



Foundations for success

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Opportunities and challenges in times of global crisis

Increasing momentum in the glass industry

The glass industry has traditionally been characterised by a leisurely pace of change. This is because glass – as a material that has been in use for thousands of years and is essentially familiar – justifies long investment cycles. There is a value chain typified by well-established processes and long-standing partnerships with customers and suppliers. But for some years now, momentum in the glass industry has been increasing significantly. The drivers of this acceleration are all aspects of Industry 4.0 – including digitalisation in particular. Moreover, rapid changes are currently impacting various dimensions of overall conditions and global challenges.

We have responded promptly by revising and updating our strategy and business model. Back in 2019, we launched a wide-ranging strategic transformation process that pursues two goals: first, we will tap additional growth potential in our existing business; and second, we will endeavour to develop new business models. With this approach, we intend to position our company as a strong market player in the long term, and to play a key part in shaping the future of the glass industry.

Thanks to a forward-looking strategy and a business model geared to creating added value, we view the new dynamism as an opportunity for innovation and a chance to strengthen our market position. However, the reporting year was dominated by the many diverse challenges still facing us. In the reporting year, these four developments were particularly striking:

Ukraine conflict

We have been hit particularly hard by the Ukraine war, in both economic and human terms. We were impacted economically because our production facility near Kyiv was severely damaged, and we will be unable to resume operations there in the medium term. Our sales business in Ukraine has also collapsed; large numbers of our customers there have had to close their operations or scale them down. This has led to job cutbacks which have been very difficult for us, because they have led to conditions of even more hardship for our colleagues in Ukraine and their families. We will continue to provide our support – either by financial means, or by offering positions in neighbouring countries.

[Board of Director's Report](#)



Energy and production costs

The problems generated by volatile and rising energy and production costs became even more acute during the year under review. Due to the high energy requirement for glass production, rising energy costs triggered noticeable price adjustments throughout the market. By implementing a transparent temporary energy surcharge, we were largely able to compensate for the additional costs without losing any customers. This solution also makes sense in view of the major uncertainties regarding energy supplies; it still remains difficult to predict future developments.

[Chapter Multi-supplier strategy](#)



Demand for packaging glass

Demand for packaging glass increased during the reporting year. There is one key reason for this: glass is the answer to the question of how to deal with the problem of waste. Thanks to the expansion of capacity we began preparing years ago, we will be in a position to satisfy this growing demand. We have created conditions that will enable us to meet our customers' wishes for individual glass packaging. This requires increased flexibility in production – which is available, because our Technology and Production area is now more focused on stepping up our capacity for innovation.

[Chapter Customer-specific products](#)



Circular economy

In terms of suitability for the circular economy, glass packaging has clear advantages as compared to other packaging materials; even so, there is still great potential for improvement, for example as regards the percentage of used glass in the volume of raw material that is processed. We focused intensively on the issue of the circular economy in the reporting year. Regulatory provisions are in place that require higher recycling quotas. There are also a number of voluntary industry initiatives that promote and encourage increased recycling. We intend to play an active part on both fronts. Once again, we increased the share of cullet in our production during the year under review. A larger supply of high-quality cullet material is the only way to increase the percentage of used glass in production – enabling us to contribute to sustainability. As part of our 2030 strategy, we aim to achieve a cullet share of at least 70 percent throughout the Group by 2030.

[Chapter Circular economy and resource efficiency](#)

