We are very pleased to continue to count on Norvento Enerxías as a partner in achieving our ambitious SBTi targets, approved earlier this year, which will position us on the path to becoming the world's most sustainable glassmaker by 2030". **Fiacre O'Donnell, Encirc's Sustainability Director.***



## 3.6 Main acknowledgements

At Vidrala, we have been decorated with **numerous awards** that support our efforts and our work to achieve great results.

### stratesys

In 2022, we were graced at the Stratesys Awards, specifically in the People & Talent section for the ESG | Gender Diversity - Pay Gap project, an initiative led by our human resources department with the aim of obtaining the wage gap report through the SAC platform (SAP Analytic Cloud).

Before embarking on this project, in Vidrala we already had a SAP system in place that allowed us to manage our employees' payrolls digitally. However, in 2022, we decided to embark on this transformation project focused on equality, to address the wage gap, with the help of Stratesys. This project aims to level the playing field for all our workers to facilitate the comparison of equitable criteria. To achieve this, an SAC tool has been implemented, whose system is based on information from various reports, national regulations, and labour agreements. This tool allows for a clear and segregated visualisation of the situation of our employees, within the scope of the business units in Spain. Additionally, it provides us with the ability to filter by business unit, category, level of education, and many other parameters, providing a precise view of salary conditions. This facilitates the development, monitoring, and effectiveness of action plans to address any wage disparities.

This was the way Stratesys recognised the excellence and uniqueness of our initiative, as well as 24 other projects carried out by our partners and customers, grouped into the following categories: Corporate, Data Driven, Fast Delivery, Innovation, International, People & Talent.



In 2023 we received the OSALAN award for 'Good Practices for the integration of Occupational Risk Prevention in the company's management system', granted by the Basque Institute of Occupational Health and Safety (OSALAN) and the Basque Government during the International Congress on Occupational Health and Safety at Work.

Our Company was honoured with this award for the **R3** dynamics methodology, mechanisms whose purpose is to establish good practices that contribute to promoting a safe and comfortable working environment in which people are the focus of attention and care. These dynamics constitute three significant points such as (1) **Reducing** exposure to the risk of accidents, (2) **Recycling** safe habits and (3) **Reusing** positive learning.





SCIENCE  
BASED  
TARGETS

Continuing with the awards, in this year, according to the report published by the Carbon Disclosure Project (CDP), we have achieved a 'B' score in both Climate Change and Water Management, which reveals the Company's environmental performance, management and progress in sustainability.

The CDP score is closely linked to and aligned with the Taskforce for Climate-Related Financial Disclosures (TCFD), Science-Based Targets (SBTs) and Sustainable Development Goals (SDGs). The scores assess companies' awareness of environmental issues, its governance and management of sustainability strategies and progress towards environmental stewardship.

Our Organisation has continually championed sustainability in our activity and in the glass manufacturing process. One of the lines of action upholding this commitment is the recent validation of our SBTi objectives. With this in mind, our company aims to reduce its scope 1 and 2 greenhouse gas emissions by 47% and scope 3 emissions by 28% by 2030.

*"CDP Scores are an extremely important measure when it comes to looking at where we are in our sustainability journey, the plans we have in place to minimise our carbon impact, and the transparency with which we are looking to do so.*

*A 'B' for both Climate Change and Water Management are two fantastic scores and it is through the hard work that everyone here at Vidrala has put in over the last few years that we have been able to achieve them, and we are immensely proud of this accomplishment.*

*We are excited to keep pushing ourselves to make Vidrala the most sustainable company it can be, by becoming the glassmaker with the highest photovoltaic capacity in Iberia, investing in pioneering projects, and enhancing Encirc's unique 360 service. With projects like these already underway, we are confident future scores will reflect the continued efforts of the entire business."* **Fiacre O'Donnell, Encirc's Sustainability Director.**

## 4. Outstanding leadership

### 4.1 Structure and Corporate Governance

We recognise the importance of leadership, strong corporate governance and high standards of transparency as cornerstones to achieve our goals.

In this context, to ensure responsible leadership and transparency, appropriate governance needs to be implemented across our business, markets, and the wider community. **Responsible leadership** is key to ensuring the businesses long-term success for both ourselves, and our stakeholders.

Our key principles include:

- **Governance and responsibility of our 4Ps (People, Place, Planet and Prosperity)** business strategy being shared and championed throughout the business.
- Striving to be a **leader in sustainability**, looking to partner across our industry business sector, and the wider business community to **influence best practice, and innovation**.
- Providing **transparent internal and external disclosures** on our sustainability strategy to ensure transparency with stakeholders. In 2023, The Group responded to the **Carbon Disclosure Project (CDP)** on climate change and water security, achieving scores of 'B' and 'B', respectively.

- Ensuring our business has **robust checks and balances across the whole business**. This includes remuneration, Board composition, accountability oversight, and payment of the fair amount of taxes in all geographies that we operate.
- Recognising the **impact our business has on climate change**, as well as the **impact climate change could have on The Group**. The Group assessed this by identifying, assessing impact, and ensuring the embedment of climate-related risks into the Group's risk enterprise framework.

In this context, our governance is led by a **Board of Directors composed of 11 non-executive members**. The Board's diversity and experience is supported on an efficient structure that ensures it works in an effective manner that is transparent and accountable, whilst promoting a culture of openness and participation to aid the decision-making process.

The Board is ultimately accountable for performance against the Group's sustainability targets and goals and is led by our chairman, separate from our Chief Executive Officer, to ensure the separation of powers between the two roles. We seek not only the necessary expertise, but also the independence that balances decision-making.



There are three Board committees:

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

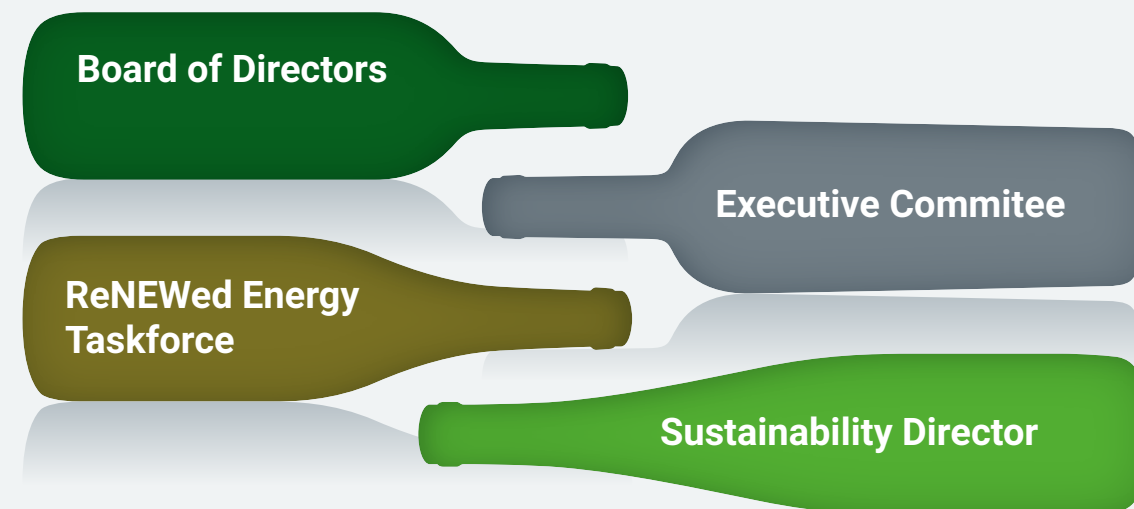
Our intention is to continue making progress, with the aim of becoming more modern and better aligned with the highest standards of corporate governance which includes an ongoing process towards the incorporation of more women and independent members.

We also have a robust **Executive Committee** of highly skilled and committed professionals, responsible for guiding strategic decision making and supervising the implementation of the sustainability strategy.

In addition, we have a **Sustainability Committee**, made up of a large multidisciplinary team, including members of the Executive Committee and led by our Sustainability Director, who is responsible for the daily execution of action plans and projects regarding this area.

***At Vidrala, we go beyond glass, leading robust corporate governance and a 4Ps strategy that fuses innovation, transparent leadership, and sustainable commitment in every bottle we create.***

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



Our Executive Committee advises on our 4Ps sustainability strategy, monitors progress against this strategy and is responsible for the overarching approval of the strategy. The Group's top climate-related risks and opportunities are reported to the Executive Committee at least annually to ensure that they have oversight of the potential impact, as well as the mitigation and control measures being taken to reduce the climate-related impact.

## ***Climate risk as a part of Executive Committee Remuneration***

*The Executive Committee is ultimately accountable for performance against the Group's sustainability targets and goals, including our newly SBTi validated Net Zero Target. Thus, the new executive compensation scheme links 30% of the long-term incentive to the achievement of decarbonisation, use of renewable energy and safety targets.*

The Executive Committee delegates responsibility to the ReNEWed Energy Taskforce to review business cases of investments related to our sustainability strategy, as well as reviewing if any investments counter our sustainability strategy, and longer-term goals. This working group thus plays a key role in ensuring continuous monitoring of the Group's sustainability strategy. Comprised of seven members, 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. The Executive-level ReNEWed Energy Taskforce is co-chaired by our Chief Financial Officer (CFO), and Sustainability Director, this team draws from a wide range of perspectives and personal experience.

The focus of the Taskforce is to **develop, oversee, and implement** our 4Ps strategy's targets and direction to ensure we're taking the right action on climate change, energy efficiency, innovation, diversity & inclusion, employee well-being, biodiversity, and our communities. The Taskforce is responsible for the alignment and coordination of efforts across the different functional units and advocating and supporting all the actions required for the Group to achieve its Near-Term **Science Based Target (SBT), and Net Zero Target**. It is also accountable for the top risks and opportunities, keeping track of the potential impact these risks could pose across various climate scenarios. The Taskforce are responsible for ensuring the appropriate risk management is adopted, this includes the implementation of mitigation actions and controls as required.

Finally, the **Sustainability Director** is responsible for the **day-to-day strategy building, goal setting, execution, and progress of all 4Ps related performance metrics**. The Sustainability Director also has management responsibility for climate-related issues, including sustainability initiatives, targets, and disclosure of emissions annually. Our Human Resources (HR), Health and Safety Executive (HSE) and environmental teams bring a broad spectrum of experience to ensuring our sustainability strategy is fit for the future, and further support us in the achievement of our 4Ps targets. This joined up approach helps to ensure our 4Ps strategy is integrated to all areas of the business. Functional units including Procurement, HR, Technical, Communications & Marketing, Regulatory, Sales and Operations, are responsible for the implementation of all areas of our strategy.





## 4.2 Risk management

The **Group's Risk Management System (RMS)** focuses on reasonably ensuring that all significant risks are prevented, identified, assessed and monitored on an ongoing basis. These risks are reduced to acceptable levels following pre-defined criteria and are ultimately approved by our Board of Directors. With a strong commitment backed by the Group's Executive Committee, our objective is to establish an effective control environment through active risk management. This approach allows risks to be addressed in a controlled manner, thus facilitating the identification and leveraging of new opportunities.

In this regard, all Vidrala personnel with responsibilities in the Risk Management System have access to the necessary resources, both material and human, to perform their duties. The procedures derived from our policy are aligned with established principles, contributing to the achievement of strategic objectives, guaranteeing the protection of social and shareholder interests, preserving corporate reputation, ensuring sustained financial stability, complying with regulations and facilitating the development of operations committed to safety and quality.

The principles on which our Risk Management System is based include:

- **Enhancing risk management orientation**
- **Segregation of duties**
- **Promote transparency**
- **Ensure compliance**

### Responsibilities and functions:

Everyone in the Group, from directors to employees, shares responsibility for implementing this Policy in our respective areas of management. In addition, we coordinate our risk response actions with other affected management areas and departments as necessary.

The various roles in Vidrala's Risk Management System can be classified into three lines of defence against risks that could compromise the achievement of strategic, operational, governance, reporting and compliance objectives.

1. The **first line of defence**, Vidrala's operational management, is responsible for assessing, controlling and mitigating risks. It is also tasked with implementing effective internal controls and is responsible for or the primary owner of most of the risks.
2. The **second line of defence** includes the head of the Risk Management System or Vidrala's Risk Management Function, assumed by the Head of Internal Control. This line is tasked with facilitating and monitoring the implementation of effective risk management and internal control practices.
3. The **third line of defence**, represented by Internal Audit, is responsible for providing the Governing Bodies with assurance on the effectiveness of Internal Control and Risk Management. This includes assessing the efficacy of the first and second lines of defence.

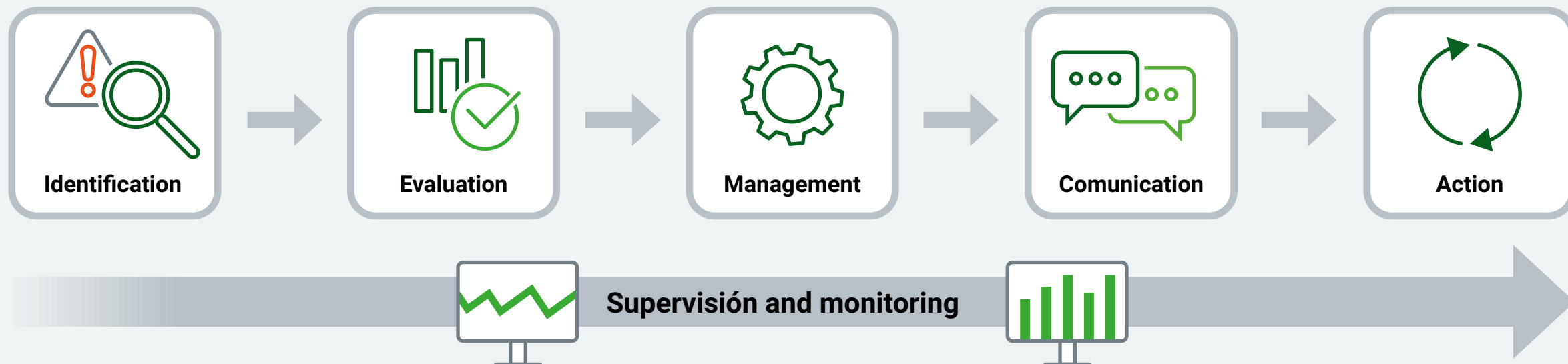
In this context, the roles and duties of each member of the organisation involved in the Risk Management System are as follows:

Body	Responsibility
Board of Directors	Approves Vidrala's Risk Management Policy and Corporate Risk Map
Audit and Compliance Committee	Evaluation and supervision of Vidrala's RMS
Senior Management and Management Team	Responsible for identifying and assessing risk, as well as defining, establishing and/or modifying the risk appetite, which will be shared with the Board of Directors
Risk Management System Manager	Draws up the Risk Map and keeps it up to date. Reports regularly to senior management on the evolution of risks and how the RMS functions in general.
Internal Audit	Periodically informs the Audit and Compliance Committee of weaknesses detected and the timing of measures proposed to correct them.
Other employees	Collaborate with area managers in assessing and classifying risk, and in proposing action plans to address the risks identified and assist in implementing the plans.



## 4.2.1 Description of the process

The risk management methodology is based on ERM (Enterprise Risk Management) and tailored to Vidrala's needs, with the following components:



Some of the phases considered in the process are as follows:

### Risk identification

The risk identification process is based on the active search for events, associated with both internal and external factors, which may have an impact on the objectives set out in the Group's Strategic Plan, as well as on meeting the annual Budget. This process aims to anticipate and understand the potential threats and opportunities that could arise in the Group's operating environment, enabling proactive and efficient risk management to guarantee the long-term success of the organisation.

These risks manifest themselves in different forms and contexts, ranging from strategic challenges that impact our market positioning to operational and compliance risks that require careful attention. In this context, the nature of the different risks that Vidrala currently faces are as follows:

- 1. Strategic risks:** These risks encompass issues related to strategic planning, that can pose a threat to the achievement of long-term goals. Unpredictable or volatile external factors are considered, which can significantly influence the accomplishment of our established goals.



2. **Governance risks:** It is all about the risks associated with organisational structure, corporate culture, ethics, corporate policies and the attribution of key decision-making responsibilities of the governing bodies which can have a significant impact on the direction and performance of the organisation. In this sense, the effectiveness of the organisational structure, cultural coherence, ethical integrity and clarity in corporate policies are fundamental to sound corporate governance.
3. **Operational risks:** These risks are associated with losses resulting from failures or inadequate management of operations. These risks may arise due to weaknesses in operational processes, management inefficiencies, or errors in strategic decision-making.
4. **Reporting risks:** These are risks associated with the generation of relevant and complete financial and non-financial information. These risks can manifest themselves in the quality of data, the accuracy of data gathering, and the integrity of reporting processes.
5. **Compliance risks:** These risks cover both compliance with internal company policies and adherence to external regulations governing operations in each market in which we operate.

## Risk management

For each risk identified, and especially for those considered critical, the risk manager regularly monitors and analyses the possibilities of materialisation using the quantitative or qualitative indicators established for this purpose. If an indicator exceeds the established tolerance, it is the responsibility of the risk manager to identify the underlying causes and propose an appropriate action or response plan. In this way, we ensure a continuous and effective risk management, enabling early identification of potential threats and timely implementation of corrective measures to safeguard the organisation's objectives and operational integrity.

## Updating and monitoring

Business risks evolve over time, leading to changes in the Risk Management System (RMS). Risks that were considered critical in the past may thus lose their relevance, while others may become more crucial as new circumstances develop.

In order to maintain an effective and up-to-date RMS, the Head of the RMS updates the Risk Map annually, following the process described above. This ensures that the changing nature of business risks are continuously assessed, enabling agile and proactive adaptation of risk management strategies. The annual update of the Risk Map provides an accurate and real-time view of the challenges faced by the organisation, thus facilitating informed decision-making and the implementation of relevant preventive and corrective measures.

## 4.3 Ethical conduct and regulatory compliance | Responsible conduct

### 4.3.1 Our Code of conduct

At Vidrala, we consider it of great importance to conduct our business in a manner that is consistent and in line with the principles that define us. The organisation has therefore assumed and formalised this commitment by approving the Vidrala Group's Code of Business Conduct, thereby offering a guarantee to all stakeholders.

The company's Code of Conduct is updated on an annual basis taking into account and incorporating all legislative developments; thus, as every year, our Code of Conduct was re-approved in 2023, is available on the corporate intranet and acts as a guiding light for all staff activities and decision-making.

The strategy for achieving our objectives is based on the implementation of common, core values, which are embodied in our corporate policies, implemented at Group level and associated with this code of conduct, including the following:

- **Corruption, Fraud and Antitrust Policy**
- **Whistleblowing Channel Policy**
- **Human Rights Policy**
- **Criminal Compliance Policy**

In this context, the Code of Conduct is presented as a comprehensive framework of reference for all people within the organisation, providing precise guidelines to perform our duties appropriately. This code not only consolidates a common culture, but also establishes shared, accepted and respected guidelines for action. It constitutes a fundamental element in the standards of responsible behaviour for everybody directly or indirectly linked to our organisation.



## 4.3.2 Corruption, Fraud and Antitrust Policy

La corrupción y el fraude no sólo no se enmarcan en el conjunto de nuestros valores, sino que además nos pueden exponer a multas y sanciones, acarreando, adicionalmente, un grave daño a la imagen de nuestra empresa. Por este motivo, y en línea con nuestro Código Ético, dictamos esta política corporativa, siendo la misma de aplicación a todas las personas que conformamos Grupo Vidrala, así como también a aquellas personas o entidades que mantengan una vinculación profesional o empresarial con nuestra compañía.

Nuestra Política contra la Corrupción, Fraude y Defensa de la Competencia es una manifestación expresa por parte de todos los directivos y empleados del Grupo Vidrala de rechazo a la corrupción y fraude en todas nuestras manifestaciones. En ella recogemos una serie de líneas de actuación mediante las cuales ensalzamos el objetivo del Grupo de evitar la aparición de casos de esta tipología en nuestras actividades, siendo estas:

- **Zero tolerance:** We are committed to zero tolerance for the commission of illegal or criminal acts.
- **Transparency:** We are committed to the recommendations of generally accepted good governance in international markets, to the principles of business ethics and to transparency in all areas.
- **Inform about the duty to report:** All employees and officers have an obligation to report any suspected crime, fraud, irregularity or violation of the Code of Conduct.
- **Compliance training and awareness:** Our Anti-Corruption, Anti-Fraud and Antitrust Policy and Code of Conduct is available to employees.
- **Prevention, control and monitoring:** We have developed a number of internal regulations and policies that help mitigate the risk of ethical misconduct or regulatory non-compliance.
- **Public administrations:** We interact with public authorities and institutions in a lawful, ethical, respectful and compliant manner, in line with legislation in force for the prevention of corruption and bribery, and are committed to complying with all legal obligations.



### 4.3.3 Whistleblowing Channel

The purpose of our Whistleblowing Policy is to set out the rules for the protection of individuals who report wrongdoing within the organisation. In this regard, in order to deal with communications in relation to the Code of Business Conduct, be they suggestions, queries, doubts or breaches, we have a secure whistleblowing channel, accessible through the corporate website and other channels, where we ensure the protection of the whistleblower, guaranteeing the confidentiality and anonymity of the informant and any third party mentioned, as well as the steps taken to manage the allegations, and data protection.

Access to this new whistleblowing channel is available on our corporate website and on the Intranet, via the following link:

<https://vidralawhistleblowing.integrityline.com/frontpage>

In contrast to the year 2022, when no complaints were recorded, during 2023, a total of ten communications were reported through this channel, mainly related to harassment or discrimination. Eight of these communications were resolved, and in one of those cases, the corresponding penalty were applied. The other two communications are under investigation. There were no cases of non-compliance related to anti-competitive behaviour, corruption, bribery, money laundering or violation of human rights.

In 2023, we launched a mandatory training initiative to refresh our knowledge after the latest legislative developments and changes related to Gender Violence and the Whistleblowing Channel. The main aim of this training is to make Vidrala employees aware of both the basic legal concepts and the protocols in place, and the consequences of non-compliance.



## 4.4 Protecting human rights

In our Human Rights policy, inspired by the Modern Slavery Act 2015, and by International Treaties and Conventions, in particular the United Nations Universal Declaration of Human Rights, we include and continue to establish all the lines of action established to ensure that human rights are not violated in our own operations and those of our suppliers. In this context, we undertake to:

- **Prohibit the use of child labour.**
- **Prohibit any form of forced or compulsory labour.**
- **Prohibit the confiscation of workers' passports.**
- **Prohibit any form of debt bondage. Workers should not be locked into contracts that oblige them to repay loans, housing or other costs that they are unlikely to be able to cover.**
- **Ensure that compensation and benefits comply with the essential principles relating to minimum wages, overtime and benefits established by law.**
- **Respect the right of workers to form trade unions and to engage in collective bargaining, in accordance with the laws in force in the respective jurisdiction.**
- **Provide workers with safe and healthy working conditions that meet or exceed applicable occupational health and safety standards.**

To ensure the reliability and visibility of our commitment to human rights, the Group is audited on human rights issues as part of ESG audits carried out by our customers and external companies. In addition, Encirc Limited, a subsidiary of the Vidrala Group, has been a member of SEDEX (Supplier Ethical Data Exchange) since 2007, a non-profit organisation that provides an online platform for companies to share and manage information on ethical and social practices in their supply chain.

In the Vidrala Group, we believe that respect for human rights is fundamental and, furthermore, we expect our employees, and those who have a professional relationship with the Group, to report any possible infringements or irregular conduct in this area through the appropriate whistleblowing channels.



## 4.5 Responsible supply chain

### 4.5.1 Supplier code of conduct

At Vidrala, we ensure that each of the parties in our supply chain meets and shares minimum ethical and behavioural standards aligned with the Group's values, so as to secure safe working conditions, high ethical standards and environmentally responsible and respectful processes.

To guarantee this purpose, we have, in addition to our own Code of Conduct, a **Supplier Code of Conduct** with Group-wide scope. Therefore, when concluding any new commercial agreement with each of the business units, the other contractual party must tacitly accept this Code. In addition, they must commit to promoting these principles in the same way in their own supply chains.

Once the agreement has been reached, we make the Supplier Code of Conduct and purchasing clause permanently available and accessible on our site, along with the purchasing clause.

*Our ethical commitment translates into strategic partnerships that drive a more sustainable future and enhance our business excellence.*

Below is the scope of regulation that we seek to preserve through the Supplier Code of Conduct:

- **Compliance with the legal framework and contractual conditions.**
- **Business integrity.**
- **Anti-money laundering and terrorist financing.**
- **Transparency and confidentiality.**
- **Data protection.**
- **Human and labour rights.**
- **Harassment and inappropriate behaviour**
- **Non-discrimination and women's rights.**
- **Subcontracting.**
- **Safety, health and wellbeing.**
- **Quality and safety of the product and services.**
- **Intellectual property and trademarks.**
- **Local communities.**
- **Environment.**
- **Cybersecurity.**

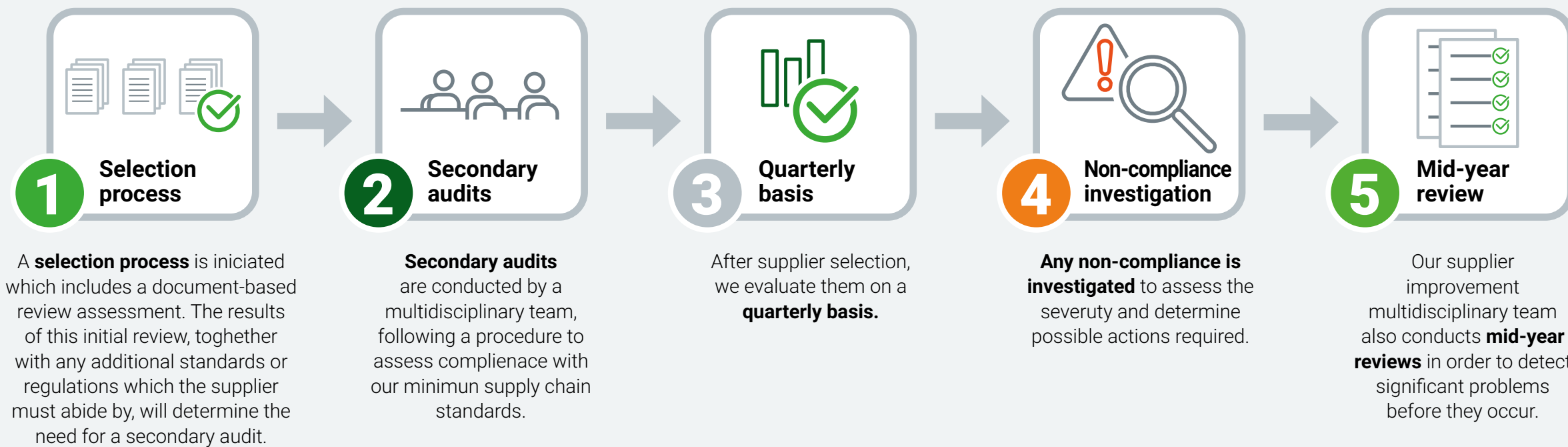




## 4.5.2 Supplier management system

In view of the specific context of the Vidrala Group, each business unit has a portfolio of historical suppliers whose collaboration agreements were closed at the time without addressing sustainability requirements. For these cases, we have adapted the audit requirements on these suppliers by including sustainability indicators within this scope (addressing considerations such as social responsibility, human and labour rights, non-discrimination and women's rights and hiring of minors, among others) in the questionnaires. Furthermore, it is important to note that as part of the continuous improvement process of our sustainability strategy, we plan to integrate these requirements in our Human Rights Policy and in our Risk Matrix in the future.