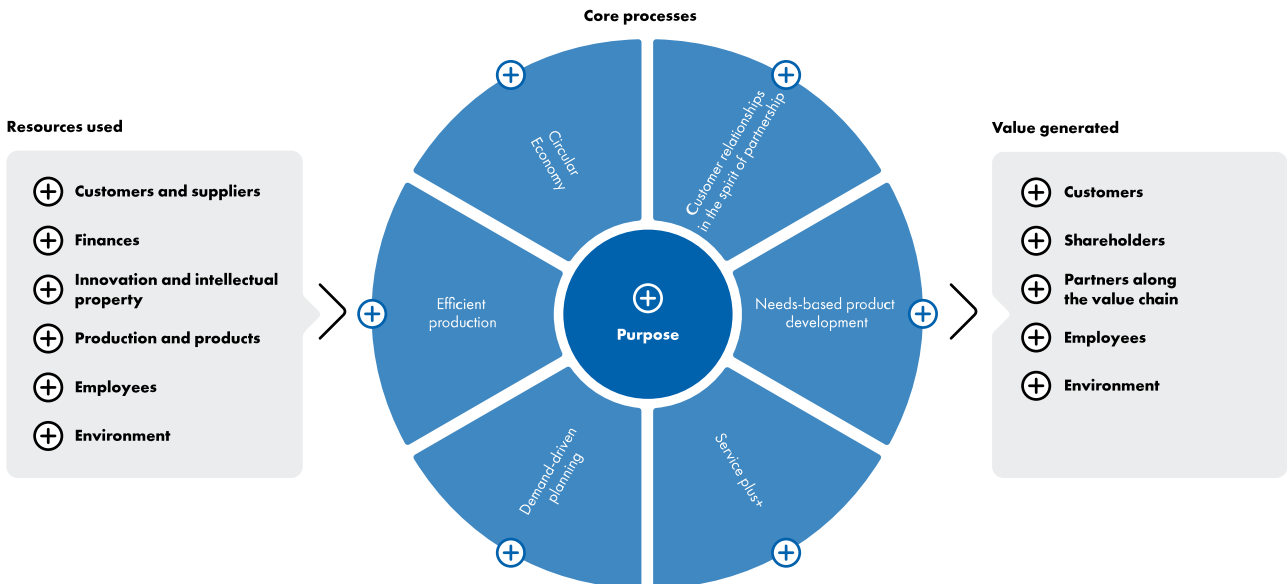


Business model

The driving force behind value creation

Glass production involves complex processes and high utilisation of resources. At the core of Vetropack's business model is the company's purpose: "We make it possible for everyone to enjoy food and beverages in the most elegant, safest and most responsible way". These words express the force that drives individual action: the basis for developing unique, high-quality products and services. In line with the company's purpose, the core processes are geared to value creation in various dimensions. This requires resources of various kinds. Value creation results in value for Vetropack's key stakeholders: our customers, shareholders, employees and partners, and the environment.

Business model Vetropack Group



Strategy 2030



In 2020, we defined a process that provides a framework for the fundamental transformation of Vetropack and its business model over a period of ten years. Five strategic thrusts provide the main axes that will guide and shape our ongoing development until 2030:

- Vetropack understands **Clearly Sustainable** as a holistic approach to sustainability. It is based on continuously reducing our ecological footprint, improving the use of recycling in the value chain, and safeguarding access to key resources.
- **Expand the Core** defines a strategy that will enable us to continue consolidating our dominant positions in the home markets. This will involve the company moving closer to its customers, positioning ourselves as a high-calibre partner and full-service provider. Vetropack is also targeting expansion in selected markets.
- Through **Value Growth**, Vetropack is broadening its existing expertise and values on a logical basis: we will enter new business sectors throughout the glass packaging value chain. To achieve this, we will focus consistently on new services, thus enabling the company to continue strengthening its customer relationships.
- **Drive Innovation** will provide the framework for Vetropack to become a trendsetter in the glass packaging industry as it drives innovations ahead proactively. These include process, product and market innovations as well as entirely new business models.
- As a **Leader in Quality**, Vetropack will gear all its activities towards providing optimal support for the strategy at Group level. This includes a holistic "Operational Excellence" approach as well as coordinated structures and processes in sales, marketing, technology and production. As additional goals, we intend to make better use of the opportunities offered by digitalisation throughout the Group, and to position Vetropack as an "Employer of Choice".