Against this backdrop, audits are carried out on a biennial or triennial basis, depending on the criticality associated with each supplier within the business, as set out in the Integrated Management System for supplier quality assurance and management. Within this management system we distinguish the following processes.



Within the Glass Made Good strategy, we are working to increase the criticality and sustainability requirements for suppliers and subcontractors in the near future. Although we expect suppliers to self-assess and demonstrate their compliance with the Code, we have an audit procedure in place to mitigate potential risks of non-compliance, for which each supplier must provide us full access to their facilities, documents and records for the purpose of carrying out such audits.

Likewise, with regard to the channels available for suppliers to report possible breaches of the agreements established, Vidrala has a public Whistleblowing Channel available in our corporate website for immediately reporting any actual or potential breach of the Code. We guarantee suppliers must not permit any retaliation against any individual who seeks advice or reports a violation or potential violation to the Vidrala Group. Once we detect a breach through any of the available channels, we assess the case and business relationship and may take corrective action in accordance with the terms of the contract. These actions will depend on the seriousness of the violation and may include formal warnings or immediate termination of contracts, without any possibility of appeal and without prejudice to any legal action Vidrala may take against the supplier.

**In 2023, we carried out 35 supplier audits** (compared to 33 in 2022 and 21 in 2021), of which **100% were satisfactory**.

**35**  
**supplier audits**



## 4.6 Cybersecurity

Although we have not yet experienced any incidents, it is critical to recognise that the risk of cyber security attacks is an reality. As we keep pace with technological evolution, our exposure to risk also increases. Malicious attacks, sabotage and other intentional actions can have devastating consequences, from disruption of operations to theft of sensitive information, intellectual property rights and more, which could significantly impact the Group's business

To meet this challenge, we launched a Cybersecurity Master Plan in 2021, which has involved specific investments and expenditures resulting from a comprehensive analysis conducted with the support of external consultants, risk self-assessments and the latest developments in the field.

The continuous improvement of policies and procedures contributes to the reinforcement of our control environment. In these regard, tools include the following:

- **The cybersecurity manager has sufficient autonomy and independence to perform their duties effectively.**
- **We have implemented cybersecurity management policies and procedures to ensure compliance.**
- **We conduct simulations of cyberattacks and third-party audits to continuously improve our response protocols and business continuity.**
- **We promote ongoing education and training for all employees as the first line of defence.**
- **The Security Operations Centre continuously detects, analyses, and reports alerts and potential threats.**







## 5. An innovative proposal

### 5.1 Innovation as an essential pillar of our sustainable strategy

At Vidrala, innovation is the central pillar of our 4Ps strategy. We believe that, through innovation, we not only improve our products and processes, but also actively contribute to economic prosperity, the well-being of people, the preservation of the planet and population balance.

At Vidrala we were pioneers in introducing RFID (Radio Frequency Identification) technology at our warehouses, making us one of the forerunners in Spain in working with this traceability system. Similarly, we incorporated robotics and Big Data into our internal processes long before the term “Industry 4.0” appeared in industrial scope. We have also dedicated efforts to research and development. In this regard, we have a global patent that redefines the measurement of packaging capacity. This ground-breaking technology is not only efficient, but resource friendly.

Furthermore, in our strategic line of innovation, we pay particular attention to improving energy efficiency in our processes. Renewable electricity self-generation, heat recovery and digitalisation are the foundations of our decarbonisation plan. In this respect, we have worked on projects such as Tasio, which revolves around heat recovery to reduce our energy consumption. In the same vein, we have also invested considerably in renewable energy self-generation, such as at our Crisnova plant in Caudete (Castilla la Mancha), where we have installed a photovoltaic electricity generating plant, which we use to power the industrial process. The installation has an installed capacity of 12 MW and uses cutting-edge land-based photovoltaic technology. Another example is our plant at Castellar del Vallés (Barcelona), where we have another plant with an installed capacity of 8,000 MWh.

We have also bolstered our production capabilities with the start-up of new high-capacity furnaces, which enable us to significantly reduce energy consumption, thanks to a greater degree of electrification. Against this backdrop, of particular note is the installation of a new furnace in Portugal, the largest on the Iberian Peninsula, which enables us to ramp up production capacity by up to 50%. Another salient development in the investment in our Encirc plant in Cheshire for the development of the world’s largest glass packaging furnace.



## ***Vidrala launches photovoltaic plant at its Barcelona facilities***

*This installation marks the culmination of Vidrala's plans to build a photovoltaic plant for self-consumption at Castellar del Vallés, Barcelona. With an installed capacity of 8,000 MWh per annum, this plant avoids the ejection of over 2,000 tonnes of CO2 into the atmosphere every year. The plant is made up of over 10,900 photovoltaic modules with an installed capacity of up to 6 MW.*





## ***The world's largest glass furnace***

*At our Encirc plant in Cheshire, Vidrala has invested in the development of the world's largest glass packaging furnace. This investment significantly increases the Company's capacity to meet market demand, as the furnace can melt over 850 tonnes of glass per day. This latest innovation in furnaces will not only augment Encirc's manufacturing capacity, it will also enhance supply chain efficiency and minimise the business's impact on the environment.*



Moreover, one of the most important projects currently underway is focused on researching the potential of green hydrogen as a clean energy source. In this respect, we are committed to exploring this innovative technology, which has a promising future. To this end, we are working to incorporate green hydrogen into our operations as soon as it is economically viable.

In this regard, we joined the Nazaré Green Hydrogen Valley (NGHV) consortium in early 2023. This Portuguese consortium is at the forefront of the decarbonisation battle through the fostering of a mature and scalable technology. Another relevant project is Hy-Net North West, the UK's main industrial decarbonisation project, consisting of different elements that will provide the infrastructure to produce, transport and store low-carbon hydrogen across the entire North West and North Wales. There will also be infrastructure to capture, transport and block industry carbon dioxide emissions.

**TRANSPORT** - The environmental challenges facing the glass industry are directly linked to production and transportation. We are innovating in both areas, testing production with biofuels, on the one hand, and analysing alternatives such as hydrogen or biomethane, on the other. We are also committed to reducing the environmental impact of our transportation activities. We are opting for trucks certified under the latest Euro 6 or liquefied petroleum gas (LPG) standards, which entail a considerable reduction in polluting emissions.

**ENERGY** - Vidrala's recognised energy efficiency management system is integrated into the Company's other processes in order to minimise energy consumption. To ensure continuous improvement in energy use, we have implemented the ISO 50001 Energy management system at all its production centres in Spain and Portugal, using Industry 4.0 technologies. This initiative has propelled Vidrala to become one of the most efficient manufacturers in the glass industry.

**THE SEARCH FOR NEW FUELS** - We currently operate 18 furnaces at eight plants. We continuously make investments to adapt them to cleaner and more innovative fuels.

We are integrating so-called Cobots into the glass production process. Cobots are collaborative robots that work alongside our human operators, assisting them, improving safety and efficiency and taking care of repetitive tasks. We have also invested in a virtual reality room, the technology of which facilitates comprehensive training for glassmakers in a simulated environment, ensuring a smooth learning process that does not interrupt actual production.

Nevertheless, our quest for innovation goes well beyond technology, working closely with universities and other companies on projects aimed at creating lighter, yet more resilient, packaging products. For example, we collaborate with the International Partners in Glass Research (IPGR) forum, made up of world-wide glass container manufacturing players seeking to consolidate efforts in their commitment to R&D in the sector.





## New bottles with Belu

Thanks to the partnership struck by our Encirc factory with Belu, the 'people and environment-first' drinks business, we have been able to develop a new, lighter bottle for Belu's range of mineral waters. Through new techniques and innovation, Encirc was able to reduce the weight of the previous lightweight 750 ml water bottle to 35 g (8.75%) and the 330 ml glass bottles to 20 g (9.3%). By partnering with our Encirc factory in Elton, Cheshire and producing lighter weight packaging in the UK, Belu is able to save up to 850,000 kg of glass each year and reduce carbon emissions by 11%. Moreover, 100% of profits are donated to WaterAid to improve access to water in disadvantaged areas.

"When Encirc heard our story, they jumped at the chance to disrupt their own business to help us. It was a true partnership from the beginning, and we couldn't be happier with our new ethical glass bottles." **Natalie Campbell, CEO at BELU.**

Of particular note, 2023 saw Vidrala hold the eighth edition of its **“MasterGlass”** design competition: a contest aimed at finding innovative and sustainable ideas among students of Industrial or Graphic Design, Engineering or Graphic Arts, among other fields in Spain and Portugal.

In conjunction with Universidad de Deusto and active collaboration with the Basque Design Association EIDE, the competition not only seeks to promote creativity, but also to encourage sustainability. Key criteria when it comes to assessing projects include innovation, originality, functionality, feasibility and, of course, sustainability.

This year, the “AURUM” project emerged as the undisputed winner, taking first place). This opportunity enables interaction with students, fosters environmental awareness and drives continuous innovation in the field of sustainable packaging. The five award-winning projects, from first to fifth place, represent design excellence, as well as a firm focus on sustainability by combining efforts to build a more environmentally aware and responsible future for the glass industry.

## VIDRALA MASTER GLASS DESIGN CONTEST

8<sup>a</sup> EDICIÓN

### GANADOR

AURUM

Sara Díez



### ACCÉSITS

ORO  
LIQUIDO

Raquel Luna



*Lumbre*

Tania Moreno



Segna 71

Alberto Mora



Gotoil

Ana Carvalho





# 6. Our people: a sustainable future

## 6.1 Our added value for the people

At Vidrala, we understand that the development and well-being of our employees is fundamental to our growth, which is what guides our human capital management and highlights our commitment to the 2030 Agenda in this area.



**SDG8 Decent work and economic growth:** We recognise the importance of sustainable economic development and the provision of good working conditions for our staff. We are committed to offering our employees satisfying, permanent jobs with social benefits, as well as promoting a healthy work-life balance.

*"We constantly strive to offer an attractive and sustainable value proposition for our people in an increasingly competitive environment."*  
**Joseba Fernández de Mendiá, Chief People Officer.**

Within this framework, we remain dedicated to ensuring safe and healthy working environments, where equal opportunities, work-life balance and diversity are gaining an increasing foothold in our organisation. However, we are acutely aware of the road ahead of us, and that our company's progress is intrinsically linked to the personal and professional growth of our people. We also ensure that Vidrala provides stable and quality employment, establishing common action plans for all areas and specific improvements for each territory in which we operate.

We implement initiatives aimed at enhancing the well-being of all our employees. These actions include introducing professional classification systems, implementing work schedules adapted to different numbers of shifts, flexible start and finish times adapted to each internal organisational habitat, the provision of paid leave and leave of absence or reduced working hours. In doing so, we seek to consolidate internal flexibility, better our competitiveness and customer service, and address the work-life balance opportunities required by our employees. Also noteworthy are the different types of social benefits and other complementary measures, such as voluntary early retirement schemes, welfare systems and flexible remuneration policies.

We have also implemented a 'Hybrid Work-From-Home' regime adapted to each internal organisational habitat and always under validation of the respective responsible area managers and directors. However, as our operations require direct labour linked to constant production not all the employees can benefit from this policy. Nonetheless, our compensation packages for employees who cannot benefit from this type of policy due to their role within the organisation are evolved in the last years to recognise those different organisational habitats.

Moreover, the organisation of working time is a key factor in managing Vidrala's employees, as it is conditioned by the specific circumstances of each plant's size, as well as by the respective social and industrial habitats of the places where we operate. Time is thus organised according to different schedules and regimes adapted to the needs of the departments and/or organisational unit of each of the plants.

Vidrala also recognises the right to digital disconnection. We have implemented a series of measures to ensure that rest and holiday time is respected, as well as disconnection from work to protect the personal and family privacy of everyone in the Group. While it is true that the operation of our business (24 hours / 7 days a week) conditions internal customer service, we have developed modalities for exercising this right taking into account the nature and purpose of the employment relationship and associated work regime. We enhance, to the extent possible, tools that promote digital disconnection. Among other measures, the use of digital devices for work purposes outside working hours is discouraged, flexible hours are allowed, and other aids for work-life balance are offered.

In this regard, we have implemented a Well Being - Be Healthy Company programme in the Group. The programme comprises five areas and it is adapted to each organisational habitat: nutrition, healthy sports, health, work-life balance, and corporate social responsibility. The programme has specific characteristics in each workplace, as one of its pillars is to provide a tailored service in each location based on the interests of the individuals in each area.

## Nutrition

This is a fundamental aspect of our Well Being - Be Healthy programme and the first one we implemented. We've introduced multiple initiatives: weekly fruit offerings, specific campaigns related to combating cholesterol (nuts) or improving cardiac defences with the delivery of berries. guidelines and recommendations for a healthy diet to all our work meetings, where coffee breaks now feature healthy and functional foods to enhance productivity in both work meetings and training sessions. Our collaboration with the centres or hotels we work with has become crucial in developing this programme that reaches the entire staff, without exception. Within the realm of food-conciliation, we've initiated an online platform for purchasing meat products and similar items from a local 'zero km' store, promoting local consumption and providing a convenient and high-quality shopping alternative for our employees.

## Healthy Sports

Promoting a healthy sporting lifestyle is an integral part of our Be Healthy programme, responding to the demand within our organisation. We have various ongoing initiatives aimed at creating physical activity habits accessible to everyone and catering to the diverse preferences of our staff. Key initiatives include adapted to each habitat spinning classes, yoga practice, participation in corporate running events, among others.





## Health

Possibly the most crucial aspect of our Be Healthy programme, focusing on ensuring the best physical and mental health of our people. While there are specific and weighty initiatives in this area, it is also an arena where the effects of initiatives from other sections of our programme converge. Health-related activities include: additional checks in health analyses, healthy back workshop, food intolerances and for example, new in 2023, smoking cessation courses.

## Conciliation

Conciliation is one of the more challenging aspects to address in a healthy company programme, often being expressly regulated in collective agreements. Our main actions here revolve around the company's maximum availability for many programme activities to occur during working hours, offering significant advantages for employees to participate without sacrificing personal time. In some cases, while the time is personal to workers (such as in sports activities), the company provides maximum flexibility regarding working hours to maximise participation. Additionally, we've installed a device in our offices to facilitate the delivery of packages from online purchases made by our employees, eliminating the concern of dealing with deliveries during their working hours.

## Company in the Community

This area focuses on actions directly or indirectly implemented to strengthen ties with the environment in which we operate. Besides the mentioned Kilometre Solidarity initiative linked to corporate running, we engage in local sponsorship actions that form an integral part of our successful economic activity within the community. One notable activity is our collaboration with the Blood Donors Association, allowing them to park their bus within our premises. This enables Vidrala employees to donate blood during their working hours, contributing to the community's needs, especially in times of high demand.



On the other hand, at Vidrala, we implemented a new methodology in September of this year to carry out our Satisfaction Survey in collaboration with the renowned company Great Place to Work. This allows us to carry out a completely external survey, guaranteeing a secure environment that respects the confidentiality of our staff's data.

The results of this survey have been notable: 92% of participants expressed their pride in being part of Vidrala, highlighting our team's commitment to improve day by day. This milestone positions us as the first retailer certified by Great Place to Work, reflecting our dedication to providing an exceptional work environment.

Our commitment to employee well-being is indisputable and a cornerstone of our 4Ps strategy. However, we want to continue to improve our everyday lives and will thus continue to innovate and explore new ways to ensure a working environment where employee job satisfaction keeps growing.



## 6.2 People in a nutshell

**-1.6%**  
wage gap

**94%**  
Indefinite contracts

**+11%**  
Indefinite contracts  
by 2022

**+27%**  
People with disabilities

**-5%**  
occupational accidents

**4,076**  
employees



## 6.3 Vidrala Horizon: continuous improvement of our talent

People are essential to our sustainable business strategy, and without their skills, determination, and experience, our success would not be possible. It is crucial that our collaborators feel valued and engaged in their work. We recognise that all our collaborators are individuals with different needs and professional goals. Therefore, we offer personalised development programmes based on performance monitoring and global development programmes throughout the group to help our people achieve their short and long-term professional and personal objectives.

We believe that professional development, health, and well-being of our people are key to our sustainable business strategy. Hence, we provide excellent employment opportunities that offer job security and competitive working conditions. At Vidrala, our value proposition bears the label 'Vidrala Horizon' goals.

**HORIZON**  
vidrala



At the operational level (line managers, supervisors and technical specialists, etc.), One Horizon is a programme for more than 350 people that is renewed every 3 year and its objectives are as follows:

- **Developing internal talent from a short, medium and long term strategic perspective.**
- **Providing an opportunity to share learning and best practices across the Group.**
- **Providing e-learning solutions to all participants.**

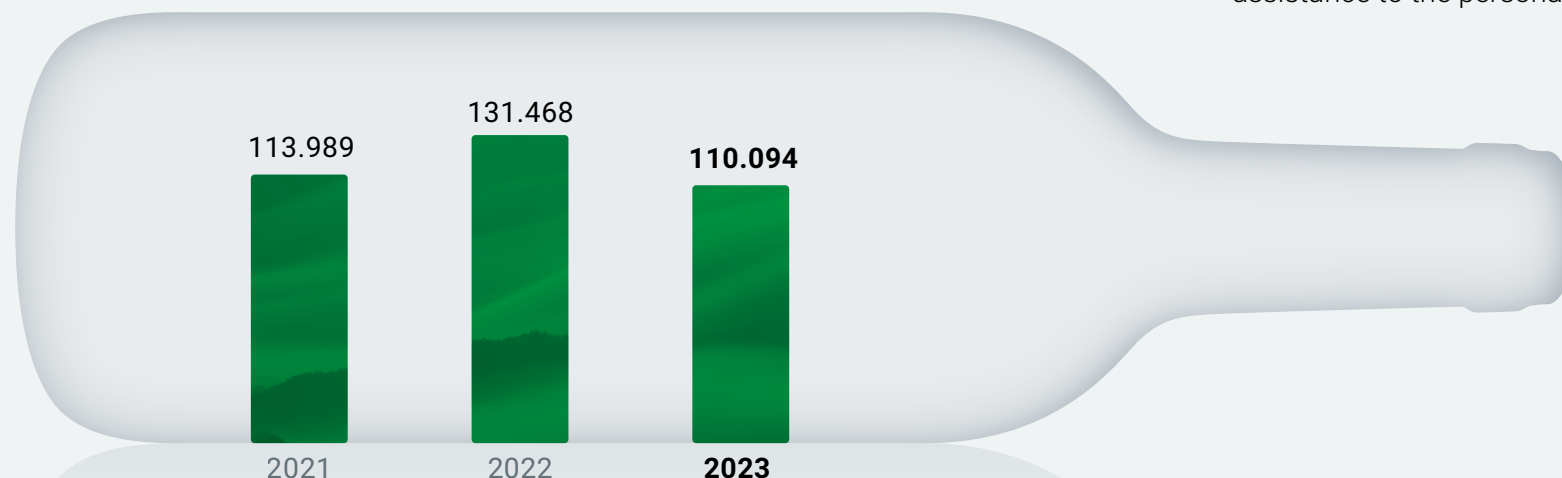
The first quadrant, personal skills (Managing self), addresses decision-making, communication, and influence skills. The second quadrant focuses on skills related to responsibility in team and people development (Managing others), such as providing purpose and direction, building relationships and networks, or developing people and their abilities. The third and final quadrant addresses skills related to organisational performance (Organisational performance), such as change management, identifying new approaches to business activities, quality management and continuous improvement, as well as managing human resources functions, risks, among others.

At the Junior Exec Level in this 2023 Vidrala Horizon launched the "Strategic Leadership Programme", focused on enhancing leadership and team management skills to drive the organisation towards achieving present and future objectives. This level requires knowledge, skills, and behaviours to lead business activities from top management and leadership positions. It involves the development of skills related to people, projects, operations, and/or services to achieve organisational success. In other words, it has a direct impact on the company through ethical behaviours, commitment to learning, and continuous development.

In addition to corporate training, we encourage and motivate our employees through customised development programmes, which are based on the information gathered during performance appraisals, where we detect specific training needs, considering the challenges or circumstances that require the adoption or renewal of training and knowledge. In these programmes we set personal objectives for each employee associated with precise metrics that evaluate progress. Thus, we not only contribute to the professional growth of our employees, but also help them to achieve their short- and long-term professional and personal goals.

In this context, we continue to invest in employee development, having invested a total of 110,094 hours during the reporting year.

## HORAS DE FORMACIÓN (#)



At Vidrala, we reaffirm our commitment to future talent in engineering and innovation in our industry along the Group. In 2023, we have been incorporating engineering students into the Cantera Programme for four years. This programme combines a 9-month professional experience with a real project in a high-performance industrial environment. It also includes simultaneous work on the Final Bachelor's or Master's Project and practical training at one of our factories.

Graduates Programme involves a real manufacturing project, mentored and combined with technical training, soft skills, and language skills. It lasts for one year in one of our factories. Vidrala graduates include individuals who have distinguished themselves with dedication, passion, and skills in the field of engineering during the Cantera Programme. Each Vidrala graduate brings a unique and valuable perspective to the team. With each edition, we look forward to seeing how their contributions will enrich projects and take our company to new horizons.

Along the programme, effective communication and the development of leadership skills are key points. Additionally, it includes mentoring sessions where key knowledge for long-term success is shared. The experience and expertise of the mentors will be of great assistance to the personal and professional development of the participants.





## 6.4 Inclusive production

We are aware of the gender disparity in glass production, an industry in which men predominate. The greater number of men compared to women is due to a combination of factors, among them deep-seated traditions that have maintained particularly male-dominated roles, the traditional inflexibility of roles especially in operations, the shift-based nature of the work, and the taxing physical demands associated with certain roles. Despite these challenges, Vidrala is firmly committed to gender equality, which is why we are implementing measures designed to foster diversity across all levels of the organisation, including production itself.

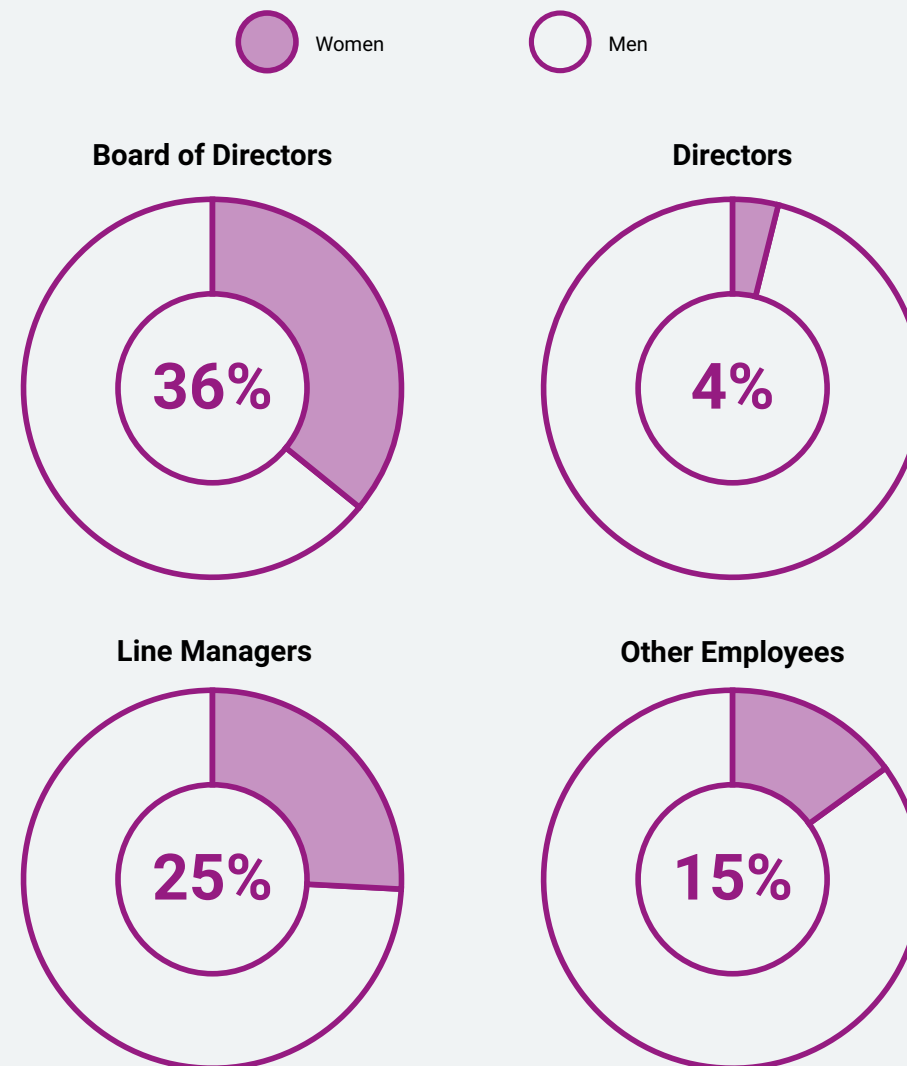
Our integrated Equality Plan, which highlights diversity as an essential asset, has been in place since 2010. In this regard, we are immensely proud of the fact that we are still operating under the same original plan, the principles and goals of which remain in force and relevant today. Furthermore, in line with our commitment to the 2030 Agenda, we are also contributing to achieving the SDG associated with gender equality, based on the lines of action established in this area.



### SDG5 Gender Equality

Maximising the potential for gender equality in the manufacturing sector is a major goal. We are committed to supporting the recruitment, training, development and careers of both women and men in manufacturing positions, and believe that in doing so we are a stronger and more resilient organisation.

## FEMALE PRESENCE ACROSS THE ORGANISATION (%)



Against this backdrop, we are working towards achieving an increasingly equal distribution of women and men in our organisation, while also setting ourselves the goal of reducing the social pay gap, however, we guarantee impartial salaries between genders within the same professional category. All of this is being addressed in a safe and healthy environment that is free from sexual harassment and gender discrimination.

Also worth highlighting is our **#yesweglass** initiative. This inspiring campaign takes place on International Women's Day and showcases the pride of the women making up the Vidrala team. Through this project, women at Vidrala have the opportunity to highlight their dedication and contribution at every stage of the glass-making process, whether in the hot and cold end, laboratories or offices, breaking barriers, challenging stereotypes and proud to be a benchmark in the glass industry.

Moreover, the management team has signed up to the "Women in Manufacturing" charter. This charter sets out the measures established to eliminate unconscious bias at all stages of recruitment ensuring that selection processes are conducted without discrimination on the basis of gender, race, religion, etc. In addition, upon signing this charter, we are committed to using neutral language in all general communications related to recruitment activity.

Similarly, Vidrala is also part of an initiative known as "The Girls Network", the mission of which is to inspire, train and empower teenage girls from the least advantaged communities by connecting them with a network of mentors and positive role models.

Moreover, this year, we have joined The SistersIN Leadership Programme, an exceptional eight-month developmental initiative crafted for sixth form girls. The programme is designed to boost their confidence and broaden their outlook on career opportunities. It achieves this through leadership development training, mentorship offered by women leaders in the business field, and practical experience in project leadership. This enables us to play a crucial role in creating meaningful connections between young women and mentors, providing successful women as positive role models who they can look up to.

*"We are committed to equity, diversity and inclusion in the workplace, and we see this as a tremendous opportunity to empower young females in this community. Manufacturing is not known historically as a place where there is a large female representation within the workforce. We want to show that this does not have to be the case."*

*"We have the chance now to drive forward into the future with a true purpose, providing the young ladies in the west of this country with the support, encouragement, guidance and experience to thrive and drive all our businesses to a new, equal, future, that will transform our world."*

**Sarah Abernethy, Talent Projects Specialist and the Encirc lead for "The Girls Network".**

Moreover, we are proud at Vidrala to have an equal pay policy in place, the purpose of which is to eliminate any form of gender pay gap there may be for the same job. However, if we focus on the organisation's salary dynamics, we can see that the average salary for women is actually -10.7% lower than for men. This disparity is directly attributable to the distribution of job roles, as women tend to occupy positions of lower responsibility and fewer roles in the production area, both of which contribute to a lower associated pay level. With this in mind, we are aware that there is still a great deal of work to be done in the corporate sphere. However, we know that addressing these imbalances is important, which is why we are implementing strategies to foster an equitable distribution of leadership opportunities and roles involving responsibility.

We also have a remuneration policy in place that establishes salary bands linked to the position held within the organisation, irrespective of gender, race, religion, etc., thus ensuring a fair and equitable remuneration scheme.

In addition, we also hold the Diversity Mark Accreditation, which certifies our commitment to building diverse and inclusive working environments, and is awarded to organisations that demonstrate significant progress in this area.

For all these reasons, Vidrala is committed to creating a discrimination-free workplace and to raising companywide awareness of the importance of gender equality. To this end, we continuously roll out committed actions in this area, promoting awareness and training for the entire workforce.



**Diversity Mark**





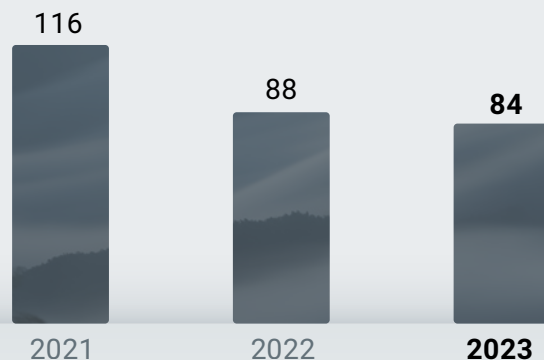
## 6.5 Moving forward to a zero-harm workplace

We are keenly aware at Vidrala of the huge responsibility that comes with ensuring the health and safety of our workers. This responsibility is embodied in our Health and Safety Management System, in accordance with ISO 45001:2018 guidelines, which sets out the health and safety principles for our employees. All the Group's manufacturing facilities are certified under this specific standard, the aim of which is to create a healthy and safe working environment, proactively anticipating potential incidents and preventing damage and injury from taking place.

Furthermore, as the manufacturing processes at our facilities can expose our employees to certain hazards, such as burns, cuts and muscle strains, we have put a behavioural safety programme in place to raise awareness around those risks, as well as the overall safety of our employees. This enables us to identify health and safety risks before they occur so that the most effective mitigation methods can be applied.

Similarly, although the professional development of our employees is important, safeguarding the health and well-being of all our personnel is also paramount. In terms of our efforts to up the delivery of risk reduction training, we provided over 17,432 hours of accident prevention training in 2023. These sessions cover emergency situations, first aid, accident investigation and safety awareness training to help reduce the accident rate.

### LOST-TIME INJURIES (#)



On the one hand, in addition to the Satisfaction Survey, carried out through the Great Place to Work portal, and with a focus on prevention, we conduct annual interviews with external professionals to identify the main psychosocial risks in all departments of the organisation. Each year, a sample of more than 20 interviews is randomly selected at Vidrala, ensuring that every three years, all different areas of the organisation have been evaluated. The objective is to assess the organisation's status regarding psychosocial risks in different job positions. Identifying these risks constitutes the fundamental first step towards implementing corrective measures. Psychosocial risks are systematically classified into risk factors and their respective groups to enhance comprehension and facilitate subsequent data analysis.

This approach enables us to precisely identify and ascertain the potential origins of psychosocial risks, paving the way for effective and targeted solutions. The evaluated risks include:

- **Physical work factors:** workspace, breaks, ergonomics and work design, environmental factors such as lighting, noise and temperature, order and cleanliness.
- **Information management:** communication, participation, and training.
- **Control and leadership:** leadership style and communication with superiors.
- **Organisation of work:** task content and distribution, resources and work tools, attention, time pressure, role definition, autonomy, job stability, career development, and shifts.

On the other hand, the methodology used to manage this process is the following:

- **Interviews with workers from the various evaluated sections.**
- **Meetings with the Prevention Service.**
- **Interviews with Prevention Delegates.**



To safeguard the confidentiality of data collected during these interviews, job positions are organised into sections, each comprising a minimum sample of 4 individuals. Names are not recorded during the interview process. Additionally, consent for data collection is obtained before conducting the interviews.

In 2023, we systematically gathered all mandatory trainings for every job position across our various workplaces, encompassing both legal requirements and internal organisational procedures. This ongoing initiative enhances our ability to effectively manage and monitor essential trainings for diverse roles within our organisation. By doing so, we streamline administrative processes and, most importantly, uphold the commitment to maintaining our factories as safe and secure work environments.

Additionally, at the beginning of 2022, we launched the **R3 activity**, focused on **Reducing** exposure to accident risks, **Recycling** safety habits and **Reusing** positive learning.

The key points of this initiative are as follows:

1. **Our goal is to reshape our prevention culture** by fostering safety behaviours against a backdrop of learning and communication. We also strive to create a working environment with a fair culture model, which helps us to maintain consistency and credibility.
2. **The process was co-designed by the teams and got everyone involved** (operators, line management, health and safety officers, human resources, prevention services). It has an ethical and systemic approach based on shared responsibilities, developing relationship skills (proactive and supportive behaviours) to create a healthy and safe workplace.

3. **The creation and active participation of the project leadership team** made up of the Operations and Quality and Prevention departments and Plant Management has been key to the project's achievements thus far.





In this regard, we have deployed 27 R3 teams at our plants in Spain and Portugal since 2022. In January 2023, we deployed a further 11 new R3 activity teams with which we continue to cultivate a “Safe Behaviour Culture”. This is all thanks to our experience and momentum to continue making headway on integrating prevention management into a shared project, one based on trust, respect, information and a great deal of enthusiasm.

Activities designed to foster continuous monitoring and to ensure that any irregularities are remedied in a timely manner include the following:

- 1. CuidaMes (CareMonth):** During the working day, anonymous observations are conducted based on the agreed safe behaviours that are expected by the team.
- 2. Daily safety signals:** At the end of the working day, the day’s safety performance is displayed; any red or yellow signals during the day are followed up with an indicator showing the percentage of incidents resolved. Any prevention improvements put in place are also displayed.

As part of the strategy to maintain momentum in the CuidaMes activity, each R3 team makes a donation (“We take care of ourselves and others”) to a charity of their choosing, matching a monetary amount to the number of CuidaMes achieved.

We would like to highlight here that the R3 activity has been recognised by OSALAN (the Basque occupational health and safety body) and the Basque Government, winning first prize in the large company category for good practices in integrating health and safety into business systems. Likewise, our Crisnova Vidrio plant has been acknowledged in the 1st Edition of the Ibermutua “Eladio González Malmierca” Occupational Health and Safety Awards for its commitment to health and safety through the R3 dynamics.

In view of the potential risks to which our employees may be exposed, at the Vidrala Group, we insist on strict compliance with the regulations of the International Labour Organisation and we have established internal policies to ensure that all our employees are supported in this regard. As a result, 100% of the workforce is partially or fully covered by collective bargaining agreements.

Lastly, it is worth pointing out that our health and safety management approach is not confined to our employees, but encompasses our customers, too. To that end, we draw on a variety of tools and strategies that help us to identify potential physical, chemical and microbiological hazards. We consider various aspects in this analysis, including the human handling of the product, as well as aspects tied to raw materials, machinery and equipment.



# 7. Contributing to the community

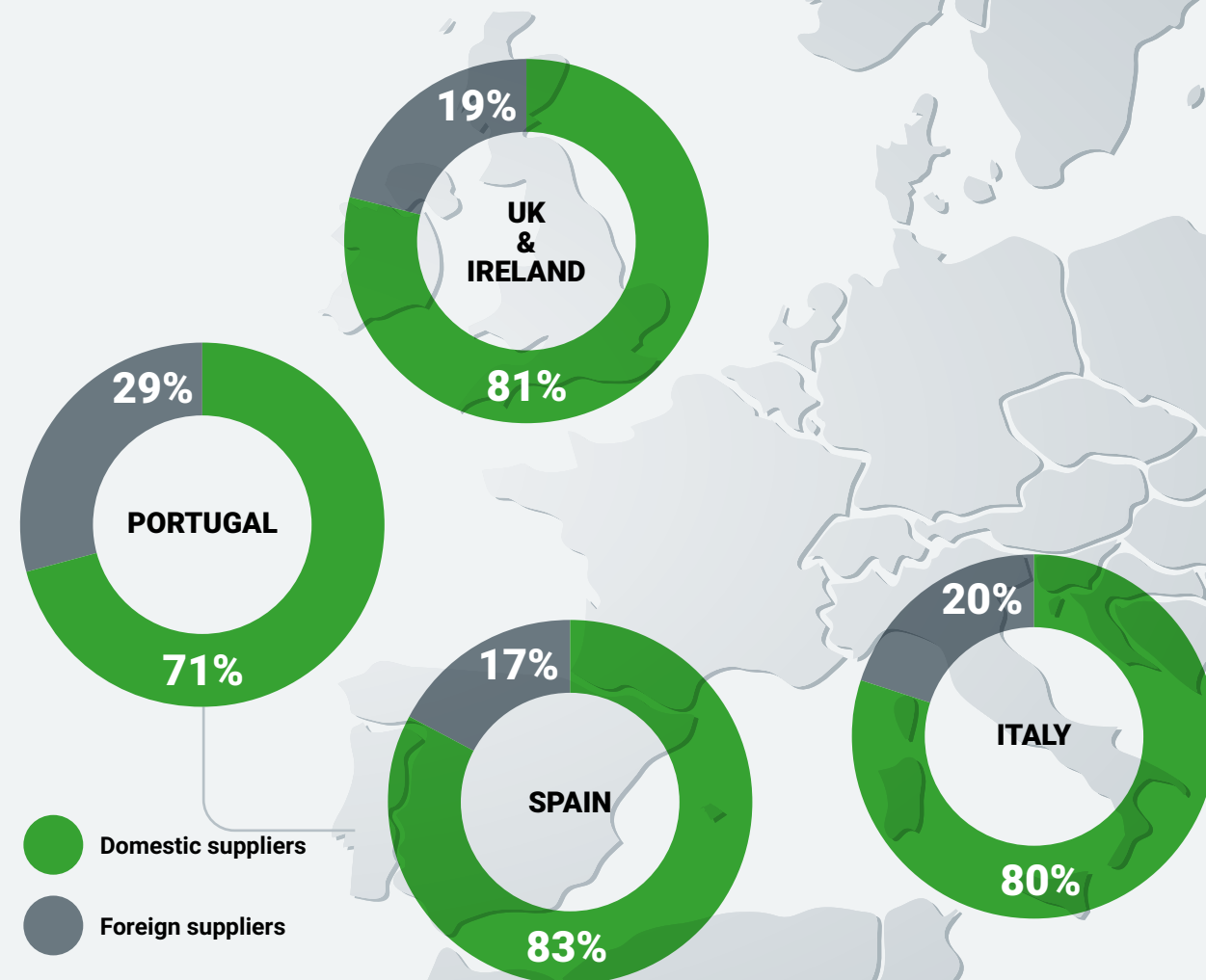
## 7.1 Contributing to our value chain

At the Vidrala Group, we feel a deep-seated obligation to have a positive economic and social impact on the community, especially in places where we have a foothold and carry out our production activity. We seek to forge partnerships with customers and suppliers who share our ethical values and, to this end, we implement concrete measures to ensure a positive effect on our environment.

### Contracting local suppliers

In line with our fundamental pillars, especially Prosperity and Planet, whenever possible we at Vidrala seek to collaborate with local suppliers, as we believe that this decision contributes to creating local value in the areas where we operate, thus boosting the economy of our people and fostering lower emissions derived from the transport of materials.

These partnerships generate synergies that strengthen business relationships and promote sustainability at the local level. In this context, on average, 80% of our suppliers at Group level are local, demonstrating our commitment to these practices and to the local communities in which we operate.



## Responsibility and customer communication

We integrate customer satisfaction into our four strategic pillars, whereby we seek to guarantee that our offer meets ethical and sustainability standards throughout the value chain.

Firstly, we guarantee the integrity of our customers' personal information, undertaking at group level to respect the regulatory data protection framework. To date, no infringements in this regard have occurred in our organisation.

Moreover, we are committed to offering quality products and services. This commitment is embodied in our Quality Management System in accordance with ISO 9001:2015 guidelines, which promote a framework of procedures and tools that guarantee the good work in all areas and processes, thus ensuring the quality of our products and services.

Furthermore, as far as after-sales service is concerned, we have been working to continuously improve our internal procedures and channels. At present, we manage any customer complaints and suggestions for improvement through 'E-Gestiona' software.

We receive complaints through different channels, which are dealt with in the first instance by the technical assistance or sales team. After gathering preliminary information from the different communication channels, the technical team takes samples, collects relevant data and prepares a detailed report. Using this first draft, an administrator registers them in our platform via a questionnaire with predefined fields. This approach facilitates the collection of customer concerns and allows case histories, including information on the customer, the material and the plant of origin to be tracked. Once all mandatory fields are completed, a person is appointed to lead the coordination and resolution of the complaint. This professional is responsible for analysing the underlying cause of the complaint and shares it with the most relevant area. Its aim is to propose a satisfactory plan of action that benefits all parties involved and mitigates any damage suffered by the customer. After the resolution process is completed, the technical team communicates the solution to the dissatisfied customer. All this process is duly registered in our 'E-Gestiona' platform.



## With a firm commitment to our customers and continuous improvement, we have managed to resolve 100% of incidents received.

Vidrala's implementation of procedures and active monitoring of our customer communication channels has resulted in significant improvements in our key performance indicators (KPIs) related to the proportion of complaints addressed and the time taken to respond. In this respect, in 2023, we achieved an average response time of 17 days for a total of 626 complaints received.

We also highlight our clients' notable involvement and commitment in satisfaction surveys, with a record-breaking participation in the historical series that in 2023 exceeded the previous year's by 11%. Similarly, we have achieved our best NPS (Net Promoter Score) at 62.3%, including key aspects such as product quality and packaging, complaint management, logistics, product delivery availability, and price, among others, in the questionnaires. By participating in our survey, clients not only play an active role in improving our services but also contribute to a charitable cause as for each response, Vidrala makes a donation to an NGO.

Lastly, in recent years we have included satisfaction metrics regarding sustainability considerations, in which we ask, for example, about the degree of knowledge of our Sustainability Policy or whether they consider sustainable criteria when collaborating with a supplier.





TORRES & EARTH

***Vidrala has been awarded the Torres & Earth 2023 prize by its customer Familia Torres for its outstanding strategy to reduce direct CO2 emissions.***

*Vidrala reaffirms its commitment to a green and sustainable future, pledging to reduce its greenhouse gas emissions by 47% by 2030, in line with the Science Based Targets initiative (SBTi). Its initiatives include the electrification of furnaces, the installation of energy self-consumption plants and the adoption of low-emission logistics alternatives.*

## 7.2 Our community programmes

We want our employees, customers and suppliers to play an important role in our local communities, providing experiences and learning opportunities for generations to come. During 2023, we continued to collaborate with local companies to address and raise awareness on various issues such as biodiversity, equality or recycling, especially anything sustainability-related, through our social actions that we launch year after year. The first we would like to highlight is our social project. Normally in the last months of the year we launch a solidarity initiative based on the following pillars:

1. **Contribution of a sum of money for each employee on the payroll**
2. **Involvement of our employees whereby they have the opportunity to complement the corporate donation with an individual contribution, through a payroll deduction and the possibility of associated tax deductions.**

In addition to the social project, each of the companies in our group has a budget to support the social, sporting and cultural initiatives closest to them. We thus intend to do our bit for neighbouring associations and organisations, strengthening our commitment to the community.

For us, people's direct collaboration is the way to live the social project and our commitment to sustainability together with our people. In 2023 we collaborated in the fight against cancer at all the plants of the Fifty Business Unit, as well as at Vidrala Central, contributing an amount of Euros 28,840.

In addition, in 2023 we launched a new project that aims to combine two of the cornerstones of our healthy company programme: Move&Help. Through moderate exercise and healthy sporting activities, this initiative seeks to help local associations that are ultimately the recipients of the euros raised through our people exercising. At the date of this document, we are presenting the prototype with a view to definitively launching it over the coming year.

In addition, one of the areas of our Be Healthy programme has to do with all actions that, either directly or indirectly, we implement to strengthen the link with the environment in which we work. These initiatives include Kilometro Solidario (Solidarity Kilometre), linked to La Carrera de Empresas (Business Race), to which we contribute local sponsorship actions that form part of understanding how we perform a successful economic activity within the environment in which we live and operate.

So, as a company, we sponsor any member of staff participating in charity fundraising, as well as local sports teams and events such as theatre performances, literary weekends and even beer festivals. Each of our plants chooses which charities it wishes to sponsor each year with its fundraising efforts. For example, at Encirc, funds raised from our Christmas raffle and any other large-scale events held throughout the year are thus donated to our main charities.







In addition to the above, a number of other initiatives carried out in 2023 included the following:



## SOS CHILDREN'S VILLAGES

**Children's villages:** with the participation of our customers in the satisfaction surveys, participants can make contributions to this organisation based on their answers. Thanks to this contribution, we add value in improving the care of children in vulnerable family situations, favouring their development and autonomy.



**Cancer Connect Northern Ireland (CCNI):** this Irish organisation provides help and support to people affected by cancer, offering information, guidance and support to individuals and families affected by cancer. CCNI has people specialised in the subject matter, acting as a channel between the therapist and those affected.

## CHESHIRE COMMUNITY FOUNDATION

Our Elton centre has a long-standing partnership with the **Cheshire Community Foundation**, which raises funds to support hundreds of small charities and voluntary groups across Cheshire and Warrington in the UK. The foundation connects people and companies who want to make a difference with those who need help the most. We ensure that the grants we donate go directly to the local communities that need them most, tackling poverty, disadvantage and inequality, and helping to build stronger, happier and more resilient communities. Since 2021, Cheshire Community Foundation has helped more than 164,000 people in need of mental health support.



**Unicef:** together with this international fund, we participate in the solidarity project "Emergency in Ukraine", with the aim of providing aid to children and adults in emergency situations in various areas such as hospitals, schools or alternative care centres, as well as aid in emergency materials, health, psychological care or basic necessities.



## ***Encirc in Derrylin has supported a Neighbourhood Policing Team road safety campaign.***

*Encirc in Derrylin has supported a Neighbourhood Policing Team road safety campaign by donating over 1,000 high-visibility vests and beanie hats to local rural schools and organisations over the past 13 months. The local glass manufacturer and bottle filler responded to a call for help by the Erne West Neighbourhood Police Team in Fermanagh whose aim is to ensure that local schoolchildren could feel safe when walking or cycling to and from school.*

*As part of the campaign, the PSNI are urging motorists to SLOW DOWN and THINK CHILDREN when driving past schools. The aim of the campaign is to keep the roads around schools a safe place for children in our communities.*



We can also highlight other types of social action, such as, for example, “STEAM Sare” project, an initiative promoted by Innobasque, where the Vidrala Group promotes and advises secondary school students on their scientific and technological vocation (also known as STEAM). The students were able to sit down with some of our staff and share their experiences.

In addition, Derrylin’s biodiversity committee has launched a new initiative involving young children: we have created several meaningful partnerships with local schools, where we work to help them improve their green spaces and use the land to grow food and support their learning.

We also regularly contribute to associations and projects that promote education and health. Vidrala colleagues have gone to different classrooms at educational centres to explain their daily work, the company’s products and its manufacturing process. In this way, we raise awareness of the relevance of glass in new generations, leaving clear evidence of the organisation’s commitment to sustainability and circular economy. Likewise, throughout the year, we have actively participated in charity events, enabling them to contribute to the organisations they most identify with.

Finally, among all the initiatives that we launch, we would like to mention the possibility that we offer the Blood Donors Association to come with its own bus to our facilities so that Vidrala workers, during their working day, can contribute to this vital community service, especially in the current climate of such high demand. This is a gesture that we foster and in which we encourage all workers to participate, but always respecting their personal volition and under strict medical supervision in each case.

In doing so, we reaffirm our commitment to the communities in which we operate and are proud of the fact that, during 2023, the Vidrala Group made donations and sponsorships to the tune of 514,984€ and 133,556€, respectively.



## 8. Environment

### 8.1 Environmental strategy and management

We are actively committed at Vidrala to preserving the environment. We achieve this by preventing pollution, mitigating the environmental impact of our processes and products, and efficiently managing the consumption of our main sources of energy, such as gas and electricity. This commitment is manifested through implementation of an Environmental Management System at all our plants, among other initiatives, and aligned with the guidelines of ISO 14001:2015. This certification has enabled us to put in place robust processes to monitor, assess and improve our environmental performance on an ongoing basis. This system has been certified by an external body and its scope encompasses activities related to the design, research, development and innovation (R&D&I), management, marketing, and manufacture of glass packaging for food uses.

Through this Environmental Management System, we foster a framework of procedures and comprehensive tools that enable us to demonstrate our environmental regulatory compliance to our stakeholders. It also provides an opportunity to get our employees involved and to encourage our suppliers to improve their environmental performance when it comes to planning and carrying out activities tied to our operations, products and services.



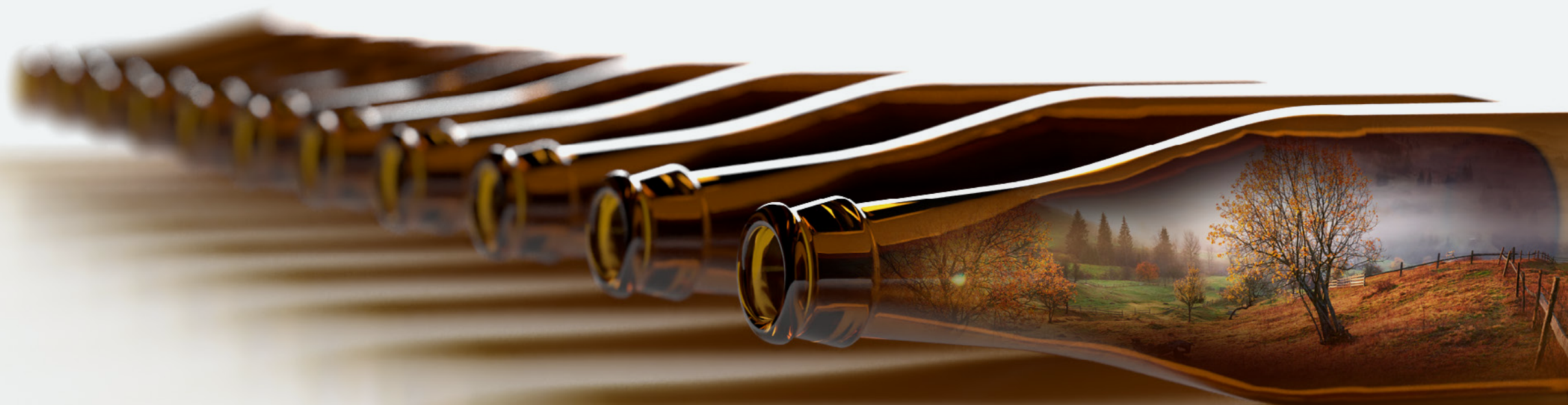
Likewise, in the environmental management sphere based on ISO 14001, all our activities at Vidrala are performed following the precautionary principle, which lies at the heart of our environmental policy. This policy, which is distributed and known to all our employees, is centred on the following guidelines:

- We foster respect for the environment by preventing pollution, mitigating the environmental impact of our processes and products, and reducing resource consumption. Specifically, we are committed to minimising the energy consumption of our operations.
- We are committed to efficient resource management.
- We comply with applicable legislation and other commitments assumed by public administrations; we scan for current or foreseeable legislative changes that could be applicable to us.

- We drive continuous improvement at all levels by establishing ways to measure our performance and the impact of our activity, planning for improvement and reviewing the results. We take into account certifications and basic audit tools in this process.

Moreover, we have developed a procedure within our Environmental Management System that lays out the guidelines to follow and materials to use in the event of accidents that could have environmental consequences. In this respect, we further the organisation's efforts to ensure people's safety and to minimise the associated impact. However, there were no such incidents recorded at any of our facilities during the period covered by this report.

We have also taken out environmental liability insurance at Vidrala to guarantee that the financial resources are available to cover any potential damages in this area. This insurance policy covers the repair of possible environmental damage up to an amount of 15,000,000 €.





## 8.2 Climate

### 8.2.1 Energy

**Glass is one of the most sustainable solutions for the environment** and key to building a better and more circular economy. Nevertheless, glass manufacturing is an **energy intensive process** and, as such, a contributor to the generation of greenhouse gas emissions (GHG) and, therefore, global warming. With this in mind, for a number of years we have worked to find **more efficient manufacturing methods**. Despite the efforts and achievements in energy efficiency during this period, we are keenly aware at Vidrala that we face ongoing challenges in this area.