Strategy 2030





Read more about the initiatives in the current [Vetrotime 01.2022](#)

Our focus: Clearly Sustainable

Five strategic thrusts are set to shape Vetropack's ongoing evolution through to 2030. «Clearly Sustainable» is one of them. In essence, this thrust combines all our efforts to achieve three goals: reducing Vetropack's ecological footprint across the entire range of our business activities; promoting circular material flows throughout the value chain; and safeguarding key resources as we pursue these aims. By adopting this approach, Vetropack is set to evolve into a glass producer known throughout the industry for blazing the trail with its environment-friendly practices and products. As well as meeting a need on the part of our customers, this objective also enables us to play an active part in implementing the Sustainable Development Goals (SDGs) defined by the United Nations. We are now in the process of integrating the "Clearly Sustainable" strategic thrust at all levels of our organisation, and into our central processes: from corporate management through to target-setting, including our commitment to Science Based Targets (SBTs) with related campaigns and actions.

[«Vetropack participates in Science Based Targets initiative \(SBTi\)» \(11.11.2022\)](#)



Ratings and certifications attest the quality of our sustainability work

There is already clear proof that we are well on the way with this strategic thrust: Vetropack was recently awarded the Silver Sustainability Rating by EcoVadis, the globally recognised rating agency. This places Vetropack among the best 25% of over 90,000 companies rated by EcoVadis in 160 countries. Moreover, seven of our sites undergo regular audits by Sedex SMETA – and as regards occupational safety and health protection, five of our sites are certified to ISO 45001.

[Chapter occupational health and safety](#)



Strengthening sustainability in corporate management

During the year under review, we took major steps to strengthen our focus on sustainability issues at corporate management level. In 2022, for example, we appointed a Group Sustainability Manager to take responsibility for accelerating our sustainability processes. We also took the decisive step of setting up a Sustainability Committee. Its remit is to monitor all aspects of sustainability – ecological, social and economic – and provide support with implementing the "Clearly Sustainable" approach. To this end, the Committee will continue to develop goals and action plans while constantly reporting the Group's progress. The Committee convenes two or three times each year and reports annually to the Board of Directors. Its members are the Chief Executive Officer, Chief Commercial Officer, Chief Technology Officer, Chief Supply Chain Officer, Chief Human Resources Officer, and the Group Sustainability Manager.

[Sustainability report: GRI 2-12 Role of the Board](#)



Interview with Nicolas Lootens, Group Sustainability Manager (in post since April 2022)

What is your focus in this function?

«We had already developed practical action plans in the past, and we were taking effective steps to implement them. But our intention now is to accelerate these processes – and multiply them throughout the Group whenever possible. To achieve this, we're defining our governance in terms of ESG topics, reviewing our objectives, developing roadmaps and actions, and regularly monitoring our progress. We're also embedding sustainability as an issue in all areas of Vetropack's operations – from procurement, technology and distribution through to human resources.»

Could you single out some of Vetropack's sustainability highlights in 2022?