In this respect, Vidrala is currently searching for new energy sources, something that plays a pivotal role in the transition towards a greener and more sustainable future. This will enable us to contribute to the well-being of the planet and to mitigate our carbon footprint. Furthermore, these new energy sources will help us to diversify and secure future energy supply, as well as unbind us from the price fluctuations associated with traditional energy sources.

We have also had a certified Energy Management System aligned with ISO 50001 at all our facilities in Spain and Portugal since 2022. Nevertheless, our aim is to extend this certification to the rest of our factories. This system provides us with an integrated suite of tools that enable us to make more efficient use of energy. Specifically, this has enabled us to draw on consumption data to gain a more detailed understanding and to make informed decisions related to energy consumption.

In addition, as mentioned in previous sections, we have also made significant investments in renewable energy self-generation. Following the significant investment made in the year 2022 in the photovoltaic solar installation of our Crisnova plant in Caudete (Castilla-La Mancha), with a capacity of 12 MW, we have increased our photovoltaic solar generation capacity for self-consumption in our centers in Castellar del Vallés (Barcelona) and SB Vidros (Marinha Grande) during the 2023 fiscal year. The Barcelona plant, with an installed capacity of 6MW for an annual generation of 8,000MWh, has been operational since August 2023. Meanwhile, the installation in Marinha Grande, Portugal, will be operational in the coming months.





## ***Vidrala started up its largest glass furnace in the Iberian Peninsula.***

*Vidrala started up its largest glass furnace in the Iberian Peninsula, designed with the best available technologies and highly electrified, which will help to significantly reduce its CO2 emissions. This new furnace will also increase the plant's capacity by more than 50%, with a focus on customers, aiming to meet market growth and guarantee long-term supply. This investment initiative is part of a major multi-year strategic plan for industrial development in Portugal with a forward-looking perspective focusing on the Vidrala Group's sustainability and energy efficiency.*



**Table: Energy Consumption**

Energy Source	2020	2021	2022	2023
Fuels (kWh)	3,206,985,481	3,469,914,537	3,525,633,817	3,423,815,553
Electricity (kWh)	310,775,567	324,997,913	337,108,160	254,568,432
Renewable (kWh)	281,477,408	317,689,012	338,236,340	390,783,321
<b>Total Energy Consumption (kWh)</b>	<b>3,799,238,456</b>	<b>4,112,601,462</b>	<b>4,200,978,317</b>	<b>4,069,167,306</b>
Fuels Intensity (kWh)	1,328	1,303	1,275	1,298
Fuels Intensity (kWh)	129	122	122	96
Fuels Intensity (kWh)	117	119	122	148
<b>Total Intensity (kWh/tmg)</b>	<b>1,573</b>	<b>1,545</b>	<b>1,519</b>	<b>1,542</b>

Historical values of the 'fuels' row have been amended to include consumption of other fuels beyond natural gas.

Fuel and electricity consumption has decreased significantly compared to the previous year, mainly due to production stoppages during this period. However, the consumption of renewable energies has increased significantly. In particular, this consumption has increased by approximately 15%, mainly due to the fact that the Castellar plant now operates with a 100% renewable energy supply, while Crisnova covers 30% of its electricity demand with solar panels.



## 8.2.2 Greenhouse gas emissions

We work every day at Vidrala to lead the sustainable transition of the glass sector and to become a world leading company by 2030. In this regard, since 2019 we have worked to calculate and report our scope 1, 2 and 3 carbon footprints, focusing efforts at a group level to improve our annual performance and commitment as we advance towards decarbonisation.

Scope 1 emissions represent our direct production-related emissions from the fuels used at our facilities. Scope 2 covers emissions associated with electricity purchased and used at our plants. Lastly, scope 3 represents emissions across the value chain, including the acquisition of goods, logistics and employee travel. Last year we implemented new methodology for the collection of emissions data through questionnaires sent to our suppliers. These questionnaires provide more realistic metrics that are based on the actual impact of our activity and our value chain, enabling us to set joint targets that have a positive impact on society and the environment by reducing suppliers' emissions. In this regard, due to this enhancement in calculating scope 3 emissions, we will move forward in the upcoming year 2024 by adopting 2019 as the new base year, replacing 2018, to measure our advancement towards the established targets. This revised base year will be recalibrated using the updated methodology, ensuring accurate and consistent comparison of emissions measurement in subsequent years.

Our work at Vidrala is aligned with the SBTi (Science Based Targets initiative) to set greenhouse gas emission targets that conform to the Paris Agreement. This initiative is linked to the Carbon Disclosure Project (CDP), the United Nations Global Compact, the World Resources Institute (WRI) and the World Wide Fund for Nature (WWF). In this particular area, our aim is to reduce our scope 1 and 2 greenhouse gas emissions in the short term by 47% and our scope 3 emissions by 28%, both by 2030 and with respect to the 2019 figures. This will contribute to preventing the worst effects of climate change and make sure our company is ready for the future. These targets were approved by SBTi in early summer 2023. The steps needed to help us reach these targets are expected to propel Vidrala to become the world's most sustainable glass business by 2030.

Progress towards the SBTi targets defined by our Group can be found at the following [link](#).





These ambitious new targets are underpinned by the company's commitment to innovation at a group level. An example of this is the ZeroCO<sub>2</sub>-Glas project, led by IPGR (International Partners in Glass Research). The aim of this pioneering initiative is to revolutionise the glass manufacturing process to achieve packaging production with net zero emissions. The primary purpose of this project is to develop a hydrogen-fuelled glass melting furnace that enables glass packaging production with net zero emissions and significant energy savings. This would address the critical twofold challenge of reducing energy consumption and scaling back the greenhouse gases emitted by our industry. Through this initiative we are specifically looking to:

- **Use carbonate-free raw materials and make them ready for the production process.**
- **Operate a glass melting furnace with a highly flexible hybrid system that can draw on both electricity and hydrogen.**
- **Design a glass melting furnace that is based on a cutting-edge submerged-feed approach.**

This project has been approved for funding by Germany's Federal Ministry for Economic Affairs and Climate Action, therefore demonstrating its importance with regards to improving energy efficiency, expanding renewable energy use and significantly reducing greenhouse gases.

Another initiative worth mentioning is the recent rollout of a district heating system in the vicinity of our facilities at Corsico (Milan, Italy). This latest initiative has led to improvements in air quality in the region and has reduced CO<sub>2</sub> emissions released into the atmosphere by an order of 3,000 tonnes per year, as the heating supplied is 100% renewable.

Another initiative we would like to highlight is Project Cullet at the Santos Barosa plant (Portugal), which has seen us increase the percentage of cullet by 9%. This implies a considerable reduction in scope 1 GHG emissions (a reduction in CO<sub>2</sub> per tonne produced of approximately 10%). All of this was made possible by the following milestones:

- **An increase in the amount of cullet in the composition of the manufactured glass.**
- **Greater glass cullet storage capacity.**
- **An improvement in the quality of the cullet provided by our main supplier.**

It is also worth noting that we worked with Glass Futures in 2021 to produce glass bottles using 100% recycled glass and low-carbon biofuels. We partnered with Diageo in 2022 to create the world's first zero-emission glass bottles. Furthermore, we have begun to work with a range of external stakeholders, including suppliers, competitors and partners, to build a portfolio of research and innovation projects. In this regard, we want to continue investing heavily to increase the pace of the energy transition of our processes, which is a clear reflection of the direction in which we want to be headed, as well as evidence of the stark trend towards the use of recycled glass and cleaner sources of energy.

*"Decarbonisation of the production process is one of this decade's most important challenges. We've been working on this for years at Vidrala. Digitalisation is one of the tools that is yielding major results."* **Carlos Baranha, Vidrala Technical Director.**

It is also worth noting that, in order to ensure our Executive Committee has competence on climate-related issues and opportunities and can demonstrate responsible leadership, a number of the Executive Team members have taken part in Carbon Literacy training. A total of 38 employees have completed this training. This course covers 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.


This training is a great way to gain a solid awareness of climate change and the climate impacts of our everyday actions. In the future, The Group would like to extend this training to all employees to ensure that sustainability is feeding into as many decisions as possible throughout the business.

Thanks to the foregoing efforts, Vidrala's performance in terms of greenhouse gas emissions in the year covered by this report is as follows:

**Table: CO<sub>2</sub> Emissions**

GhG Source	2020	2021	2022	2023
Scope 1 (tCO <sub>2</sub> e)	810,398	862,314	908,242	855,850
Scope 2 / Location-based (tCO <sub>2</sub> e)	168,199	164,261	136,776	119,362
Scope 2 / Market-based (tCO <sub>2</sub> e)	80,204	74,875	86,355	59,022
Scope 3 (tCO <sub>2</sub> e)	88,220	938,055	1,231,068	1,016,133
<b>Total Emissions / Location (tCO<sub>2</sub>e)</b>	<b>1,066,817</b>	<b>1,964,630</b>	<b>2,276,086</b>	<b>1,991,345</b>
<b>Total Emissions / Market (tCO<sub>2</sub>e)</b>	<b>978,822</b>	<b>1,875,244</b>	<b>2,225,665</b>	<b>1,931,005</b>
Total Scope 1 & 2 / Location (tCO <sub>2</sub> e)	978,597	1,026,575	1,045,018	975,212
Total Scope 1 & 2 / Market (tCO <sub>2</sub> e)	890,602	937,189	994,597	914,872
<b>Carbon Intensity - Total Scope 1 &amp; 2 / Location (tCO<sub>2</sub>e)</b>	<b>0.405</b>	<b>0.386</b>	<b>0.378</b>	<b>0.370</b>
<b>Carbon Intensity - Total Scope 1 &amp; 2 / Market (tCO<sub>2</sub>e)</b>	<b>0.369</b>	<b>0.352</b>	<b>0.360</b>	<b>0.347</b>

*Scope 1 includes emissions from consumption of natural gas and other fuels, decarbonisation of raw materials, leaked refrigerants and use of our fleet.*



In this respect, we have managed to reduce our Scope 1 and 2 emissions by 8% in absolute terms compared to 2022. This decrease is mainly due to the production stoppages we have carried out during the year. However, in terms of emissions intensity (measured as tonnes of CO<sub>2</sub>e per tonne of melted glass), we have achieved a reduction of 4%. This indicates that, despite having produced fewer tonnes, this decrease is also due to our efforts to increase the use of renewable energies in our operations.

In addition, we have also managed to reduce our Scope 3 emissions by 17%, reflecting our commitment to decarbonising all stages of our value chain.

This progress in emissions reductions represents 8.3% and 24.0% progress on our short- and long-term SBTi targets, respectively.



## 8.2.3 Logistics

The main environmental challenges facing the glass industry are directly linked to production and transportation. Accordingly, in addition to investment in innovation in the glass production process, to reduce the carbon footprint of each glass container, at a Vidrala Group level we have established objectives aimed at improving our environmental performance in transport. To that end, we are primarily focusing efforts on two ways to decarbonise transportation: firstly, testing production with biofuels and other alternatives such as hydrogen or biomethane, and, secondly, improving the efficiency of rail-road intermodality, all of which are aimed at reducing emissions in our supply chains.

In recent years, the Vidrala Group has been engaged in transitioning its fleet to vehicles that exclusively use liquefied petroleum gas (LPG), or the adoption of diesel vehicles certified under the most stringent emissions regulations, namely: EURO 6 by 2025. This ensures a 84% reduction in nitrogen oxide emissions (NOx) from transport activities. In line with our short-term targets under the SBTi initiative, we aim to reduce annual fuel consumption in our logistics activities by 4% each year until 2030.

We have also undertaken to invest in a new fleet of natural gas-powered trucks. This type of fuel translates into a 50-60% reduction in carbon dioxide emissions per journey. In parallel, we have been exploring

the use of hydrotreated vegetable oil (HVO) as a substitute for standard diesel in our transport fleet. This oil offers a more environmentally friendly alternative, as it features lower carbon emissions and is free from fossil fuel components, thereby underpinning sustainability in road transport. The results have been extremely positive, in particular the significant reduction in CO2 emissions thanks to opting for HVO rather than conventional diesel. This fuel type has also been shown to offer a slight improvement in fuel efficiency per kilometre, without compromising vehicle power or performance.

As regards Encirc, since 2021 we have been engaged in improving and increasing the use of the rail terminal at Elton, Cheshire (UK) as a major step towards building an “ultra sustainable” intermodal transport network for glass in the United Kingdom. Adopting rail is considered an emerging trend in supply chain management and we are aware at Vidrala of the huge potential it can offer to reduce carbon emissions. Encirc imports wine from beverage makers around the world. Once received in bulk, the product is shipped to local bottling plants by rail to make the “last mile” delivery as short and efficient as possible. For deliveries to other countries, we prioritise and promote bulk shipping processes that significantly improve the efficiency of deliveries and reduce the environmental impact.



***Every tonne of freight moved by rail means 76% less carbon emissions compared to road transport. Internal studies suggest that switching to local bottling plants reduces the transport-related carbon footprint by on average 42%.***

We also made a further improvement to our logistics area earlier this year. Specifically, at our plant at Castellar del Vallés (Barcelona), and in collaboration with Linde Material Handling, we successfully replaced 100% of our combustion engine forklifts with electric ones. This has led to greater energy efficiency and a reduction in CO2 emissions in the region of some 300 tonnes. We also achieved this milestone in 2022 at our Gallo plant in Marinha Grande (Portugal) and at the García warehouse.

Lastly, we intend to complement all the progress made in reducing emissions, most notably through the development of a blockchain-based logistics model over the coming years.

## 8.2.4 Air, light and noise pollution

As a company featured on the Catalogue of Potentially Air Polluting Activities, as per Royal Decree 100/2011 of 28 January 2011, we carry out rigorous controls at Vidrala, as stipulated by the current regulatory framework. These controls are detailed in our Integrated Environmental Authorisation and apply to all polluting gas emission points across our organisation. In this respect, note that we do not exceed any of the maximum permitted values for any of the parameters envisaged in the applicable legislation in force.

Over and above the requirements of the regulatory framework, as a group we place particular emphasis on reducing polluting gas emissions from our activity. To that end, we employ the Best Available Techniques (BAT) methodology for the glass industry, which is applicable on a voluntary basis to all European manufacturers. We implement these measures in the design phase of the new furnaces and during partial repairs of existing ones. These measures consist of environmental improvements such as the use of low NOx burners or the replacement of fossil fuels with electricity.

As regards emissions of SOx and other polluting particulates from the glass melting process, we have installed electrostatic precipitators at all our plants in a bid to reduce such emissions. We would also like to highlight the improvements made in 2023 at the Portuguese plants, particularly the reduction in NOx and SOx emissions that was achieved thanks to updating our machinery.

Likewise, as regards noise and light pollution, we carry out regular controls to ensure we do not exceed the maximum values established by the regulatory framework applicable to our activity and geographic locations.



## 8.3 Circular economy

### 8.3.1 Circularity in the sector

Glass as a material offers many benefits. Its high recyclability without loss of quality allows it to be used infinitely, which reduces demand for raw materials. Given its durable and resistant qualities, glass ensures protection against external contamination and provides a long useful life. By requiring less energy and generating fewer greenhouse gas emissions compared to production from virgin raw materials, it contributes to a more circular economy.

This set of characteristics, combined with the fact that it is made from natural and abundant raw materials, makes glass the most sustainable packaging material, in contrast to other materials derived from finite fossil fuels.

We believe in the possibility of transitioning from a linear to a circular economic model to ensure there are sufficient resources for everyone in the future. To this end, we are committed to avoiding excess material in our products, promoting recycling and reuse wherever feasible, and working decisively towards the total elimination of waste.



***Glass is an ecological material by nature: it is inert, 100% and infinitely recyclable, and recognised scientifically as the healthiest packaging material thanks to preserving the properties of food and drink.***

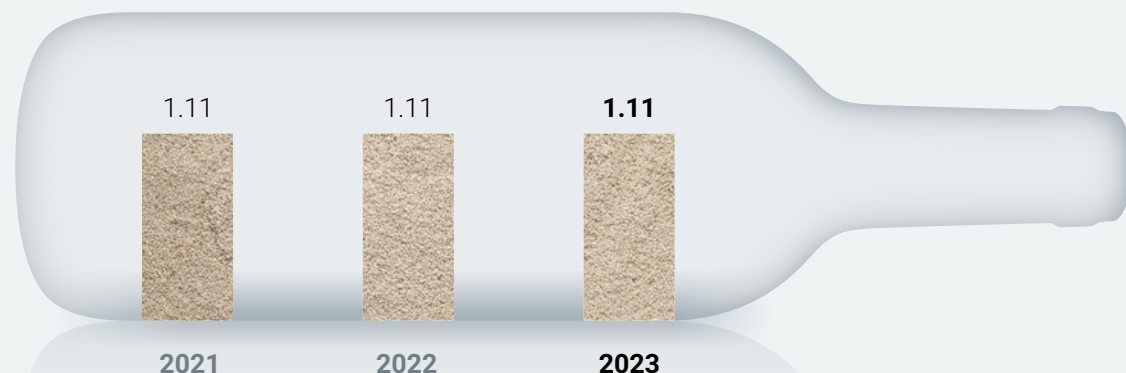




## 8.3.2 Raw materials

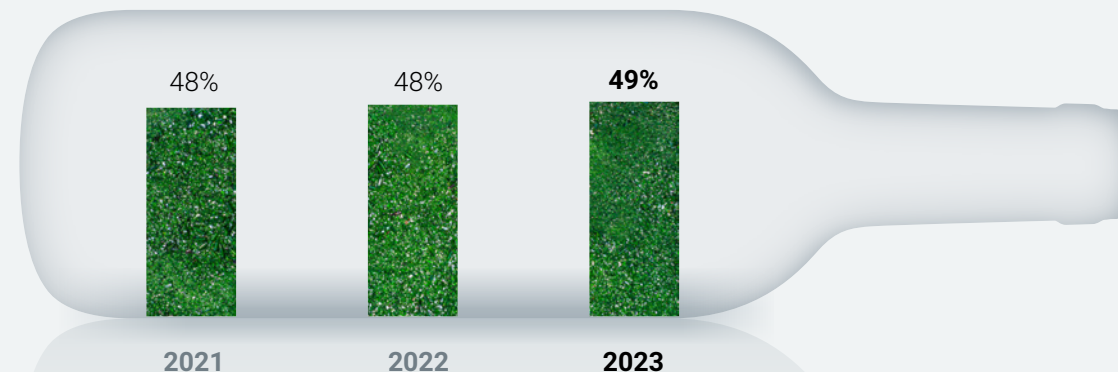
Glass is manufactured from natural and abundant raw materials such as silica sand, soda and, most significantly, recycled glass. During the glassmaking process, these elements are melted at high temperatures in our furnaces. The greater the proportion of recycled glass we can incorporate into the manufacturing process, the less dependent we are on the extraction of these essential elements from our planet. The end product can be endlessly recycled without sacrificing quality, which makes our decision to up the amount of recycled glass in our manufacturing process an appealing option. On doing so, we reduce our dependence on virgin raw material extraction, we scale back our energy usage and greenhouse gas emissions, and we contribute towards building a circular economy. Our commitment to manufacturing glass containers with the highest possible percentage of recycled glass has been realised in this exercise through a 49% of incorporation of recycled glass (over total melted tons).

### 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.

### USE OF RECYCLED GLASS (%)



Within this framework, we are implementing all available measures to further increase the recycled glass content of the containers we produce, including broken or waste glass, as well as other recycled materials. To this end, we are involved in various initiatives, including, most notably, the launch in 2021 of a specific plan entitled “Cullet, our future raw material”. This plan involves investing in the creation of long-term associations, collaborating with public authorities, optimising logistics to make recycled glass all the more accessible in challenging places and, as a result, gradually increasing the inclusion of recycled glass in our manufacturing process.

Against this backdrop, we are seeking to drive efficient circularity through cooperation with players across the value chain, with the aim of achieving 100% recycling of glass packaging. Through the “Close the Glass Loop” initiative, sponsored by the European Container Glass Federation (FEVE), we are currently working to achieve an average glass container recycling rate of 90% in the European Union by 2030 (up from the current average of 76%) and to improve the quality of recycled glass, thus facilitating greater use of recycled content in the production cycle.



### 8.3.3 Waste management

We are aware at Vidrala that efficient waste management is key to protecting the environmental balance of the planet. The correct disposal and recycling of waste contributes significantly to the conservation of natural resources, the reduction of pollution and the mitigation of negative impacts on ecosystems.

In this context, we have the required waste management authorisations for all our facilities, thus complying with current legislation. Moreover, within the framework of our Environmental Management System, we have put in place specific procedures designed to ensure proper waste management and sorting.

In 2023, we managed to valorise a total of 19,463 tonnes of waste, which is 44.33% more than the figure for 2022. However, it is worth noting that we have set ourselves the goal of valorising up to 90% of waste that was previously earmarked for landfill or incineration. To meet this target, we began a process in 2022 to certify our Management System in the direction of “zero waste” at our Aiala Vidrio and Castellar Vidrio plants, securing AENOR certification at the former in 2023. We are seeking to secure certification for our Castellar and Crisnova plants over the course of 2024, thus driving continuous improvement in the waste management field.



*We are pushing to secure Zero Waste certification as a way to demonstrate our commitment to sustainability in our day-to-day activity. This involves ensuring that at least 60% of our waste is earmarked for recovery processes, rather than landfill.*

Furthermore, at Vidrala we have actively contributed to recycling campaigns and supported the development of infrastructure at an industrial and local government level. In this respect, our goal has been to highlight the importance of strengthening recycling infrastructure at the community level in each government body, as well as adopting a uniform approach to the collection of recyclable materials. The aim is to obtain high-quality recycled resources to increase the availability of recycled glass.



One of the initiatives we would like to highlight is the “Keep Recycling Local” campaign, on which Encirc collaborated alongside Enva and Bryson Recycling, two of the leading waste recycling and recovery providers in the United Kingdom and Ireland. This campaign focused on the need for a unified strategy for recycling collection across Northern Island in order to obtain high-quality recycled materials that would allow for an increase in recycled glass supplies. Local authorities and town halls were encouraged to adopt policies and introduce collection services that fostered local waste processing, rather than exporting recyclable materials overseas. It also sought to inform the public as to the destination of the recycled materials collected from their homes.

Northern Ireland currently exports around 90,000 tonnes of recyclable waste from households, but much of it is contaminated and incorrectly sorted, complicating local recycling efforts. The solution lies in collecting recycled materials separately rather than co-mingling them in the same bin. Separation not only benefits the environment, but also saves taxpayers and local businesses millions. We observed on a daily basis that mixing waste such as glass, paper and plastics during refuse collection adversely impacts the quality of the materials themselves. A three-stream approach involving separate pickups for glass, paper and cardboard, as well as other materials such as plastics, cans and boxes would be more effective and sustainable.

*“Adopting the 3-stream approach would ensure that 80% of materials collected in Northern Ireland could be recycled locally, compared to the current figure of around 10%. (...) Of course, it will also significantly reduce Northern Ireland’s carbon footprint and protect the environment as we won’t be exporting poorly sorted materials to countries that don’t have the infrastructure to deal with the waste they receive. We are ambitious about recycling and want to support Northern Ireland to achieve the highest recycling rates in the UK.” Eric Randall, Director of Bryson Recycling, Northern Ireland’s largest recycling collector.*





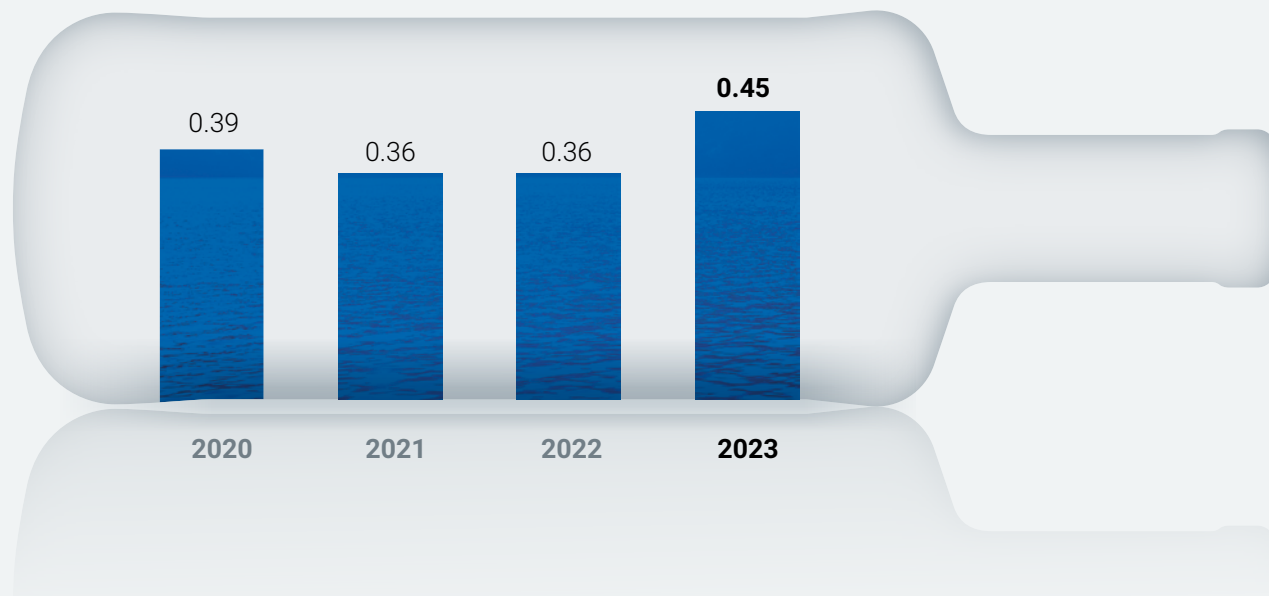
## 8.4 Water

### 8.4.1 Water consumption

Drought and water shortages have become long-term health risks at Vidrala. The potential impact on our business and local communities requires us to take steps to reduce water consumption and improve water efficiency across all our activities. At Vidrala, we carefully monitor water use and calculate the water intensity per tonne of melted glass. We have also defined specific targets to reduce water consumption through the implementation of initiatives and programmes aimed at optimising water use going forward. These include preparing a Water Management System, improving the quality of discharged water, optimising water treatment processes and raising purification standards. Despite this, as shown in the graph below, water consumption ratio increased in 2023 as a result of the incorporation of the filling business known as “The Park” in Bristol, England, a complementary activity whose nature is more intensive in water consumption.

#### WATER CONSUMPTION

(m3/tmg)



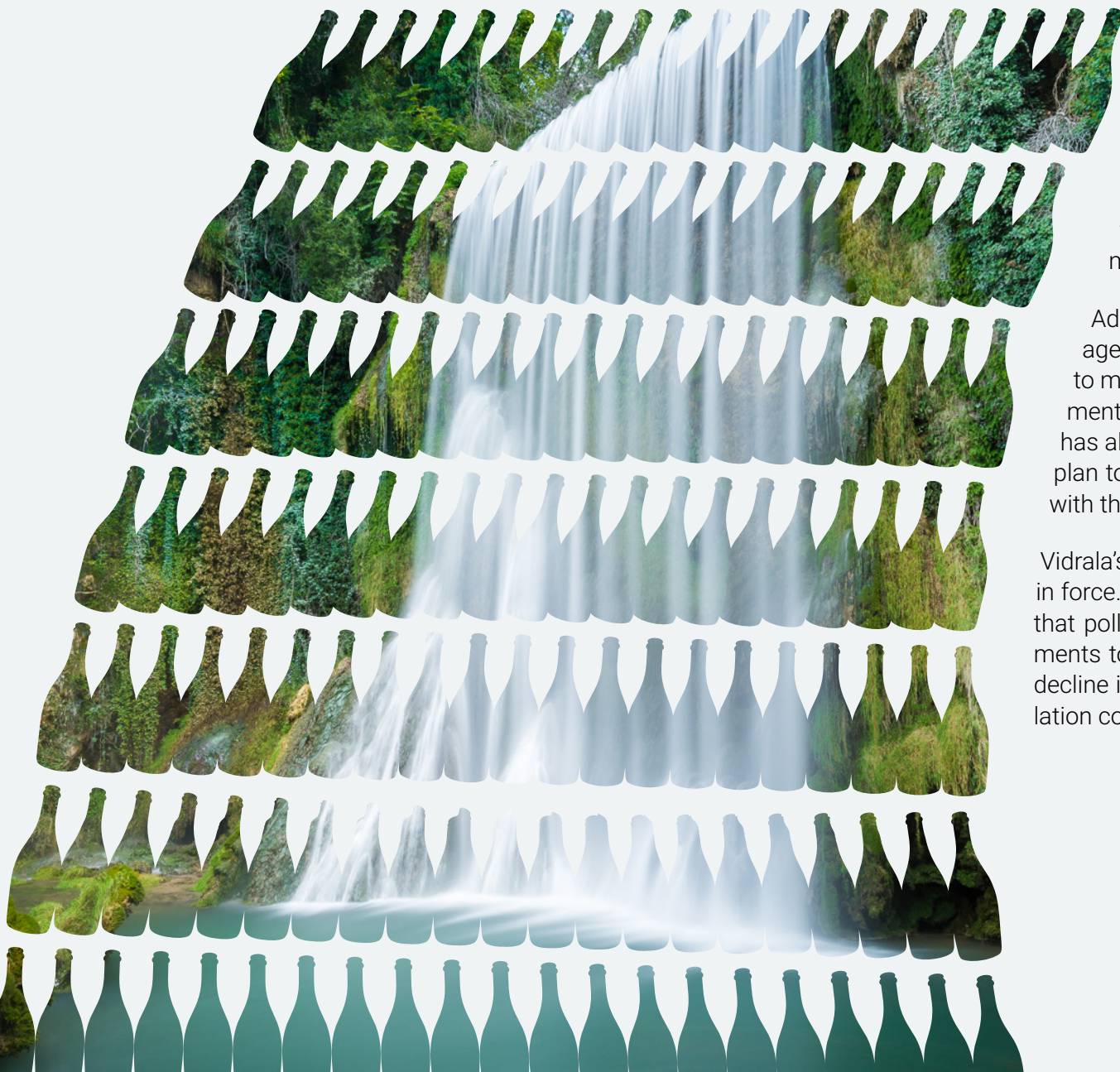
We have also put a Water Management System in place to support continuous improvements in water efficiency. This system aspires to attain maximum efficiency, while simultaneously reducing the environmental impact and mitigating risks associated with excessive water use. We have undertaken to reduce our water consumption by 50% by 2030, vis-à-vis the 2018 figure, and set specific targets to reduce water consumption in each of the communities where we operate. A good example of this is the almost 35% decrease in water consumption at our Derrylin plant since 2018. Similarly, Vidrala Italy has successfully managed to reduce its water consumption by 50% with respect to the same year.

We have also adopted various measures to increase water efficiency at our sites. One such example is the proposal to reduce the amount of compressors used at our facilities. This takes on major importance when it comes to our water use, as the air compressors used in the production process harness water for cooling purposes while in operation. Each compressor consumes between 40 and 50 cubic metres of water per hour. By replacing these water-cooled compressors with newer models, we managed to pare back annual water consumption by 9,000 cubic metres.

In 2023, we completed an audit process of water management across all plants within the Group. This process allowed us to identify opportunities for reducing water consumption at each production site and establish ambitious new objectives.

Our ambition is to reduce water consumption by 50% by 2030, using the Group's consumption in 2018 as the baseline. To achieve this, it's crucial to have a clear vision of our goals and the means to measure performance. We know our 'Best in Class' standards and the Best Available Techniques for water management that we must apply to meet our objectives. We are monitoring all key variables to effectively control equipment and facilities, and implementing a state-of-the-art reporting system.





Following the successful implementation of water process management in the first plant in 2023, yielding significant results, we plan to roll out this system to another 5 Group plants. Our focus will be on monitoring consumption, consolidating and disseminating best practices for water management, and establishing a management system based on continuous improvement.

Also of note is the fact that the Vidrala Group was awarded a 'B' in Water Security, according to the Carbon Disclosure Project reports, an accolade that reflects the company's commitment to an efficient and responsible use of water.

Additionally, at Crisnova plant, we have undertaken a project to increase efficiency in water usage, aiming to help alleviate water stress resulting from our activities. Vidrala considers it crucial to monitor data and analyse deviations in water consumption to continue implementing improvement actions. In this regard, during 2023, we carried out an action plan linked to this project, which has allowed us to reduce industrial water consumption by 6% compared to 2022. Furthermore, we plan to execute a new project next year, focusing on the reuse of water from our purging systems with the potential of reducing our water consumption by over 20%.

Vidrala's wastewater management is also conducted in strict compliance with applicable regulations in force. Additionally, we also have wastewater treatment lines or plants at all our facilities to ensure that polluted water outflows are treated prior to discharge. Finally, we have implemented improvements to the water treatment plants at all of our Spanish sites. These improvements will lead to a decline in water consumption, a rise in quality and a reduction in wastewater treatment and recirculation costs.





## 8.5 Protecting biodiversity

Vidrala does not carry out its activities in areas or territories which it could have a significant impact on ecosystems, landscapes or wildlife. In this regard, none of our facilities are located in environments that are subject to protection regimes at either a regional, national or international level. All our operations are performed in industrial areas that are located some distance from protected areas. Nevertheless, we want to play an active role at Vidrala in promoting biodiversity and in increasing awareness among colleagues, local communities, customers and suppliers as to how to generate a positive impact on biodiversity.

Against this backdrop, we have put in place specific measures aimed at protecting biodiversity. In this regard, our plant in Cheshire in the United Kingdom achieved Gold Level at the 'Business and Biodiversity Charter' awards presented by Business In The Community's (BITC). This accolade is thanks to the biodiversity initiative led by Encirc known as "The Woodland Walk", which consists of a 2 km refuge for all living things. Previously undermanaged, this refuge has been transformed thanks to a tree-planting project by employees to offset the carbon footprint. The walk was further extended; picnic benches were installed while an open meeting space was developed, which contributes to the well-being of biodiversity and improves the surrounding area.

Encirc was also awarded platinum accreditation by the 'Business and Biodiversity Charter' awards presented by Business In The Community Northern Ireland (BITCNI), one of just six companies to receive this distinction. This achievement recognises our commitment to supporting biodiversity in local communities and to the measures the company has adopted to improve its impact on all living creatures, from habitats to organisms themselves.

The Encirc plant has also launched a green corridor project in conjunction with local schools in a bid to foster and create environments with high ecological value. In this particular case, our collaboration with St Aidan's school in Derrylin included support for the planting and growing of flowers around the factory entrance and car park. Pupils also got involved in awareness-raising activities about the importance of producing less waste. This was demonstrated by using old wooden boxes as pots to grow vegetables. We also have plans to install a green wall and create a pond for recreational uses, which will benefit wildlife and habitats around the school.

As part of our commitment at Vidrala, we have undertaken to continue supporting local biodiversity projects and to work with schools and local communities to spearhead initiatives in this field.







### ***Cultivating Awareness: Encirc and St. Naites Primary School Transform Waste into Sustainable Harvest.***

Encirc has teamed up with St. Naites Primary School in Kinawley for a soil biodiversity project that saw the young pupils from the school grow their own vegetables: Encirc provided the school with a number of mould boxes from the factory which the pupils used for the planters. Moreover, the company provided the soil which is compounded from waste products generated at the factory.

The pupils then planted their different seeds and watched nature takeover. On their return from the summer break, the excited pupils then harvested their crops and brought them home to their families for some healthy eating. A great project all around, highlighting what can be created by recycling and reusing.



# 9. Disclosures

## DOUBLE MATERIALITY

### Impacts, Risks and Opportunities (IRO) identification

To carry out our double materiality analysis, first, we conduct an assessment of the impacts, risks, and opportunities (IROs) identified in each of the sustainability issues (sub-topics) associated with the ESRS. These ESRS are as follows:

- **E1 Climate Change**
- **E2 Pollution**
- **E3 Water and Marine Resources**
- **E4 Biodiversity and Ecosystems**
- **E5 Resource Use and Circular Economy**
- **S1 Own Workforce**
- **S2 Workers in the Value Chain**
- **S3 Affected Communities**
- **S4 Consumers and End-user**
- **G1 Business Conduct**

For the identification of these IROs at the sub-topic and sub-sub-topic levels, we have collaborated with responsible individuals from various areas to determine the real and potential impacts, risks, and opportunities that could occur both within the Group's own operations and upstream and downstream in our value chain, considering short, medium, and long-term time horizons.

During the IRO identification process, the Group recognised the importance of building on previous materiality assessments, internal risk register, and Enterprise Risk Management (ERM) Framework, as well mapping to other disclosure frameworks the Group respond to, such as Taskforce for Climate-related Financial Disclosures (TCFD), EU Taxonomy, CDP, Global Reporting Index (GRI), and Spanish Law. The Group identified 208 actual or potential IROs relevant to the Group across the 10 ESRS.

The Group commit to reviewing our scoped IROs prior to any future Double Materiality assessments to ensure additional IROs identified across the value chain are included, for example if IROs are identified in relation to new acquisitions, divestments, operational practices, or partnerships.







Following the completion of the IRO identification process, the Group has identified IROs associated with the following sub-topics:

**E1 Climate Change:**

- Climate Change Mitigation
- Climate Change Adaptation
- Energy

**E2 Pollution:**

- Pollution of Air
- Pollution of Water
- Pollution of Soil
- Substances of Concern
- Substances of Very High Concern
- Pollution of Living Organisms and Food Resources

**E3 Water and Marine Resource:**

- Water Use, Water Consumption
- Water Withdrawals
- Water Discharges in Water Bodies and in Oceans

**E4 Biodiversity and Ecosystems:**

- Direct Impact Drivers of Biodiversity Loss
- Impact on the Extent and Condition of Ecosystems
- Impacts on the State of Species
- Impacts and Dependencies on Ecosystems Services

**E5 Circular Economy:**

- Resources Inflows, including Resource Use
- Resource Outflows related to Products and Services
- Waste

**S1 Own Workforce:**

- Working Conditions
- Equal Treatment and Opportunities for All
- Other Work-related Rights

**S2 Workers in the Value Chain:**

- Working Conditions
- Equal Treatment and Opportunities for All
- Other work-related Rights

**S3 Affected Communities:**

- Communities' Economic, Social and Cultural Rights

**S4 Consumer and End-User:**

- Information-related Impacts for Consumers and/or End-users
- Personal Safety of Consumers and/or End-Users

**G1 Business Conduct:**

- Corporate Culture, Corruption and Bribery
- Management of Relationships with Suppliers including Payment Practices
- Political Engagement and Lobbying Activities
- Protection of Whistle-blowers



## Stakeholder Engagement and IRO Assessment

The assessment of IROs has been carried out using a Software-as-a-Service (SaaS) Double Materiality Assessment Tool to collate stakeholder IRO assessments, and ensure an audit proof assessment. The assessment of the IROs followed EFRAG guidance, while ensuring IRO assessment scales aligned with the Group's internal ERM Framework.

In 2023, our Double Materiality assessment required the use of internal stakeholder ratings, ensuring proxy assessments could be completed, encapsulating the views of the following external stakeholders:

- **Employees.** They make our business 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.
- **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.
- **Suppliers.** They supply us with the necessary goods and services for the development of our business activity and, therefore, are 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 creating strategic alliances that result in competitive advantages.

- **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.
- **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.



We as a Group recognises the importance of engaging with external stakeholders and will be continuing to develop our Double Materiality assessment to ensure these stakeholder viewpoints can be brought directly into our assessments in future years.

During this process, our Stakeholders were asked to assess an impact based on the time-horizon of occurrence, as well as providing their assessment of the Scale, Scope, Irremediability, and Likelihood of the impact occurring. Irremediability is only asked for a negative impact on the external environment/people. While financial risks and opportunities consider the time-horizon of the expected occurrence, as well as the potential financial impact on revenue/EBITDA/Sales, and the likelihood of occurring. Additionally, all stakeholders were asked to provide additional reasoning into their business and proxy assessments to allow further business insights.

We have used the following time-horizons across our Enterprise Risk Framework and have incorporated them within our Double Materiality assessment, which are based on the 0-5 years, 5-10 years, and 10-30 years timeframes for the short, medium, and long term, respectively.





## ***IRO Assessment Definitions***

### ***SCALE***

*How serious are the negative effects on the environment and/or people?  
Or, how beneficial are the positive effects on the environment and people?*

### ***SCOPE***

*How widespread are the negative/positive effects in terms of geographical spread or human impact?*

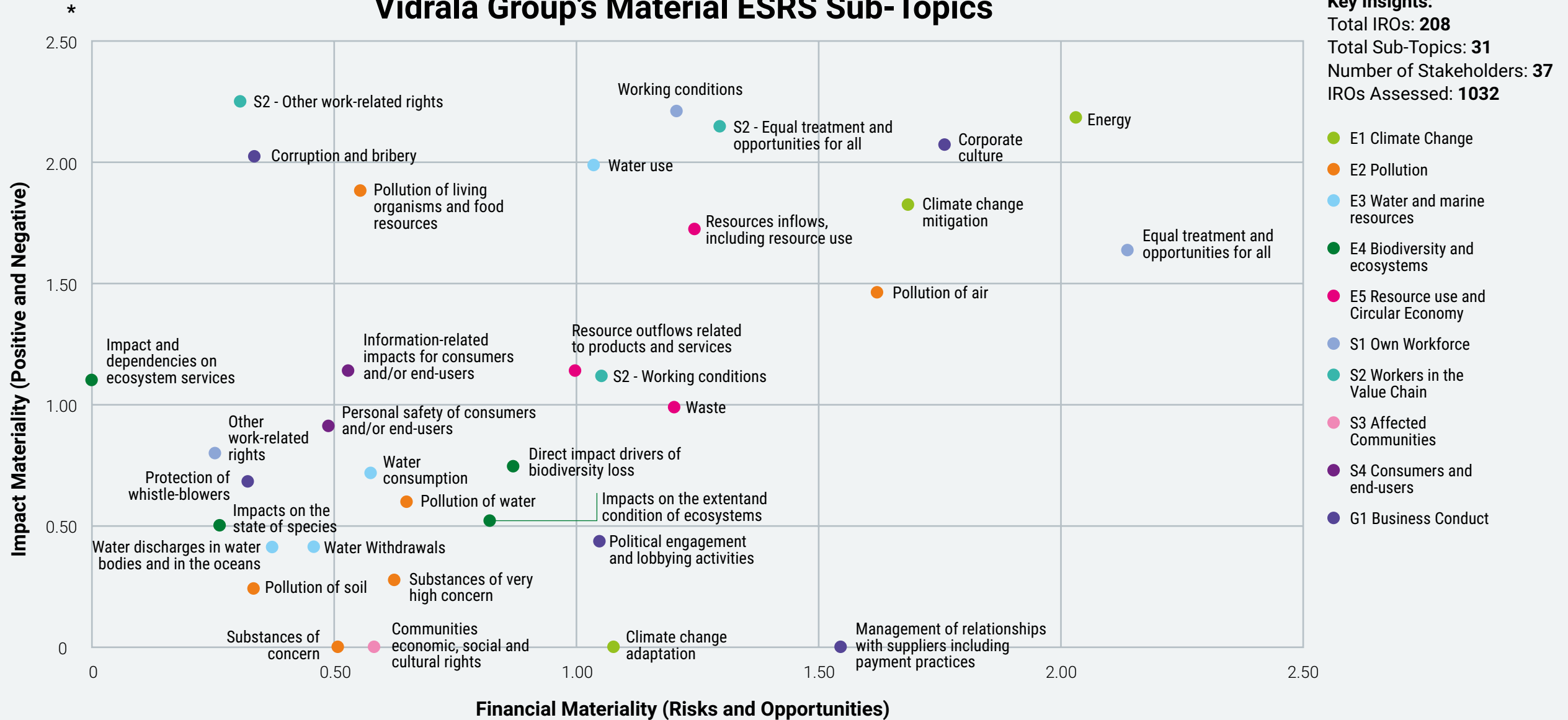
### ***IRREMEDIABILITY***

*What is the extent to which negative effects can be remedied i.e., can the former state of the environment or affected people be restored?*





## Vidrala Group's Material ESRS Sub-Topics



\*Please note, scoring scales were to 5.00 for both impact and financial materiality. Matrix axis have been auto-scaled down to reflect low scoring.

## EMBEDDING CLIMATE RISK MANAGEMENT

Climate change poses significant risk on the environment, society, and economy as we see it today. In 2023, the Intergovernmental Panel on Climate Change (IPCC) stated that “Human activities, principally through emissions of greenhouse gases, have unequivocally caused global warming, with global surface temperature reaching 1.1°C above 1850-1900 in 2020”. To combat the worst impacts, and prevent further global warming, Vidrala Group (referred to as The Group) recognise that

businesses need to act now. To do this, we recognise the importance of assessing both the positive and negative impacts our business has on the environment, as well as the financial risks and opportunities associated with mitigating and adapting to climate change over the short-long term. Our most recent Double Materiality (DM) assessment highlights the importance of Climate Change to our stakeholders, and business. Over the past two years, The Group has been assessing both transition and physical risks and have been working towards full alignment with the recommendations laid out in the Task Force for Climate-Related Financial Disclosures (TCFD).

As the TCFD recommendations are broadly aligned with the upcoming European Corporate Sustainability Reporting Directive (CSRD), The Group recognises the importance of understanding the synergies, and overlap between reporting requirements. Over the past two years, The Group undertook an in-depth study, bringing executive members from across the Group together with external climate risk experts. In 2023, the Group undertook financial modelling to assess the potential impact of two of our climate-related risks, carbon pricing on raw materials and water scarcity, to understand the potential impact to the Group across various climate scenarios and time horizons. These two risks were assessed as both risks are recognised as having a significant impact on our future strategy as a manufacturer. This has been updated within our FY23 disclosure and ensures the Group is now aligned to the requirements of the TCFD.





We have summarised our progress against the four core elements of the TCFD disclosures:

- **Governance:** How we govern climate-related risks and opportunities across our business. This provides transparency of our Board's and the Executive Committee's role in assessing and managing climate related risks and opportunities.
- **Strategy:** The actual and potential impacts of climate-related risks and opportunities on our business, strategy, and financial planning over the short, medium, and long-term. In 2023, The Group's assessment has been updated to include both qualitative and quantitative scenario analysis to guide the potential impacts of climate-related risks on the business.
- **Risk Management:** How we identify, assess, and manage climate-related risks, and integrate this into future strategy and risk management processes.
- **Metrics and Targets:** How we measure and manage our performance in addressing these risks and opportunities.

The Group recognises the importance of continuing to enhance our policies, processes, and reporting with respect to the TCFD recommendations, and are continuously reviewing internal processes, and response to risk and opportunity realisation as a result.

## Identifying and assessing climate-related risks

To establish The Group's exposure to climate-related risk, we developed a comprehensive list of both **physical and transition risks and opportunities** with the support of external climate risk experts. The list of potential climate-related risks and opportunities was built using our risk management framework, and internal stakeholder knowledge. Physical risks relate to the physical impacts of climate change. They can either be acute or chronic. Transition risks are related to the transition to a low-carbon economy, and the impact early or late action could have on the Group. Transition risks cover policy, regulatory, technological, market, reputational and legal risks.

In 2022, the Executive Committee independently assessed a list of climate-related risks and opportunities based on potential future impact, as well as the time horizon over which these could impact the Group. The identification process is based on our current expectations of climate trajectories, as well as probable climate action. In 2023, the Group focused time and investment into the quantification of climate-related risks to understand how this could impact the future strategy and mitigations. The Group recognises the importance of regularly reviewing and updating the identified climate-related risks and opportunities to ensure the Group can invest and mitigate the most likely risks to the business.

The risks identified are refined according to their **impact, time horizon and likelihood materiality**. To understand the potential impacts of our top risks, we undertook qualitative scenario analysis in 2022, updating this to include quantitative scenario analysis in 2023. This process assessed our top risks and opportunities against three different climate scenarios, including Current Policies (above 3°C), Delayed Transition (2°C) and Net Zero by 2050 (1.5°C). By analysing our top risks and opportunities across these climate scenarios, it allows us to better understand the importance of taking early action to combat future impact and implement risk management strategies to mitigate the risks. Assessing the potential financial impact across various climate scenarios is a helpful mechanism to prepare the business for impact and build a business case for the importance of investment into mitigation strategies.



## Climate risk into risk management

Risk management at The Group involves procedures supervised by the directors, coordinated by management. The Group are taking action to ensure all climate-related risks that could result in a potentially material impact are managed. To ensure this, the Group ensure effective **planning, mitigations and controls are put in place** to reduce the future impact. All climate-related risks and opportunities identified within this process are embedded into the risk register and risk management framework. The Audit Committee are responsible for clearly documenting the ownership of the risks, as well as the various controls and actions taken to mitigate and adapt to climate-related risks and opportunities.

We recognise that monitoring and managing climate-related risks effectively will be key to ensuring our business will thrive in a low-carbon society. Effective risk management also requires early action to help mitigate and adapt to the impact of climate change in the future. To improve the resilience of our organisation against our most material climate-related risks, the Group review mitigations and controls on an annual basis. Following best practice, the Group recognises the importance of developing a Net Zero transition plan to 2050. This will be developed to ensure that the Group can reinforce future resilience whilst remaining competitive and financially stable in a Net Zero world. This will allow us to understand how risk management and adaptation can be improved for the Group, while ensuring the Group's decarbonisation targets can be achieved.

## Strategy

We have assessed climate-related risks across every aspect of our value chain, assessing the risks across our own business operations, and products and services. We have also considered the varying climate-related risks and opportunities across the geographic regions in which we operate. As a result, we identified the six top climate-related risks and five top climate-related opportunities that could have a material impact upon the Group (table 1). Of these six risks, four are transition risks and two are physical risks.

The climate-related risks and opportunities have been classified by the time horizon within which we anticipate the impact to occur. These include:

- **Short-term: 0-5 years (2023-2028)**
- **Medium-term: 5-10 years (2029-2034)**
- **Long-term: 10-27 years (2035-2050)**





**Table 1: The Group's Top Climate-Related Risks and Opportunities by Time Horizon**

Category	Category overview	Risk / Opportunity	Time horizon
<b>Transition Risks</b>	Increased likelihood of regulation and climate litigation puts companies due to the transition to a low-carbon world. Transition risks include market, technology, and reputational risks.	Energy price volatility and supply security	Short-term (2023-2028)
		Increased cost of raw materials decreasing revenue if absorbed or making products less competitive if passed on	Short-term (2023-2028)
		Damaged reputation through not meeting enhanced emissions reporting obligations imposed by regulators and suppliers	Short-term (2023-2028)
		Inappropriate or untimely investment in technology leading to increased costs, reinvestment needs and failure to meet strategy	Medium-term (2029-2034)
<b>Physical Risks</b>	Physical risks relate to the physical impacts of climate change. They can either be acute and/or chronic.	Growing risk of drought and an increase in water scarcity could impact ability to produce products at maximum capacity	Long-term (2035-2050)
		Extreme weather events (flooding, drought, wildfires etc.) could cause disruption to business operations	Long-term (2035-2050)
<b>Opportunities</b>	These relate to the potential opportunities The Group could reap from taking early action to transition to a low-carbon world. Net Zero could lead to new strategy, markets, and investment.	Green capital knowledge could open access to green finance	Short-term (2023-2028)
		Strengthening relationships with internal & external stakeholders, expanding business opportunities	Short-term (2023-2028)
		Policy incentives driven by climate change for using a particular energy source may result in a cost saving. Early action on climate change could lead to a favourable position for public policy	Long-term (2035-2050)
		Investing in the use of Cullet (recycled glass) can help to reduce The Group's reliance on virgin raw materials, as well as help reduce energy consumption	Medium-term (2029-2034)
		Using new technologies, more environmentally-friendly fuels and developing new products and services is an opportunity to increase the brand image and the Group's reputation	Medium-term (2029-2034)

Undertaking climate-related scenario analysis allows us to assess the impact of our top climate-related risks and opportunities across three climate scenarios by time-horizon. Scenario analysis ensures that our business can adequately plan potential impact into our 4Ps strategy and address risks and uncertainties, as well as capitalise on opportunities presented.

Understanding the potential impact of the risk or opportunity to the business ensures that we promptly implement mitigating controls. The Group recognises the importance of updating the identification of our top climate-related risks and opportunities to ensure these remain relevant with the current external climate. The Group are assessing the implementation of a formal climate-risk and opportunity identification cadence every two years, while recognising ad-hoc reviews should occur as required. For example, since the previous reporting year The Group recognised that the climate-related risk, “Damaged reputation through not meeting enhanced emissions reporting obligations imposed by regulators and suppliers” should be considered as a “Short-term” risk rather than a “Medium-term” risk. This has been particularly driven by the recent Corporate Sustainability Reporting Directive (CSRD) requirement.