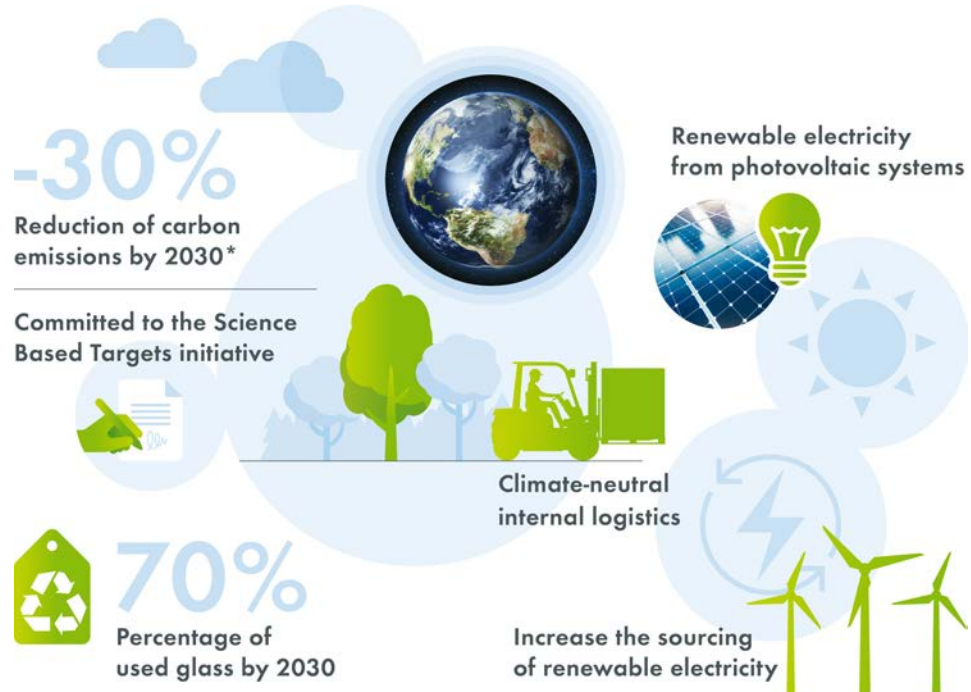
«There's no doubt that Vetropack's outstanding achievement was our official commitment to set a greenhouse gas emission reduction goal in line with climate science, as we joined the Science Based Targets initiative (SBTi). We also enrolled in the Supplier Leadership on Climate Transition (Supplier LoCT) programme, which is helping us to achieve the SBTi objectives. The Vetropack Group has been reporting on the carbon footprint of its own operations (Scope 1 & 2) for years and is in the process of analysing the entire value chain (Scope 3). This will also strengthen our climate reporting in line with CDP and TCFD guidelines.»

What is important to you personally in this function?

«My goal is to make Vetropack truly sustainable – environmentally, socially and economically. Above and beyond that, I'm keen to raise awareness of sustainability among all our stakeholder groups so we can maximise our impact. All of us can play our part in making our everyday lives more sustainable by taking whatever steps we can, whether big or small, both at work and elsewhere.»

Sending out a strong signal for climate protection

The sustainability goals outlined in our Strategy 2030 include reducing the Group's carbon footprint by a further 30% against the 2019 benchmark by 2030, and increasing the percentage of cullet (recycled glass) in production to 70%. Going beyond these measures, we are planning to increase our quota of renewable electricity and also to gear our logistics to climate-neutral operation.



*compared to 2019

Sustainability goals

To underscore how seriously we take our efforts to protect the climate, we joined the Science Based Targets initiative (SBTi) during the reporting year. As the first step, we will define near-term company-wide emission reduction goals in line with climate science. We have also joined the Supplier Leadership on Climate Transition (Supplier LoCT) programme: this initiative aims to integrate suppliers into the commitment to climate protection. The programme should help us – as a supplier – to understand our own carbon footprint, set science-based emission reduction targets, take action, and disclose progress.

[Chapter circular economy and resource efficiency](#)



Communicating transparently about sustainability

To integrate our internal and external stakeholder groups into our own commitment to sustainability, we decided back in 2014 to introduce transparent sustainability reporting in compliance with the Standards of the Global Reporting Initiative (GRI). Since 2016, therefore, we have focused on topics identified as material on the basis of an integrated model, and we report on management approaches and performance in relation to these topics during the reporting year.

[Chapter material topics](#)



[Chapter material topics \(materiality analysis\)](#)



Our memberships and commitments

Commitment to the "Science Based Targets initiative" (SBTi)

The «Science Based Targets initiative» (SBTi) is a global body enabling businesses to set ambitious emission reduction targets in line with the latest climate science. SBTi focuses on encouraging companies across the world to set targets in line with a 1.5-degree reduction pathway and achieve net-zero emissions by 2050.

In 2022, Vetropack committed to setting near-term company-wide emission reduction goals in line with climate science as it joined the Science Based Targets initiative (SBTi). Entering into this commitment emphasises the key priority we accord to climate change.