Determining focal questions prior to undertaking the scenario analysis helped to guide the key questions, and decisions the Group need to consider following the identification of a climate-related risk and/or opportunity. The Group identified broad focal questions that cover overarching strategy decisions relating to climate-related risks and opportunities, as well as more specific focal questions per individual risk. The Group recognises that our overarching focal questions are likely to develop each year as our climate-related risk identification, and assessment matures over time

Establishing the central questions before beginning the scenario analysis has helped us guide the key questions and decisions we must consider once a climate-related risk and/or opportunity has been identified. We have identified questions that cover broad strategic decisions around climate risks and opportunities, as well as more specific questions for each individual risk. In this regard, we recognise that the broad core questions are likely to evolve each year as the identification and assessment of climate risks progresses.





## Climate scenarios

In order to understand and plan for how we will be impacted in plausible future climate scenarios, we selected the most appropriate scenarios to use for the assessment.

The **Network for Greening the Financial System (NGFS) Framework** is one of the TCFD recommended frameworks for scenario analysis and meets the recommendation to assess business resilience under different climate-related scenarios, including a 2°C or lower scenario.

### What does this mean?

### What is the impact?

#### Net Zero 2050 (1,5 °C)

1. Policies are implemented immediately and smoothly.
2. Technology change is fast and there is reliable on CO2 removal.
3. Global carbon prices over \$600USD/tCO2e by 2050.
4. Aligned to RCP 2.6 - equivalent of warming of above 1°C

**Higher** transition risk; Lower physical risk. **Sharp changes** towards **decarbonising** all aspects of the **economy** from today.

#### Delayed Transition (2 °C)

1. Without immediate additional policies, emissions rise until 2030. After 2030, there are stringent policies imposed causing emissions to decline aggressively to get to Net Zero by 2050.
2. Carbon pricing increases over \$200 USD/tCO2e between 2030 and 2050.
3. Aligned to RCP 4.5 - equivalent of overage warming of above 1.5°C by 2050.

Transition risk is high in this scenario with increased physical risk.

**Higher** transition risk; **significant** physical risk. **Aggressive change** towards decarbonising the economy **from 2030** onwards.

#### Current Policies (3 °C)

1. Only currently implemented policies influence businesses and society, leading to a continued rise in emissions.
2. Technology change remains slow.
3. No modelled changed.
4. Aligned to RCP 8.5 - equivalent to an overage warming of above 2°C by 2050.

**Limited** transition risk; **Higher** physical risk. **Reduced support** to limit the effects of climate change- only current policies applied.



Transition risks are modelled to have the highest risk to the Group in a Net Zero 2050 and Delayed Transition Scenario over the medium-long term. The risk is highest in these scenarios as new stringent legislation, regulation, and carbon taxes will likely be put in place to help transition to a low-carbon society. This is driven by **increased pressure from governments, investors, and customers to decarbonise**.

Over the long-term, the Group can expect the highest impact in a Delayed Transition Scenario, as late action is expected to cause strict regulations to be imposed quickly. In a Current Policies Scenario, limited change to current regulation and carbon pricing is expected, and as such the impact of transition risks remain low in this scenario.

**Table 2: Transition risks impact on The Group by time horizon and climate scenario**

**Scenario 1:**  
*Current policies*  
(3 °C)  
*Business as Usual*

**Scenario 2:**  
*Delayed transition*  
(2 °C)  
*Late action taken*

**Scenario 3:**  
*Net Zero 2050*  
(1,5 °C)  
*Smooth transition*

Transitional risk category	Scenario	Short-term (2023-2028)	Medium-term (2029-2034)	Long-term (2035-2050)
Energy Price & Supply Security	1	High	High	High
	2	High	High	Very High
	3	High	Very High	Very High
Raw Materials	1	Medium	Medium	High
	2	Medium	High	Very High
	3	High	High	Very High
Reputation	1	Low	Low	Low
	2	Low	Very High	High
	3	Very High	High	High
Technology	1	Medium	High	Very High
	2	Medium	High	High
	3	Medium	Medium	High

Due to the differing geographic regions in which we operate, an increase in the physical risks of climate change poses a risk to the Group in the long term. It is important to take early action to ensure effective planning, controls and mitigation actions are taken to reduce the impact of physical risk in the future. Scenario analysis highlighted that physical risks pose the most severe impact under a Current Policies Scenario. Limited climate action will cause warming to be highest in the medium-long term, with warming potential modelled to exceed 3°C.

It is important to note that there is still risk in a delayed transition and Net Zero 2050 scenario, mainly due to the uncertainty surrounding the analysis of physical risks. This uncertainty is due to the potential to reach a tipping point, causing severe and unpredictable extreme weather events.

**Table 3: Physical risks impact on The Group by time horizon and climate scenario**

**Scenario 1:**  
*Current policies*  
(3 °C)  
*Business as Usual*

**Scenario 2:**  
*Delayed transition*  
(2 °C)  
*Late action taken*

**Scenario 3:**  
*Net Zero 2050*  
(1,5 °C)  
*Smooth transition*

Physical risk category	Scenario	Short-term (2023-2028)	Medium-term (2029-2034)	Long-term (2035-2050)
Heatwaves & Droughts	1	Medium	High	Very High
	2	Medium	High	High
	3	Low	Medium	High
Extreme Weather	1	Medium	High	Very High
	2	Medium	High	High
	3	Medium	Medium	High

### Carbon Pricing impact on the procurement of raw materials

Given its impact on achieving the Group's climate targets, it is important that the Group has oversight of the carbon emissions associated with their supply chain's production of key raw materials. The Group's three main materials for the production of glass include Soda Ash, Sand, and Cullet. Within the Group's emissions, Soda Ash is particularly emissions intensive, with each tonne of soda ash accounting for 1.39 tCO<sub>2</sub>e.



The Group recognises that the potential costs associated with suppliers passing on carbon pricing in the procurement of raw materials is one of our top climate-related risks. The Group has conducted a thorough evaluation of the financial consequences stemming from the transmission of carbon pricing throughout the supply chain, with the aim to gain a comprehensive understanding of the potential risk exposure. The assessment undertaken not only examined the potential future impact but also allowed for the exploration of diverse mitigation scenarios, shedding light on the Group's capacity to effectively mitigate its risk exposure.

Understanding the potential future impact of carbon pricing on raw materials for the Group helps to gain internal understanding, and prioritisation of further mitigation action, and is an important assessment to guide the businesses strategy.

To understand the potential financial impact on the Group, the associated carbon and quantities of the top three raw materials were taken from the Group's 2022 GHG emissions. The average product carbon per tonne was derived to generate total predicted emissions (tCO<sub>2</sub>e) for each raw material. These emissions were then subjected to carbon pricing projections<sup>1</sup> corresponding to the selected climate scenarios (Net Zero 2050, Delayed Transition, and Current Policies), extending up to 2050.

The financial modelling demonstrated that in an unmitigated scenario, the Group could expect a very high financial impact within the short-long term in both a Delayed Transition and Net Zero 2050 scenario. Mitigation scenarios, such as supplier achievement of their Science-based targets and the achievement of internal cullet targets, were modelled in to assess the different impacts the Group may experience under various pathways.

The Net Zero 2050 mitigation scenario demonstrated that working with suppliers to set Net Zero SBTs, and implement decarbonisation initiatives would significantly reduce the pass on cost to the Group, reducing impact on the Group substantially. This demonstrates our recognition of the importance of continuing to work to achieve our Net Zero target, as well as continuing to work with our key suppliers to encourage them to set Net Zero Targets to 2050.

### The implications

While the modelled financial impact of this risk relies heavily on the underlying carbon pricing projections, the results highlight mitigation strategies the Group could consider to mitigate raw material risk exposure in the future. A few of the most impactful mitigation scenarios include:

- Achieving the Group cullet procurement target – every 10% increase in cullet will lead to a 2.5% decrease in direct energy procurement. Please note, the quantification of this mitigation scenario did not account for any direct energy savings that could result from increasing cullet.
- Engaging with suppliers to encourage the measurement of Scope 1, 2 & 3 emissions, and set Science Based Targets (SBTs) to 2030, and Net Zero Targets.
- Encourage suppliers to undertake product-level lifecycle assessments (LCAs) to ensure accurate raw material emission representation. Assess product level emissions differences between synthetic and natural soda ash.



## Water Scarcity

Given the nature of glass manufacturing, and its reliance on water usage, it is important that The Group has oversight of the water consumption and water availability at each of the manufacturing site's locations. The Group has identified water scarcity as a significant physical risk to direct operations. This is due to both increasing regional temperatures, as well as increasing pressure on local water suppliers.

The Group recognises that a secure water supply and source is imperative to ensure glass can be produced at the rate required. The financial modelling of water scarcity assesses the potential impact water restrictions could have on the business if imposed in the future.

To assess the financial impact of water scarcity, the WWF Water Risk Filter<sup>2</sup> was used to derive risk scores for each location at a baseline level (2020), medium-term time horizon (2030) and long-term time horizon (2050). The model has assessed the Group's site level risk at three different climate scenarios, Net Zero 2050, Delayed Transition, and Current Policies. Restriction impact assumptions were applied to the WWF Risk Filter risk categories. These assumptions were built from historical water depletion and scarcity research at each of the locations in which the Group operate. Further information on the water consumption, source and revenue by site were used to refine these assumptions.

The financial modelling demonstrated that within an unmitigated scenario, Vidrala Group has a material risk exposure to water scarcity, with a financial materiality exceeding the Group's Very High risk threshold in both a Current Policies and Net Zero scenario in 2030 and 2050. While this exceeds the Very High risk threshold of The Group, as a business we recognise that this is an unmitigated view, and that mitigation actions have already been taken to ensure our long-term resilience at our manufacturing site most at risk.

### The implications

The results highlighted a number of implications, and considerations for the Group to mitigate water scarcity in the future. These include:

- Review the supply and security of water supply at each site and consider the diversification of supply in locations deemed as higher risk. The Group will focus on securing additional water supplies for sites in Portugal, Castellar Vidrio, and Santos Barosa.
- Annually monitor the water security risk at our site locations to ensure any site-level changes in water availability, and the potential impact are identified.
- Continue to engage with site managers, considering additional future water efficiency strategies. This will be led and applied alongside the Group's 5-year water strategy to ensure a holistic business approach to site level efficiency strategies.
- Review The Group's 5-year water strategy, and extend to a longer-term time horizon.
- Monitor changes in regional water scarcity and restrictions, updating modelling assumptions in our quantitative modelling as new climate information becomes available.

**Table 4: Opportunities impact on The Group by time horizon and climate scenario**

**Scenario 1:**  
*Current policies*  
(3 °C)  
*Business as Usual*

**Scenario 2:**  
*Delayed transition*  
(2 °C)  
*Late action taken*

**Scenario 3:**  
*Net Zero 2050*  
(1,5 °C)  
*Smooth transition*

Climate-related opportunities	Scenario	Short-term (2023-2028)	Medium-term (2029-2034)	Long-term (2035-2050)
Green Finance	1	Low	Low	Low
	2	Low	High	High
	3	Low	Medium	Medium
Stakeholder Relationships	1	Low	Low	Medium
	2	Low	High	High
	3	High	High	High
Policy Incentives	1	Low	Low	Low
	2	Low	High	High
	3	Medium	Medium	High
Cullet Investment	1	Low	Medium	Medium
	2	Low	Medium	High
	3	High	High	Very High
Technological Investment	1	Medium	Medium	High
	2	Medium	High	High
	3	High	Very High	Very High

While we recognise the significant impact climate-related risks could have upon our business and operations, we have also identified five key opportunities that the business could experience if identification and action is taken early (Table 4). The opportunities are reaped by the Group during the global transition to a low-carbon society, and therefore have the highest impact under a Net Zero by 2050 and Delayed Transition scenario.

The identification of our opportunities highlight the inter-related nature of climate-related risks and opportunities. Timing, investment, and policy are all variables that could impact whether we experience the impact as a risk or opportunity.

Building and maintaining trust in our climate actions among stakeholders, and being ready to respond to issues is important, and could cause high impact as ESG rises on investors' agendas. To seize opportunities related to early climate action, we will continue to maintain regular horizon scanning of technology, research, and government regulation. Working alongside our glass industry peers, suppliers, customers, and glass associations - such as the European Container Glass Federation (FEVE), Anfevi, Glass Futures or Ass-ovetro, among others - continues to be a priority for the Group, and to ensure widespread climate action is taken in the future.



## Metrics and targets

The Group recognises the importance of having underlying metrics and data to assess the Group's current stance on responding to climate-related risks and opportunities, as well as the importance of setting transparent targets based on this data. Having clear and transparent metrics and targets ensures that progress is monitored over time and guarantees that climate-related risks and opportunities remain aligned to strategy and risk management processes.

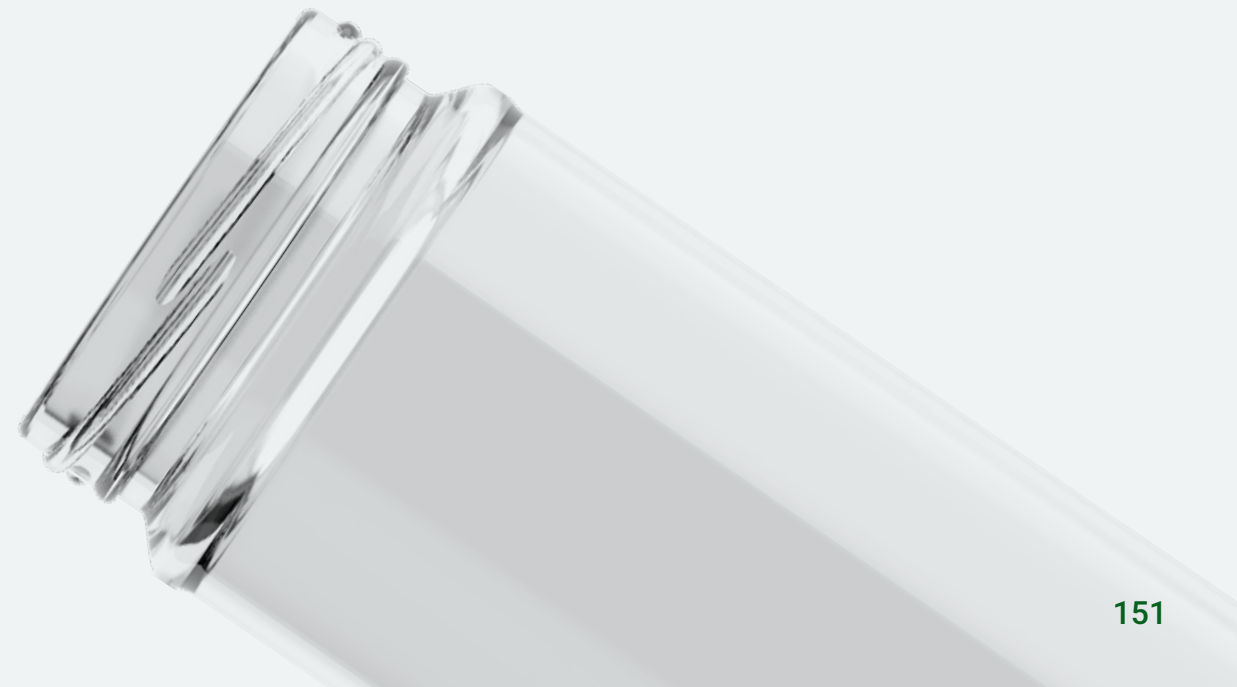
We report greenhouse gas (GHG) emissions, including Scope 1, 2 and 3 emissions. We have set a Near-Term Science-Based Target (SBT) for Scope 1, 2 and 3 to **drive decarbonisation by 2030, and had our Net Zero Target validated by the SBTi in 2023**.

**Improving our energy efficiency and reducing energy consumption** are important metrics to help mitigate the risk of energy prices and supply volatility. The result of our continued investment in energy efficiency and energy reduction projects across the business is presented in the 'Environment' section.

We also track the **recycled content of containers manufactured**. This metric is important to help track the future transitional risk of carbon pricing on raw materials, and the potential for this to be mitigated in the future through both cost and scarcity of supply. Through 'Close the Glass Loop', an initiative sponsored by the European Container Glass Federation (FEVE) aiming to increase the quantity and quality of available recycled glass, the industry is targeting a 90% average collection rate of used glass packaging by 2030. This should further promote circularity in our production process.

Drought and water scarcity emerged as a long-term physical risk for The Group. The potential impact to our business and our local communities makes it vital that we **take steps to reduce our water consumption and improve water efficiency across our operations**. We track our water consumption to determine the water intensity ratio per tonne of glass. The Group has implemented a 5-year water strategy, including water efficiency initiatives to drive water reduction in the future.

The Group is in the process of reviewing and refining our metrics and targets with relevant internal stakeholders for the most material climate-related risks and opportunities identified. These metrics will help track the magnitude of the risks, the Group's exposure, and the effectiveness of our controls. The work will also help us to capture and maximise climate opportunities, further strengthening our resilience during the transition to a low-carbon economy.





# TAXONOMY

The European Green Deal is an EU-led strategy aimed at promoting sustainability and tackling climate change. Through implementation of this strategy, the goal is to attain climate neutrality by 2050, foster the use of renewable energies and encourage sustainable practices.

One of the ways devised by the EU to help meet these targets is through its Sustainable Finance Action Plan, which, among other things, seeks to establish a unified EU-wide classification system of sustainable economic activities (known as the EU Taxonomy).

To that end, a common framework is needed to define which activities can be classified as sustainable, and what the criteria are to achieve this. In response, the EU has laid down its Taxonomy Regulation.

The Taxonomy Regulation sets out six sustainability objectives:

1. **Climate change mitigation,**
2. **Climate change adaptation,**
3. **Sustainable use and protection of water and marine resources,**
4. **Transition to a circular economy,**
5. **Pollution prevention and control,**
6. **Protection and restoration of biodiversity and ecosystems.**

However, determining whether a company's activities fit with some of the sustainability objectives is not sufficient; it is also necessary to look at the Implementing Regulations in order to be sure that they meet the established criteria. In other words, apart from being eligible, an activity also has to be aligned with the technical requirements so as to demonstrate that it makes a relevant contribution to meeting the objectives.

For non-financial undertakings, the Taxonomy sets out three key performance indicators (KPIs). These KPIs are ratios based on the turnover, CapEx and OpEx associated with a company's activity over the course of a year.

The KPIs reflect the extent to which a company's activities are potentially sustainable (eligible); and, within these activities, what proportion of them meet the Regulation's technical screening criteria and can therefore be considered as truly sustainable (aligned). [KPMG1]

Current regulatory framework is defined by the following rules:

- Regulation (EU) 2020/852 on the establishment of criteria to determine whether an economic activity qualifies as environmentally sustainable. Article 8 of Regulation (EU) 2020/852 required the EU Commission to adopt a delegated act on disclosure to specify the content and presentation of the information to be disclosed. As of 1 January 2023, the Delegated Act shall apply in full to non-financial undertakings for the 2022 reporting period.
- Delegated Act (EU) 2021/2139 (Delegated Act on Climate) establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity causes no significant harm to any of the other environmental objectives.

*Amended for the introduction of economic activities in the nuclear and natural gas sectors by Commission Delegated Regulation (EU) 2022/1214 of 9 March 2022 amending Delegated Regulation (EU) 2021/2139 as regards economic activities in certain energy sectors and Delegated Regulation (EU) 2021/2178 as regards specific public disclosures for those economic activities.*

- Delegated Regulation (EU) 2021/2178 specifying the content and presentation of information to be disclosed and specifying the methodology to comply with the regulation.

The Taxonomy Regulation is being introduced in stages, with the environmental objectives regarding climate change mitigation and climate change adaption being applicable first.

## Disclosure requirements:

In accordance with Article 8 of Regulation (EU) 2020/852, in 2021 non-financial undertakings disclosed the eligibility of the proportion of their turnover, capital expenditure (CapEx) and operating expenditure (OpEx) that met the criteria set by the European Union. In 2023, companies are also required to report on the proportion of these KPIs considered aligned in terms of the climate change mitigation and climate change adaptation objectives; for the remaining objectives, the eligibility of the KPIs listed above should be reported.

Furthermore, issuers are required to disclose relevant information on the accounting policy, the methodology used to calculate these KPIs and qualitative details that support the understanding of these KPIs.



### Nuclear energy related activities

<b>1</b>	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
<b>2</b>	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
<b>3</b>	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No

### Fossil gas related activities

<b>4</b>	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
<b>5</b>	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
<b>6</b>	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

## Scope:

Annex 1 to Regulation (EU) 2020/852 was used to define the scope of activities to which Vidrala's business could be aligned.

Turnover, capital expenditure (CapEx) and operating expenditure (OpEx) were determined and allocated to the numerator and denominator positions using the Delegated Regulation (EU), covering all Vidrala, S.A. production plants and sites.

## Taxonomy eligibility:

The eligibility of an activity is based on its similarity to the descriptions detailed in Delegated Regulation (EU) 2021/2139, which establishes the technical screening criteria and requirements for each environmental objective. These descriptions are linked to a series of associated NACE codes, which help determine eligibility by identifying activities associated with the descriptions in the regulation's annexes.

Thanks to a better understanding of the Taxonomy Regulation (Regulation (EU) 2020/852) and its applicability to the Group's economic activities, the data reported in 2022 has been revised and updated.

The following is the result of a detailed analysis of the eligibility of our activities in accordance with the criteria established by the Taxonomy:

- **7.2 Renovation of existing buildings (CCM)**
- **7.3 Installation, maintenance and repair of energy efficiency equipment (CCM)**
- **7.5 Installation, maintenance and repair of instruments and devices for measuring, regulating and controlling the energy performance of buildings (CCM)**
- **7.6 Installation, maintenance and repair of renewable energy technologies (CCM)**
- **8.1 Data processing, hosting and related activities (CCM)**
- **9.1 Close to market research, development and innovation (CCM)**
- **5.1 Repair, renovation and remanufacturing (CE)**



Regarding the recent environmental objectives published in Delegated Regulation (EU) 2023/2486, Vidrala has recognised the relevance of the circular economy, in particular the remanufacturing activity (5.1), understanding this activity as a standardised industrial process carried out in industrial or factory environments, in which products are recovered in original conditions and performance as new or better.

Vidrala has integrated this activity into the sales volume eligibility examination because Vidrala's glass bottle production involves the use of cullet. Subsequently, after analysing the volume of cullet used in our plants, we concluded that cullet represents 47% of the total. Consequently, this percentage of turnover of plants dedicated to the production of glass bottles is considered eligible.

The taxonomy is an evolving framework and, as such, requires companies to review disclosures on a regular basis to ensure that reporting is aligned with the expectations of EU regulators and relevant stakeholders. Vidrala therefore keeps a close eye on any changes that may affect its reporting activity, thus ensuring that its reports are aligned with EU regulations and the expectations of relevant stakeholders.

Vidrala will continue to review the reporting criteria on an annual basis, ensuring the accuracy and quality of the information and ensuring that disclosures coincide with the scope of the consolidated annual accounts.

As a result of our commitment to sustainability, we expect to be able to include new environmental objectives going forward and thus expand the Taxonomy.

## Alignment with the Taxonomy:

Considering the requirements set out in the Taxonomy regulation of the Delegated Climate Act (Regulation 2021/2139) for FY2023, we have conducted a comprehensive analysis of operations to assess the degree of compliance with the criteria required by the Taxonomy in relation to the alignment of eligible activities to the mitigation objective. However, due to the complexity in compiling certain technical criteria, which are highly dependent on obtaining information on suppliers, it has not been possible to carry out this process in full. We have therefore decided to continue working on this aspect throughout the year 2024, and we expect to be able to provide realistic alignment percentages for the company in the next report.

As a precaution, this year we have set Vidrala's alignment at 0% for activities related to the mitigation target.

## Meeting the Minimum Social Safeguards:

Meeting the Social Minimum Safeguards implies that a company, in the context of the Taxonomy and sustainability-related regulations, is adopting practices and policies that protect and foster human rights and social welfare. These safeguards are designed to ensure that economic activities are not only sustainable from an environmental point of view, but also from a social perspective.

Our commitment to the Minimum Social Safeguards at Vidrala is evident through:

## 1. Human rights management:

In 2022, the Vidrala Group developed its own human rights policy based on the Modern Slavery Act 2015 and International Treaties and Conventions, in particular the United Nations Universal Declaration of Human Rights. It includes the steps that Vidrala has taken and continues to take to ensure that modern slavery and human trafficking are not present within its business or supply chain. The commitment to developing policies that integrate equal treatment and opportunities among employees, without direct or indirect discrimination on grounds of race, gender, nationality, language, origin, personal deeply held beliefs, marital status or health, applies from recruitment to promotion, as well as salary policy, training, working conditions, occupational health, organisation of working time and the work-life balance. Moreover, there is a monitoring system in place, the aim of which is to ensure that the stated equality objectives are met, and to make sure communication procedures are established to announce the decisions, plans and measures adopted, as well as to report on progress made.

This policy, like the Code of Conduct approved in 2019, is available to all employees via the corporate intranet. In addition, our Code of Conduct acts as a guiding light for all activities. One of its cornerstones is a zero-tolerance stance towards corruption and bribery, among other offences. The Code is conveyed to new employees and updated annually.

The Vidrala Group ensures that its suppliers accept the Supplier Code of Conduct, approved in 2022, when registering as a new supplier. This Code sets out the human rights compliance framework that each supplier must accept, as well as their acceptance to being audited on this and other issues. The Quality Department is responsible for carrying out supplier audits, as explained in this report.

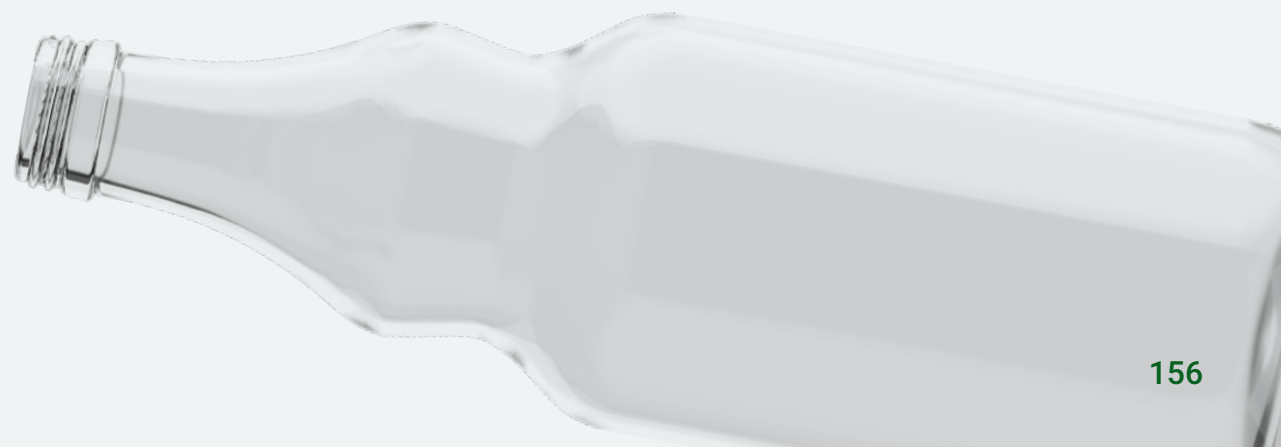
At least once a year the Audit Committee is informed of any human rights violations. No violations in this regard were registered in 2023.

## 2. Fair competition

At Vidrala, we are guided by a corporate culture where ethics and regulatory compliance are fundamental pillars. To achieve this, we have implemented a robust system that includes:

- *Compliance culture:* We promote transparency and ethics in all our business interactions, supported by our Anti-Corruption, Fraud and Competition Defense Policy and our Code of Conduct.
- *Continuous monitoring and improvement:* We have not had any legal actions related to anti-competitive behaviour in 2023 and, in the past fiscal year, we implemented a new whistleblowing channel to guarantee confidentiality and anonymity.
- *Comprehensive training:* We train all employees on the Anti-Corruption, Fraud and Competition Defense Policy and the Code of Conduct.

We believe that fair competition is fundamental to Vidrala's sustainable success. By fostering this culture of compliance and transparency, we contribute to a more equitable and beneficial market for all. This allows us to protect our customers, ensure equal opportunities and strengthen trust in our company.



### 3. Anti-corruption and antitrust:

We do not tolerate any violations of our anti-corruption, anti-bribery and ethical policies and we are committed to addressing any incidents that do. Our Anti-Corruption and Antitrust Policy, approved in 2020, sets out the applicable regulations, to whom the policy applies, the basic general principles and the channel to communicate suspicions regarding or clear violations of the policy. We ensure that all our employees are trained on these matters. Our Code of Conduct is conveyed to all new employees and is available via the corporate intranet. It is also regularly sent to current employees by email. We also have software that identifies and investigates any suspicious behaviour involving purchases and payments in order to minimise potential risks in this area. 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.

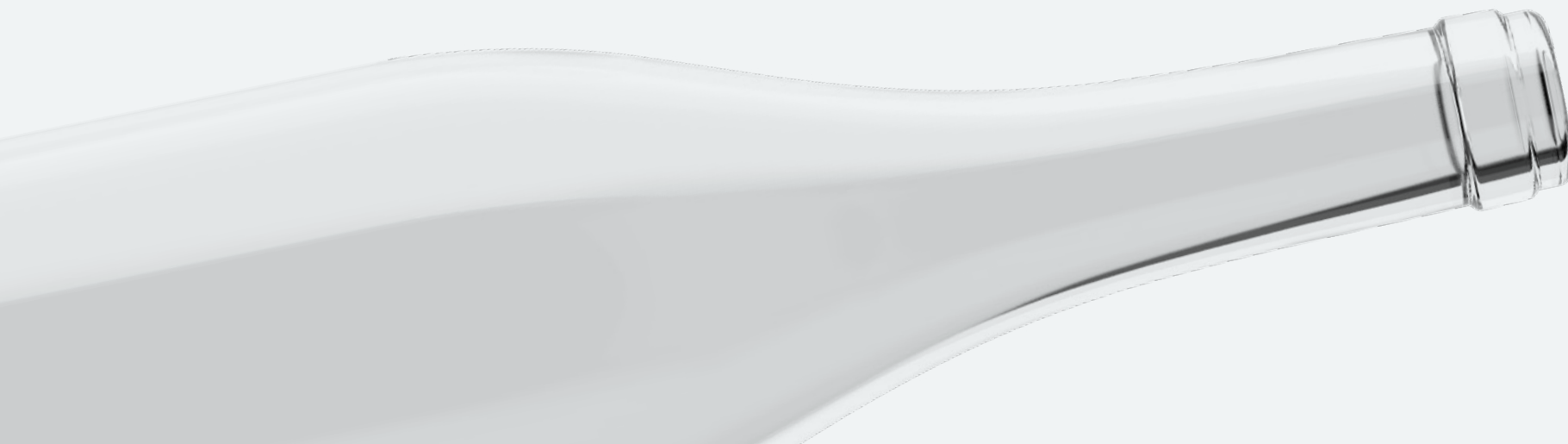
Our Anti-Corruption and Antitrust Policy also addresses the issue of anti-competitive behaviour. Once again, there were no infringements recorded or legal action brought in respect of anti-competitive behaviour or violations this year.

In 2023, the Vidrala Group continued to use the Whistleblowing Channel it created in 2022, in compliance with current legislation in this regard set out in European Directive 2019/1937 of the European Parliament and of the Council of 23 October 2019 on the protection of persons who report breaches of Union law and its transposition into the legislation of the countries in which the Vidrala Group operates. Its aim is to ensure confidentiality around the complaint, thereby guaranteeing anonymity. This Whistleblowing Channel and its management policy can be consulted at:

<https://vidralawhistleblowing.integrityline.com/frontpage>

### 4. Tax:

The Group's tax policy is focused on ensuring compliance with the prevailing tax legislation in all jurisdictions in which the Company operates. This is in line with the nature of the activity performed in each of these territories. Vidrala relies on specialist external advice to constantly assess and manage tax-related risks in the jurisdictions where it operates.





## Accounting methodology and policy:

An assessment was carried out on the allocation of income or expenses to the various economic activities using management information. This is the basis for calculating turnover, CapEx and OpEx.

### • Turnover

The assessment of turnover, in accordance with paragraph 2 a) of Article 8 of Regulation (EU) 2020/852, is carried out by calculating the numerator, represented by the proportion of net turnover linked to activities aligned with the Taxonomy, and the denominator, which is represented by the total net turnover as defined in Directive 2013/34/EU.

### • CAPEX

To calculate the proportion of CapEx, the provisions of Delegated Regulation 2021/2178 are taken into consideration.

The denominator covers additions to tangible and intangible assets during the financial year considered before depreciation, amortisation and any remeasurements, including those resulting from revaluations and impairments, for the relevant financial year and excluding fair value changes. Vidrala applies International Financial Reporting Standards (IFRS) and country-level generally accepted accounting principles (GAAP). The denominator figures can be found in the consolidated accounts. Additions to fixed assets exclude additions to intangible assets for emission allowances.

To calculate the proportion of CapEx, the provisions of Delegated Regulation 2021/2178 are taken into consideration. Accordingly, items corresponding to the proportion of investments in fixed assets, i.e. tangible and intangible assets during the period in question, have been included before taking into consideration depreciation, amortisation and possible revaluations. The indicator, on applying International Financial Reporting Standards (IFRS) as adopted by Regulation (EC) No 1126/2008, consists of costs that are accounted for pursuant to:

- **IAS 16 Property, Plant and Equipment, paragraph 73, (e), points (i) and (iii);**
- **IAS 38 Intangible Assets, paragraph 118, (e), point (i);**
- **IAS 40 Investment Property, paragraph 76, (a) and (b) (for the fair value model);**
- **IFRS 16 Leases, paragraph 53, (h).**

Leases that do not lead to the recognition of a right-of-use over the asset are not taken into consideration.

The numerator is equal to the proportion of CapEx included in the denominator, which corresponds to assets or processes associated with Taxonomy-aligned economic activities. To avoid any double counting in the allocation, each investment in economic activities has a unique identifier known as a WBS and sub-WBS.

## • OPEX

The denominator covers direct non-capitalised costs that relate to research and development, building renovation measures, short-term leases, maintenance and repair, and any other direct expenditures relating to the day-to-day servicing of assets of property, plant and equipment by the undertaking or third party to whom activities are outsourced that are necessary to ensure the continued and effective functioning of such assets.

Vidrala has a specific code to identify all OpEx items considered sustainable that meet this definition.

These metrics have been calculated taking into account the distinctive features of the integrated process and its implications for the current year's sales and financial operations, thus ensuring the accuracy and relevance of the indicators in the context of the Taxonomy and sustainability objectives.





See below the results of the analysis.

Economic Activities (1)	Codes (2)	CapEx absolute (3)	CapEx proportion (4)	Substantial Contribution Criteria						Criteria for NDSH						Minimum safeguards (17)	Proportion of the CapEx that adjusts to the taxonomy, year N-1 (18)	Category (enabling activity) (19)	Category (transitional activity) (20)
				Mitigation to climate change (5)	Adaptation to climate change (6)	Marine and hydric resources management (7)	Circular Economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Mitigation to climate change (11)	Adaptation to climate change (12)	Marine and hydric resources management (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)				
		EUR	(%)	(S, N, N/EL)	(S, N, N/EL)	(S, N, N/EL)	(S, N, N/EL)	(S, N, N/EL)	(S, N, N/EL)	(S/N)	(S/N)	(S/N)	(S/N)	(S/N)	(S/N)	(S/N)	(%)	(E)	(T)
<b>A. ACTIVITIES ELIGIBLES ACCORDING THE TAXONOMY</b>																			
A.1 ENVIRONMENTALLY SUSTAINABLE ACTIVITIES (Taxonomy Aligned)																			
Installation, maintenance and repair of energy efficiency equipment	CCM/7.3	—	—%	N	N	N/EL	N/EL	N/EL	N/EL	—	—	—	—	—	—	—	3.4%	E	
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM/7.5	—	—%	N	N	N/EL	N/EL	N/EL	N/EL	—	—	—	—	—	—	—	1.0%	E	
Installation, maintenance and repair of renewable energy technologies	CCM/7.6	2,074,123	1.1%	S	N	N/EL	N/EL	N/EL	N/EL	S	S	S	S	S	S	S	1.0%	E	
CapEX of the environmentally sustainable activities (A.1.)		2,074,123	1.1%		—	—	—	—	—	S	S	S	S	S	S	S	5.4%		
Of which: facilitators			1.1%							S	S	S	S	S	S	S	100%		
Of which: transitional										S	S	S	S	S	S	S			
ELIGIBLE ACTIVITIES ACCORDING THE TAXONOMY BUT NOT ENVIRONMENTALLY SUSTAINABLE (not taxonomy aligned)																			
Production of heat/cool using waste heat	CCM/4.25	0	—%	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.2%		
Construction, extension and operation of water collection, treatment and supply systems	CCM/5.1	589,705	0.3%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								—%		
Renewal of water collection, treatment and supply systems	CCM/5.2	0	0	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.9%		
Construction, extension and operation of waste water collection and treatment	CCM/5.3	0	0	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.1%		
Renovation of existing buildings	CCM/7.2	10,213,905	5.4%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								—%		
Installation, maintenance and repair of energy efficiency equipment	CCM/7.3	579,881	0.3%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								24.5%		





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Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM/7.5	5,714	—%	EL	N/EL	N/EL	N/EL	N/EL	N/EL		—%		
Installation, maintenance and repair of renewable energy technologies	CCM/7.6	8,318,164	4.4%	EL	N/EL	N/EL	N/EL	N/EL	N/EL		—%		
Close to market research, development and innovation	CCM/9.1	198,531	0.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL		—%		
Repair, refurbishment and remanufacturing	EC/5.1	38,838,497	20.6%	N/EL	N/EL	N/EL	EL	N/EL	N/EL		—%		
CapEX of eligible activities according the taxonomy but not environmentally sustainable activities (A.2.)		58,744,397	31.1%	10.5%	—%	—%	20.6%	—%	—%		25.7%		
<b>TOTAL (A.1. + A.2.)</b>		<b>60,818,520</b>	<b>32.2%</b>	<b>10.5%</b>	<b>—%</b>	<b>—%</b>	<b>20.6%</b>	<b>—%</b>	<b>—%</b>		<b>31.1%</b>		
<b>B. ACTIVITIES NON ELIGIBLES ACCORDING THE TAXONOMY</b>													
CapEx of not eligible according to the taxonomy		128,036,700	67,8%										
<b>TOTAL (A+B)</b>		<b>188,855,220</b>	<b>100%</b>										

		PROPORTION OF CAPEX / TOTAL CAPEX	
		It adjusts to the taxonomy by objective	Eligible according taxonomy by objective
Mitigation to climate change (5)	CCM	—%	10.5%
Adaptation to climate change (6)	CA	—%	—%
Marine and hydric resources management (7)	WTR	0%*	—%
Circular economy (8)	CE	0%*	20.6%
Pollution (9)	PPC	0%*	—%
Biodiversity and ecosystems (10)	BIO	0%*	—%

\*For year 2023, 0% is reported because the alignment detail, continuing with the required reporting obligations, will be published in 2024.



				Substantial Contribution Criteria						Criteria for NDSH										
Economic Activities (1)	Codes (2)	OpEx absolute (3)	OpEx proportion (4)	Mitigation to climate change (5)	Adaptation to climate change (6)	Marine and hydric resources management (7)	Circular Economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Mitigation to climate change (11)	Adaptation to climate change (12)	Marine and hydric resources management (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum guarantees (17)	Proportion of the OpEx that adjusts to the taxonomy, year N-1 (18)	Category (enabling activity) (19)	Category (transitional activity) (20)	
		EUR	(%)	(S, N, N/EL)	(S, N, N/EL)	(S, N, N/EL)	(S, N, N/EL)	(S, N, N/EL)	(S, N, N/EL)	(S/N)	(S/N)	(S/N)	(S/N)	(S/N)	(S/N)	(S/N)	(%)	(E)	(T)	
A. ACTIVITIES ELIGIBLES ACCORDING THE TAXONOMY																				
A.1 ENVIRONMENTALLY SUSTAINABLE ACTIVITIES		—	—%																	
OpEx of the environmentally sustainable activities (A.1.)		—	—%		—	—	—	—	—	—	—	—	—	—	—	—				
Of which: facilitators																				
Of which: transitional																				
A.2 ELIGIBLE ACTIVITIES ACCORDING THE TAXONOMY BUT NOT ENVIRONMENTALLY SUSTAINABLE																				
Renovation of existing buildings	CCM/7.2	3,020,386	2.6%	EL	N/EL	N/EL	N/EL	N/EL	N/EL											
Installation, maintenance and repair of renewable energy technologies	CCM/7.6	86,599	0.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL											
Data processing, hosting and related activities	CCM/8.1	449,620	0.4%	EL	N/EL	N/EL	N/EL	N/EL	N/EL											
Close to market research, development and innovation	CCM/9.1	1,232,000	1.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL											
Repair, refurbishment and remanufacturing	EC/5.1	19,480,492	16.6%	N/EL	N/EL	N/EL	EL	N/EL	N/EL											
OpEx eligible activities according taxonomy but not environmentally sustainable activities (A.2)		24,269,097	20.7%	4.1%	—	—	16.6%	—	—											
TOTAL (A.1. + A.2.)		24,269,097	20.7%	4.1%	—	—	16.6%	—	—							0.0%				
B. ACTIVITIES NON ELIGIBLES ACCORDING THE TAXONOMY																				
OpEx not eligible activities according to the taxonomy		92,962,571	79,3%																	
TOTAL (A+B)		117,231,667	100%																	

		PROPORTION OF OPEX / TOTAL OPEX	
		It adjusts to the taxonomy by objective	Eligible according taxonomy by objective
Mitigation to climate change (5)	CCM	—%	4.1%
Adaptation to climate change (6)	CA	—%	—%
Marine and hydric resources management (7)	WTR	0%*	—%
Circular economy (8)	CE	0%*	16.6%
Pollution (9)	PPC	0%*	—%
Biodiversity and ecosystems (10)	BIO	0%*	—%

\*For year 2023, 0% is reported because the alignment detail, continuing with the required reporting obligations, will be published in 2024.





Economic Activities (1)	Codes (2)	Absolute Turnover (3)	Proportion of turnover (4)	Substantial Contribution Criteria						Criteria for NDSH						Minimum safeguards (17)	Proportion of the turnover that adjusts to the taxonomy, year N-1 (18)	Category (enabling activity) (19)	Category (transitional activity) (20)
				Climate change Mitigation (5)	Climate change Adaptation (6)	Water and marine resources (7)	Circular Economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Mitigation to climate change (11)	Adaptation to climate change (12)	Marine and hydric resources management (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)				
		EUR	(%)	(S, N, N/EL)	(S, N, N/EL)	(S, N, N/EL)	(S, N, N/EL)	(S, N, N/EL)	(S, N, N/EL)	(S/N)	(S/N)	(S/N)	(S/N)	(S/N)	(S/N)	(S/N)	(%)	(E)	(T)
<b>A. TAXONOMY ELIGIBLE ACTIVITIES</b>																			
A.1 ENVIRONMENTALLY SUSTAINABLE ACTIVITIES (taxonomy - aligned)		—	—%																
Turnover of environmentally sustainable activities (taxonomy-aligned) (A.1.)	—	—	—%	—	—	—	—	—	—								—%		
Of which: facilitators																			
Of which: transitional																			
<b>A.2 Turnover of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)</b>																			
Repair, refurbishment and remanufacturing	CE 5.1	726,811,135	47.1%	N/EL	N/EL	N/EL	EL	N/EL	N/EL	0									
Turnover of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)		726,811,135	47.1%	—%	—	—	47.1%	—	—	—							—%	—%	
TOTAL (A.1. + A.2.)		726,811,135	47.1%	—%	—%	—%	47.1%	—%	—%	—%									
<b>B. TAXONOMY-NON-ELIGIBLE ACTIVITIES</b>																			
Turnover of taxonomy-non-eligible activities (8)		817,623,916	52.9%																
TOTAL (A+B)		1,544,435,051	100%																

		PROPORTION OF TURNOVER / TOTAL TURNOVER	
		It adjusts to the taxonomy by objective	Eligible according taxonomy by objective
Mitigation to climate change (5)	CCM	—%	—%
Adaptation to climate change (6)	CA	—%	—%
Marine and hydric resources management (7)	WTR	0%*	—%
Circular economy (8)	CE	0%*	47.1%
Pollution (9)	PPC	0%*	—%
Biodiversity and ecosystems (10)	BIO	0%*	—%

\*For year 2023, 0% is reported because the alignment detail, continuing with the required reporting obligations, will be published in 2024.



# 10. Annexes

## ANNEX 1. Full data tables

**Table 1**

### Consumption of raw materials (tons)

	2021	2022	2023
Consumption of raw materials	2,950,346	3,080,299	2,933,221

**Table 2**

### Water consumption (m<sup>3</sup>)

	2021	2022	2023
Water consumption	950,459	996,383	1,188,199

**Table 3**

### Other pollutants (kg)

	2021	2022	2023
Nitrogen Oxides - NO <sub>x</sub>	4,248,111	3,270,982	4,738,990
Sulphur Dioxides - SO <sub>x</sub>	3,003,145	2,350,454	3,090,494
Particles	77,242	70,096	81,613
<b>TOTAL</b>	<b>7,328,498</b>	<b>5,691,532</b>	<b>7,911,097</b>

**Table 4**

### Waste generation (tons)

	2021	2022	2023
Hazardous / Disposed	3,401	3,277	3,946
Hazardous / Recovered	1,095	2,525	4,752
Non-Hazardous / Disposed	1,556	1,182	1,299
Non-Hazardous / Recovered	11,630	10,965	14,711
<b>TOTAL</b>	<b>17,682</b>	<b>17,949</b>	<b>24,707</b>

**Hazardous waste**, such as dragger sludge, electrostatic precipitator waste, furnace chamber cleaning waste, empty containers, absorbent rags, oil, etc. **Non-hazardous waste**, such as wood, paper and cardboard, plastic packaging, metal scrap, electrical scrap, disused moulds, obsolete machinery wiring, lithium batteries, etc. **Disposed** refers to non-recoverable waste, which will end up in a landfill. **Recovered** refers to discarded materials that will be recycled to serve a useful purpose by replacing other materials which would otherwise have been used to fulfil a particular function. Historical values have been amended due to reclassifications.

**Table 5**

### Employees by country (#)

	2021	2022	2023
United Kingdom	1,358	1,497	1,909
Spain	1,102	1,097	1,075
Portugal	848	872	881
Italy	190	187	192
Ireland	11	10	10
France	11	10	9
<b>TOTAL</b>	<b>3,520</b>	<b>3,673</b>	<b>4,076</b>





Table 6

## Employees by gender, age, and professional category (#)

	2021	2022	2023
Female	499	529	602
Male	3,021	3,144	3,474
<b>TOTAL</b>	<b>3,520</b>	<b>3,673</b>	<b>4,076</b>
Under 30 years old	347	406	432
31-50 years old	2,226	2,249	2,449
Over 50 years old	947	1,018	1,195
<b>TOTAL</b>	<b>3,520</b>	<b>3,673</b>	<b>4,076</b>
Directors	49	47	46
Line Manager	452	469	544
Other Employees	3,019	3,157	3,486
<b>TOTAL</b>	<b>3,520</b>	<b>3,673</b>	<b>4,076</b>

Table 7

## Indefinite contracts by gender, age, and professional category (#)

	2021	2022	2023
Female	464	491	561
Male	2,853	2,960	3,276
<b>TOTAL</b>	<b>3,317</b>	<b>3,451</b>	<b>3,837</b>
Under 30 years old	269	314	333
31-50 years old	2,121	2,136	2,336
Over 50 years old	927	1,001	1,168
<b>TOTAL</b>	<b>3,317</b>	<b>3,451</b>	<b>3,837</b>
Directors	49	47	46
Line Manager	445	461	538
Other Employees	2,823	2,943	3,253
<b>TOTAL</b>	<b>3,317</b>	<b>3,451</b>	<b>3,837</b>

Table 8

## Temporary contracts by gender, age, and professional category (#)

	2021	2022	2023
Female	36	39	41
Male	167	183	198
<b>TOTAL</b>	<b>203</b>	<b>222</b>	<b>239</b>
Under 30 years old	78	92	99
31-50 years old	105	113	114
Over 50 years old	20	17	26
<b>TOTAL</b>	<b>203</b>	<b>222</b>	<b>239</b>
Directors	1	0	0
Line Manager	7	8	6
Other Employees	195	214	233
<b>TOTAL</b>	<b>203</b>	<b>222</b>	<b>239</b>

Table 9

## Part-time contracts by gender, age, and professional category (#)

	2021	2022	2023
Female	43	61	63
Male	61	80	88
<b>TOTAL</b>	<b>104</b>	<b>141</b>	<b>151</b>
Under 30 years old	1	12	12
31-50 years old	41	56	58
Over 50 years old	62	73	81
<b>TOTAL</b>	<b>104</b>	<b>141</b>	<b>151</b>
Directors	1	1	0
Line Manager	9	12	11
Other Employees	94	128	140
<b>TOTAL</b>	<b>104</b>	<b>141</b>	<b>151</b>



**Table 10**

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

	2021	2022	2023
Female	4	5	5
Male	27	27	27
<b>TOTAL</b>	<b>31</b>	<b>32</b>	<b>32</b>
Under 30 years old	5	7	5
31-50 years old	13	16	19
Over 50 years old	13	9	8
<b>TOTAL</b>	<b>31</b>	<b>32</b>	<b>32</b>
Directors	1	1	0
Line Manager	7	3	2
Other Employees	23	28	30
<b>TOTAL</b>	<b>31</b>	<b>32</b>	<b>32</b>

**Table 11**

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

	2021	2022	2023
Female	38,154	40,268	44,240
Male	44,293	45,893	49,517
<b>TOTAL</b>	<b>43,423</b>	<b>45,083</b>	<b>48,738</b>
Under 30 years old	37,003	37,422	40,909
31-50 years old	44,141	45,729	49,119
Over 50 years old	44,087	46,712	50,787
<b>TOTAL</b>	<b>43,423</b>	<b>45,083</b>	<b>48,738</b>
Directors	164,586	181,795	211,971
Line Manager	70,842	72,730	76,137
Other Employees	37,351	38,940	42,308
<b>TOTAL</b>	<b>43,423</b>	<b>45,083</b>	<b>48,738</b>

**Table 12**

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

	2021	2022	2023
Female	93,100	99,796	107,131
Male	146,701	159,416	182,055
<b>TOTAL</b>	<b>132,083</b>	<b>139,543</b>	<b>154,810</b>

**Table 13**

**Average remuneration\* of Directors, by gender (EUR)**

	2021	2022	2023
Female	0	146,335	174,425
Male	0	183,371	213,678
<b>TOTAL</b>	<b>164,586</b>	<b>181,795</b>	<b>211,971</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. \*\*Average remuneration of Directors, by gender: omitted in previous years for data protection reasons, as there was only one female director.

**Table 14**

**Employees with disabilities (#)**

	2021	2022	2023
<b>Employees with disabilities</b>	<b>45</b>	<b>44</b>	<b>56</b>

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 15**

**Absenteeism** (hours and index)

	2021	2022	2023
Total hours lost	589,617	567,547	501,008
Theoretical working hours	6,254,915	6,391,808	6,959,395
<b>INDEX</b>	<b>9.4%</b>	<b>8.9%</b>	<b>7.2%</b>

**Table 16**

**Occupational diseases by gender** (#)

	2021	2022	2023
Female	17	14	31
Male	60	69	43
<b>TOTAL</b>	<b>77</b>	<b>83</b>	<b>74</b>

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

**Table 17**

**Number of work accidents\*\* by gender** (#)

	2021	2022	2023
Female	11	8	4
Male	105	80	80
<b>TOTAL</b>	<b>116</b>	<b>88</b>	<b>84</b>

*\*\*Accidentes con baja.*

**Table 18**

**Frequency rate by gender** (index)

	2021	2022	2023
Female	14.4	9.5	5.4
Male	21.8	16.3	16.1
<b>TOTAL</b>	<b>20.7</b>	<b>15.3</b>	<b>14.7</b>

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

**Table 19**

**Severity rate by gender** (index)

	2021	2022	2023
Female	0.72	0.20	0.32
Male	0.79	0.47	0.42
<b>TOTAL</b>	<b>0.78</b>	<b>0.43</b>	<b>0.41</b>

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

**Table 20**

**Total hours of training by professional category** (hours)

	2021	2022	2023
Directors	1,632	941	800
Line Managers	22,494	17,763	26,755
Other Employees	89,863	112,764	82,539
<b>TOTAL</b>	<b>113,989</b>	<b>131,468</b>	<b>110,094</b>

**Table 21**

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

	2021	2022	2023
Directors	33	20	17
Line Managers	50	38	49
Other Employees	30	36	24
<b>TOTAL</b>	<b>32</b>	<b>36</b>	<b>27</b>





Table 22

**Contributions to non-for-profit organisations** (EUR)

	2021	2022	2023
Group	467,149	486,072	514,984

Table 23

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

	2021 Locals	2021 Foreign	2022 Locals	2022 Foreign	2023 Locals	2023 Foreign
Spain	10,178	2,053	10,351	2,100	10,582	2,139
Portugal	2,464	960	2,591	1,053	2,712	1,112
Italy	1,699	428	1,761	453	1,822	458
United Kingdom & Ireland	3,569	977	4,128	1,096	4,305	1,140

Table 24

**Number of dissatisfactions per million tons sold** (index)

	2021	2022	2023
Dissatisfaction index	411	402	431
<b>YoY CHANGE</b>	<b>(0.8%)</b>	<b>(2.1%)</b>	<b>7.2%</b>

Table 25

**Profits obtained, country by country** (EUR '000)

	2021	2022	2023
Spain	236,583	200,719	202,086
United Kingdom	41,772	37,362	51,787
Portugal	14,139	8,202	43,053
Italy	5,659	12,172	12,172
Ireland	1,694	2,156	2,089
France	-71	3,693	4,061

Table 26

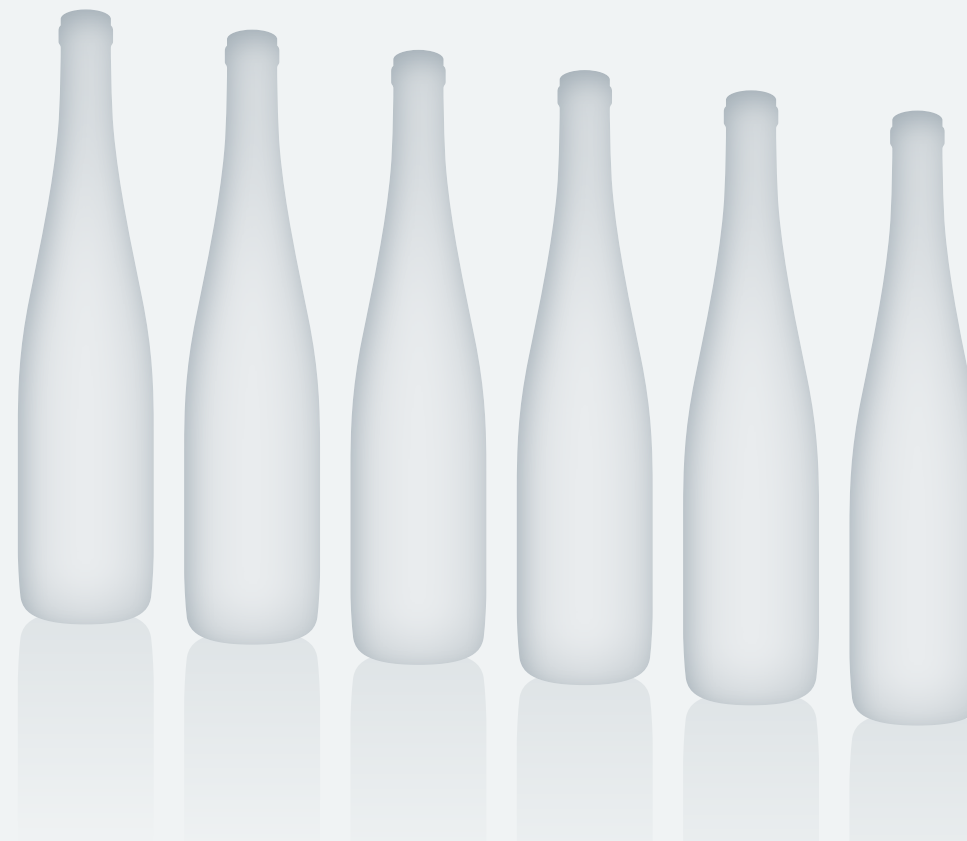
**Taxes paid on profits** (EUR million)

	2021	2022	2023
Group	27.8	8.6	45.0

Table 27

**Public grants received** (EUR million)

	2021	2022	2023
Group	0.8	3.6	6.1





# ANNEX 2. Global Reporting Initiative (GRI) Index

**GRI UNIVERSAL STANDARDS 2021 - Updated as mandatory into reporting January 2023**

## GRI 1: Foundation 2021

Vidrala Group has reported the information cited in this GRI content index for the period 01/01/2023 -31/12/2023 with reference to the GRI Standards.

## GRI 2: General Disclosures 2021

Topic	Indicator	Reporting framework	Page N°	Answer, Additional comments, Reason for omission
The organization and its reporting practices	Organizational details	2-1	4-6	Vidrala, S.A. Nature of Ownership and Legal Form: Listed, public limited company Headquarters: Llodio, Álava (Spain) Countries of operations: Spain (3), Portugal (2), UK and Ireland (3), Italy (1), and Brazil (2)
The organization and its reporting practices	Entities included in the organization's sustainability reporting	2-2	3	This report covers all production plants and locations of Vidrala, S.A., except Vidroporto, S.A., whose results are consolidated from December 1, 2023.
The organization and its reporting practices	Reporting period, frequency and contact point	2-3	3	Reporting period: 1st January 2023 - 31st December 2023 Frequency of reporting: Annually Publication date of report: 29th February 2024 Report contact details: Galo Álvarez g.alvarez@vidrala.com
The organization and its reporting practices	Restatements of information	2-4		Any restatements are included throughout the report.
The organization and its reporting practices	External assurance	2-5		This report has been verified by Ernst & Young, Climate Change & Sustainability Services (CCaSS). The independent verification report of the statement of non-financial information can be found in the full-year consolidated financial statements.
Activities and workers	Activities, value chain and other business relationships	2-6	5	Sector: Retail and Manufacturing.



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Activities and workers	Employees	2-7	5, 77-78	Breakdown of employees available in this report. Methodology: full-time equivalent (FTE). Year-on-year fluctuations are explained by company growth.
Activities and workers	Workers who are not employees	2-8	N/A	Vidrala Group do not have workers who are not employees, or whose work is controlled by the organisation.
Governance	Governance structure and composition	2-9	20-22	The governance structure is described and published on the corporate website:  <a href="https://www.vidrala.com/en/investors/governance/committee/">https://www.vidrala.com/en/investors/governance/committee/</a>  <a href="https://www.vidrala.com/en/investors/governance/commission/">https://www.vidrala.com/en/investors/governance/commission/</a>
Governance	Nomination and selection of the highest governance body	2-10	20-21	The designation of a new member of the Board of Directors is the responsibility of the General Shareholders' Meeting, following a proposal from the Board of Directors and a favorable report from the Nomination and Remuneration Committee. As an exception to the foregoing, in the event of the designation of an independent member of the Board of Directors, it is the Nomination and Remuneration Committee that submits the appointment proposal. The CV of each of the members is explained on the corporate website.
Governance	Chair of the highest governance body	2-11		The Chairman of the Board of Directors has no executive functions.
Governance	Role of the highest governance body in overseeing the management of impacts	2-12		The Board of Directors is competent to adopt agreements on all kinds of matters that are not attributed by law or the Bylaws to the General Shareholders' Meeting, with no more substantial limit than that established by the corporate purpose. The Board of Directors has the broadest powers and faculties to manage and represent the Company.  However, the Board of Directors will focus its activity on the supervision, organization and strategic coordination of the Vidrala group, defining, in particular, the level of risk that it is willing to assume.
Governance	Delegation of responsibility for managing impacts	2-13		The Board's policy is to delegate the ordinary management of the Group to the management team and concentrate its activity on the general function of supervision, organization and strategic coordination of the Vidrala group. The Board of Directors will supervise the actions of the Chairman of the Board of Directors, as the case may be, of the Chief Executive Officer and the Executive Committee and also of the senior management and will guarantee the effectiveness of the system of counterbalances provided for in the applicable legislation. This supervision is carried out at least in each Board of Directors.
Governance	Role of the highest governance body in sustainability reporting	2-14	20	As established in Article 5.5 of the Regulations of the Board of Directors, the Board is responsible for reviewing and approving the information presented.  <a href="https://www.vidrala.com/default/documentos/814_en-regulation_of_the_board_of_directors_16042019.pdf">https://www.vidrala.com/default/documentos/814_en-regulation_of_the_board_of_directors_16042019.pdf</a>
Governance	Conflicts of interest	2-15		Article 33 of the Regulations of the Board of Directors regulates the procedure to be followed in the event of conflict of interest situations of the members of the Board of Directors. No ongoing conflicts of interest in the operation of the Board of Directors have been identified. If such circumstance exists, it will be made public within the framework of the Annual Corporate Governance Report and the financial statements of the Company.
Governance	Communication of critical concerns	2-16		In each of the Boards of Directors, those points of interest and monitoring of the business are raised to this body. Likewise, if a critical concern arises, an extraordinary meeting will be established in order to deal with it.
Governance	Collective knowledge of the highest governance body	2-17		To ensure our Executive Committee has competence on climate-related issues and opportunities and can demonstrate responsible leadership, a number of the Executive Team members have taken part in Carbon Literacy training.





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Governance	Evaluation of the performance of the highest governance body	2-18		The Board of Directors has a fixed salary with no bonus based on the company's results, neither financial nor environmental. However, the Executive Committee has its 30% of the long-term incentive for the achievement of the objectives of decarbonisation, use of renewable energy and security. This bonus is reviewed by the Nominations and Remuneration Committee at least once a year.
Governance	Remuneration policies	2-19	20	The General Shareholders' Meeting of April 27, 2021 approved the remuneration policy ( <a href="https://www.vidrala.com/default/documentos/1207_es-politica_de_remuneraciones_2021-2023.pdf">https://www.vidrala.com/default/documentos/1207_es-politica_de_remuneraciones_2021-2023.pdf</a> ) for directors referring to the period 2021-2023, in accordance proposed by the Board of Directors with the prior favourable report of the Nominations and Remuneration Committee. This document establishes the remuneration policy for Directors. The Board of Directors, with the favourable report of the Nominations and Remuneration Committee, establishes the remuneration policy for the Executive Management.
Governance	Process to determine remuneration	2-20		The General Shareholders' Meeting of April 27, 2021 approved the remuneration policy for directors referring to the period 2021-2023, in accordance proposed by the Board of Directors with the prior favourable report of the Nominations and Remuneration Committee. Likewise, the annual report on directors' remuneration is submitted to a consultative vote at each General Shareholders' Meeting ( <a href="https://www.vidrala.com/es/inversores/gobierno/informe-anual-de-remuneraciones-de-consejeros/">https://www.vidrala.com/es/inversores/gobierno/informe-anual-de-remuneraciones-de-consejeros/</a> ), so that interest groups can find out (and in the case of shareholders, vote) the way in which the remuneration policy for directors has been applied in each year.
Strategy, policies and practices	Statement on sustainable development strategy	2-22	11-14	
Strategy, policies and practices	Policy commitments	2-23		All the policies are approved by, at least, one of the members of the Executive Team or a Delegated Committee of the Board of Directors. All the policies approved are available in the company's intranet. In the corporate website are the ones related to the Governance Bodies: <a href="https://www.vidrala.com/es/inversores/gobierno/reglamentos/">https://www.vidrala.com/es/inversores/gobierno/reglamentos/</a>
Strategy, policies and practices	Embedding policy commitments	2-24		Before the approval of any policy or procedure, there have been several meetings between the process owners, managers and directors where the draft and final versions have been agreed by all the parties. Once is approved, it is shared through an announcement in the intranet to all the employees. During the adaptation to the new policy, there is a follow-up by the own owners.
Strategy, policies and practices	Processes to remediate negative impacts	2-25	20-22	
Strategy, policies and practices	Mechanisms for seeking advice and raising concerns	2-26		
Strategy, policies and practices	Compliance with laws and regulations	2-27		Vidrala Group have had no instances of non-compliance with laws and regulations during the reporting period.
Strategy, policies and practices	Membership associations	2-28	17-18	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).
Stakeholder engagement	Approach to stakeholder engagement	2-29	14-15	
Stakeholder engagement	Collective bargaining agreements	2-30	40	



## GRI 3: Material Topics 2021

Topic	Indicator	Reporting framework	Page N°	Answer, Additional comments, Reason for omission
Disclosures on material topics	Process to determine material topics	3-1	15-17, 56-58	Double Materiality Assessment taking within reporting period, assessing against the statements of the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS).
Disclosures on material topics	List of material topics	3-2	16, 58	
Disclosures on material topics	Management of material topics	3-3	15-17	

## Economic Performance

Topic	Indicator	Reporting framework	Page N°	Answer, Additional comments, Reason for omission
Economic performance	Financial implications and other risks and opportunities due to climate change	201-2	58-66	Vidrala Group have disclosed against the Task Force on Climate-related Financial Disclosures (TCFD).
Public grants	Financial assistance received from government	201-4	82	
Indirect economic impacts	Infrastructure investments and services supported	203-1		
Contracting impact	Proportion of spending on local suppliers	204-1		
Anti-corruption	Operations assessed for risks related to corruption	205-1		
Anti-corruption	Communication and training about anti-corruption policies and procedures	205-2	25-26	
Anti-corruption	Confirmed incidents of corruption and actions taken	205-3	26	
Anti-competitive behavior	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	206-1		



## Environmental Performance

Topic	Indicator	Reporting framework	Page N°	Answer, Additional comments, Reason for omission
Materials	Recycled input materials used	301-2	51-52	
Energy	Energy consumption within the organization	302-1	46	
Energy	Energy intensity	302-3	46	
Water and effluents	Water withdrawal	303-3		
Water and effluents	Water consumption	303-5	53-54, 77	
Biodiversity	Significant impacts of activities, products and services on biodiversity	304-2	54-55	
Biodiversity	Habitats protected or restored	304-3	54-55	
Emissions	Direct (Scope 1) GHG emissions	305-1	45-49	
Emissions	Energy indirect (Scope 2) GHG emissions	305-2	45-49	
Emissions	Other indirect (Scope 3) GHG emissions	305-3	45-49	Scope 3 figures: 2023, 2022 and 2021 calculations include all relevant GHG categories of the company's value chain.
Emissions	GHG emissions intensity	305-4	45-49	
Emissions	Reduction of GHG emissions	305-5	45-49	
Emissions	Nitrogen oxides (NO <sub>x</sub> ), sulfur oxides (SO <sub>x</sub> ), and other significant air emissions	305-7	50, 77	
Waste	Management of significant waste-related impacts	306-2	52, 53, 77	
Supplier environmental assessment	New suppliers that were screened using environmental criteria	308-1	27, 82	
Supplier environmental assessment	Negative environmental impacts in the supply chain and actions taken	308-2	45-55	



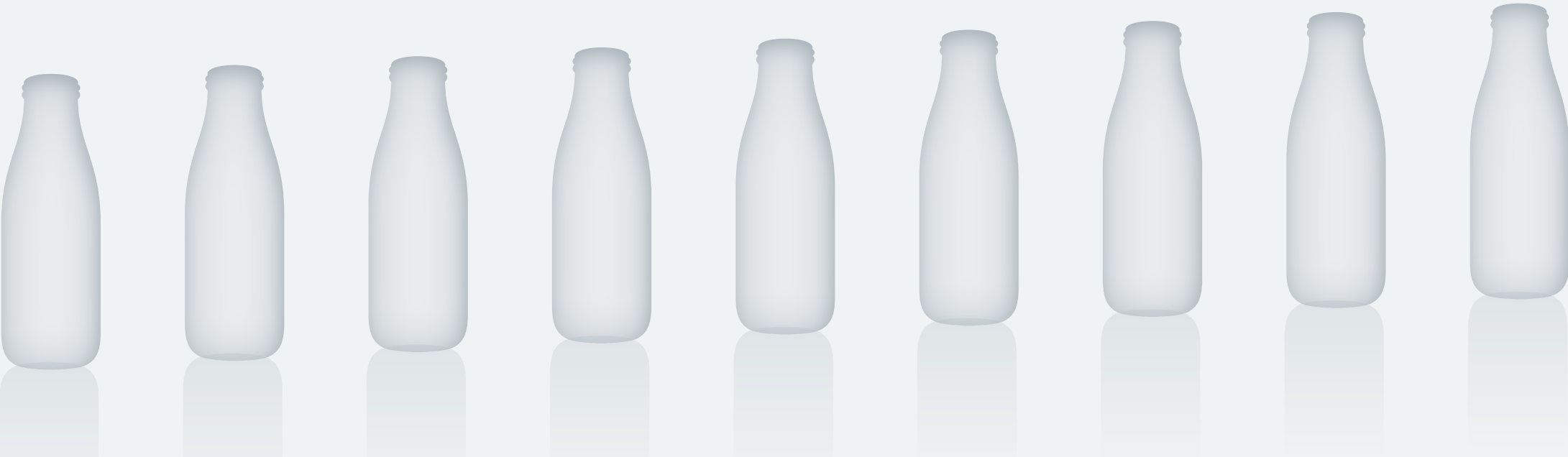


## Social Performance

Topic	Indicator	Reporting framework	Page N°	Answer, Additional comments, Reason for omission
Occupational health and safety	Occupational health and safety management system	403-1	38	
Occupational health and safety	Hazard identification, risk assessment, and incident investigation	403-2	82-83	
Occupational health and safety	Occupational health services	403-3	38-40	
Occupational health and safety	Worker participation, consultation, and communication on occupational health and safety	403-4	N/A	Omitted: Health and safety at work are excluded from the scope of negotiation of collective agreements. The management of these aspects is set within the framework of our internal policies for the prevention of occupational risks, which have evolved extensively in recent years. The negotiations of the agreements focus instead on finding a balance between the sustainability of employer-employee relations, the competitiveness of the plant in question and the fair and proportional updating of the work conditions of the workforce.
Occupational health and safety	Worker training on occupational health and safety	403-5	39	
Occupational health and safety	Promotion of worker health	403-6	39-40	
Occupational health and safety	Work-related injuries	403-9	38, 81	
Occupational health and safety	Work-related ill health	403-10	80	
Training and education	Average hours of training per year per employee	404-1	81	
Training and education	Programs for upgrading employee skills and transition assistance programs	404-2	35-36	
Diversity and equal opportunity	Diversity of governance bodies and employees	405-1	20, 36-38	
Diversity and equal opportunity	Ratio of basic salary and remuneration of women to men	405-2	38, 79-80	
Non-discrimination	Incidents of discrimination and corrective actions taken	406-1	26	
Child labor	Operations and suppliers at significant risk for incidents of child labor	408-1	N/A	
Forced or compulsory labor	Operations and suppliers at significant risk for incidents of forced or compulsory labor	409-1	N/A	
Human Rights assessment	Operations that have been subject to human rights reviews or impact assessments	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.

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Human Rights assessment	Employee training on human rights policies or procedures	412-2	25-26
Local communities	Operations with local community engagement, impact assessments, and development programs	413-1	41-44
Supplier social assessment	New suppliers that were screened using social criteria	414-1	41, 82
Supplier social assessment	Negative social impacts in the supply chain and actions taken	414-2	28-30
Customer health and safety	Assessment of the health and safety impacts of product and service categories	416-1	
Customer health and safety	Incidents of non-compliance concerning the health and safety impacts of products and services	416-2	
Customer privacy	Substantiated complaints concerning breaches of customer privacy and losses of customer data	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	419-1	No non-compliance with the mentioned laws has been recorded





# ANNEX 3. Spanish law 11/2018 index

## General information

Topic	Indicator	Reporting framework	Page N°	Answer, Additional comments, Reason for omission
Business model	Brief description of the group's business model: Business environment, Organization and structure, Markets served, Objectives and strategies of the organization, Main factors and trends that may affect its future development, Main risks related to those issues linked to the group's activities	GRI 2-1, GRI 2-2, GRI 2-6, GRI 201-2, management report ('business risks' section)	4-10, 22-24	
Materiality	Materiality assessment	GRI 3-1 GRI 3-2 GRI 3-3	15-17, 56-58	
EU Taxonomy			66-76	



**Environmental information**

Topic	Indicator	Reporting framework	Page N°	Answer, Additional comments, Reason for omission
Environmental management	Management approach	Spanish Law*	45	
Environmental management	Current and foreseeable effects of the company	Spanish Law*	45-73	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. We have also had a certified Energy Management System aligned with ISO 50001 at all our facilities in Spain and Portugal since 2022. 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*	45	
Environmental management	Resources dedicated to the prevention of environmental risks	Spanish Law*	45	
Environmental management	Application of the precautionary principle	Spanish Law*	45	Vidrala allocates the necessary resources to different lines of work in the field of the environment. First, environmental consulting services are contracted to verify compliance with applicable legal guidelines at each plant. These services include the necessary support to comply with the filing fees for the annual legal documentation, modifications in environmental permits, consumption and water discharge taxes, emissions tax, among others. We also invest in continuous improvement projects to improve our environmental performance and contribute to the sustainability of the organization. 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*	45	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 15 million.
Pollution	Measures to prevent, reduce or repair emissions that affect the environment	Spanish Law*	47-49	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	50-53, 77	
Circular economy and waste prevention and management	Actions to combat food waste	Spanish Law*	N/A	Omitted: This is not a material topic to the Vidrala Group.
Sustainable use of resources	Water consumption and water supply in accordance with local constraints	GRI 303-5	53-54, 77	



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Sustainable use of resources	Description of the initiatives carried out to minimize water consumption	Spanish Law*	53-54	
Sustainable use of resources	Consumption of reused water out of total water consumed	GRI 303-3		
Sustainable use of resources	Consumption of raw materials	Spanish Law*	51,52, 77	
Sustainable use of resources	Measures taken to improve the efficiency of its use	Spanish Law*	50-52	
Sustainable use of resources	Energy consumption, direct and indirect	GRI 302-1, GRI 302-3	45-46	
Sustainable use of resources	Measures taken to improve energy efficiency	Spanish Law*	17, 30, 45-46	
Sustainable use of resources	Use of renewable energy	Spanish Law*	30, 46-47	
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	45-50	2023 data estimated, pending official audit. Under the current procedure, Vidrala performs its own internal calculation of Greenhouse Gases (GHG). Every year, before February 28, Vidrala is audited by an accredited entity. Subsequently, the audit report must be submitted to be verified by the national environmental administration and presented to the European Commission. Once validated, the final calculation is used to proceed with the delivery of CO <sub>2</sub> quotas. Therefore, previous years' figures may be adjusted.
Climate change	Measures taken to adapt to the consequences of climate change	Spanish Law*	58-66	
Climate change	Voluntary medium- and long-term reduction targets to reduce greenhouse gas emissions and the means implemented to that purpose	Spanish Law*	19, 47, 49	
Protection of biodiversity	Measures taken to preserve or restore biodiversity	GRI 304-3	54-55	
Protection of biodiversity	Impacts caused by activities or operations in protected areas	Spanish Law*	N/A	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*	33-34	
Employment	Number of employees by gender, age, and professional category	GRI 2-7, GRI 405-1	78	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 2-7	77	
Employment	Number of employees by contract type	GRI 2-7	77-78	
Employment	Annual average of indefinite and temporary contracts by gender, age, and professional category	GRI 2-7	78	
Employment	Annual average of part-time contracts by gender, age, and professional category	GRI 2-7	79	
Employment	Number of dismissals by gender, age and professional category	Spanish Law*	79	
Employment	Wage gap	GRI 405-2	18, 38	Wage gap has been calculated as: [(Average remuneration of women / Average remuneration of men) - 1]
Employment	Average remuneration by gender, age and professional category	Spanish Law*	79	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*	80	
Employment	Average remuneration of Directors, by gender	Spanish Law*	80	
Employment	Implementation of labour disconnection policies	Spanish Law*	33	
Employment	Number of employees with disabilities	GRI 405-1	80	
Work organization	Organization of working time	Spanish Law*	33	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	80	





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Work organization	Measures aimed at facilitating the enjoyment of work-life balance by both parents	Spanish Law*	33	
Health and safety	Health and safety conditions at work	GRI 403-4	38-40	
Health and safety	Number of work accidents by gender	GRI 403-2	81	
Health and safety	Frequency rate by gender	GRI 403-2	81	
Health and safety	Severity rate by gender	GRI 403-2	81	
Health and safety	Occupational diseases by gender	GRI 403-2	80	
Social relationships	Organization of social dialogue, including procedures for reporting and consulting staff and negotiating with them	Spanish Law*	15, 40	
Social relationships	Percentage of employees covered by collective agreements by country	GRI 2-30	40	
Social relationships	Balance of collective agreements, particularly in the field of health and safety at work	GRI 403-4	N/A	Omitted: Health and safety at work are excluded from the scope of negotiation of collective agreements. The management of these aspects is set within the framework of our internal policies for the prevention of occupational risks, which have evolved extensively in recent years. The negotiations of the agreements focus instead on finding a balance between the sustainability of employer-employee relations, the competitiveness of the plant in question and the fair and proportional updating of the work conditions of the workforce.
Social relationships	Mechanisms and procedures that the company has to promote the involvement of workers in the management of the company, in terms of information, consultation and participation	GRI 2-29	15, 40	
Training	Policies implemented in the field of training	Spanish Law*	35-36	
Training	Total hours of training by professional category	GRI 404-1	81	
Equality	Measures taken to promote equal treatment and equal opportunities for women and men	Spanish Law*	36-38	
Equality	Equality plans, measures adopted to promote employment, protocols against sexual harassment and for gender reasons	Spanish Law*	36-38	There is a specific protocol against sexual harassment and gender reason, among other threats. The whistleblowing channel is the way that all communications are received.
Equality	Integration and universal accessibility for people with disabilities	Spanish Law*	38	Vidrala has grown in terms of hiring people with disabilities or handicaps, which already account for more than 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*	36-38	

**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*	26-27	
Human rights assessment	Application of due diligence procedures in the field of human rights	GRI 412-1	26-27	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	26-27	
Human rights assessment	Human rights violations complaints	GRI 412-1, GRI 406-1	26	
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	40	
Human rights assessment	Elimination of employment discrimination	Spanish Law*	26-27, 37	
Human rights assessment	Elimination of forced labour	GRI 409-1	26-27	
Human rights assessment	Effective abolition of child labour	GRI 408-1	26-27	

**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*	25-26	
Anti-corruption	Measures taken to prevent corruption and bribery	GRI 205-1, GRI 205-2, GRI 205-3, GRI 206-1	25-26	
Anti-corruption	Measures to combat money laundering	GRI 205-2	N/A	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*	81	



## 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*	11-12	
Commitment of the company with sustainable development	Impact of the company's activity on employment and local development	GRI 204-1, GRI 413-1	41-44	
Commitment of the company with sustainable development	Impact of the company's activity on local populations and territory	GRI 413-1	42-44	
Commitment of the company with sustainable development	Relationships maintained with the local communities and modalities of dialogue adopted	GRI 413-1	15	
Commitment of the company with sustainable development	Association or sponsorship relations/actions	GRI 102-13	42-44	
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	27-28	
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	27-28	
Subcontracting and suppliers	Monitoring systems, audits and results	Spanish Law*	27-28	
Consumers	Measures for consumers health and safety	GRI 416-1		
Consumers	Complaint systems/channels	GRI 416-2	41-42	
Consumers	Complaints received and resolution	GRI 416-2	42	
Tax information	Profits obtained, country by country	Spanish Law*	82	
Tax information	Taxes paid on profits	Spanish Law*	82	
Tax information	Public grants received	GRI 201-4	82	

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





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