[Press release: «Vetropack participates in Science Based Targets initiative \(SBTi\)» \(11.11.2022\)](#)



EcoVadis Silver Medal

EcoVadis is the world's largest provider of business sustainability ratings, with a global network of over 100,000 rated companies.

EcoVadis awarded its Silver Medal to Vetropack in 2022, placing us among the top 25% of companies rated.

[Website EcoVadis](#)



Sedex Members Ethical Trade Audits (SMETA)

SMETA is Sedex's social auditing methodology, enabling businesses to assess their sites and suppliers so they gain an understanding of working conditions in their supply chain.

We regularly conduct standardised SMETA audits at most of Vetropack's sites to monitor compliance with our own Business Ethics Policy and with applicable occupational safety and environmental protection provisions.

[Website Sedex](#)



ISO 45001 - Occupational health and safety management systems

ISO 45001 is the international occupational safety and health standard which specifies the requirements for establishing a sound management system.

Five of our sites were already certified to ISO 45001 by the end of 2022. Our ultimate goal is for all our production sites to receive the ISO 45001 certificate for their occupational health and safety management systems.



Supplier Leadership on Climate Transition (Supplier LoCT)

This initiative helps suppliers to understand their own carbon footprint, set science-based emission reduction targets, take action to achieve them, and report on progress.

Vetropack joined the Supplier Leadership on Climate Transition programme in 2022. We believe the Supplier LoCT programme can help us achieve the science-based targets (SBTs) that we have defined as our top sustainability priority.

[Performance review: chapter Circular economy and resource efficiency](#)



[Website Guidehouse](#)



International Partners in Glass Research (IPGR)

This industry association seeks to increase and maintain the competitiveness of glass in the packaging industry through research and development programmes as well as individual cooperation alliances between its members. IPGR sees two key goals as drivers of its activities: to decrease energy consumption during glass container production, and to increase the strength of glass.

As a member of the industry association and in keeping with Vetropack's innovation strategy, we also encourage the development of innovations by suppliers, customers and international research groups such as IPGR.

[Website IPGR](#)



GRI Standards

The GRI Standards are a globally recognised set of sustainability reporting standards.

For many years now, we have prepared Vetropack's Integrated Annual Reports in compliance with the GRI Standards. Our reports include transparent information on our management of economic, environmental, social and governance topics as well as the progress we have achieved in these areas.

[Website GRI](#)



Material topics and contribution to the Sustainable Development Goals (SDGs)

Definition of the key financial and non-financial topics

For the fourth time, Vetropack is reporting on the 2022 fiscal year in the form of an Integrated Annual Report which provides comprehensive information about our company's financial and non-financial performance.

We structure the reporting and the material topics in accordance with the "six capitals" of integrated reporting (IR/IFRS):

- Customers and suppliers →
- Finances →
- Innovation and intellectual property →
- Production and products →
- Employees →
- Environment →

Reappraisal of material topics

As part of its reporting process, Vetropack carries out an annual review of the materiality matrix developed in 2019. We undertook a full-scale reappraisal of the matrix's relevance in 2022. To ensure compliance with current statutory regulations (in the EU and Switzerland) and the provisions of the GRI Standards 2021, the "double materiality" concept was applied. This comprises two assessment perspectives:

1. The "outside-in" perspective: how relevant is a particular topic for Vetropack's long-term business success?
2. The "inside-out" perspective: how strongly do business activities impact the company's context and environment – economy, people and ecology?

Stakeholder relevance, as the third perspective for assessing materiality, was omitted due to changes in the requirements (as in the GRI Standards 2021).

Identifying and assessing impact

Vetropack updated its existing materiality analysis in autumn 2022. This was a multi-stage process: as the first step, a context analysis was used to identify additional, potentially material topics that would require assessment. We then identified the outward and inward impacts of these topics. This provided the basis for concise descriptions that include potential and actual impacts, both positive and negative, along the value chain. We then conducted an online survey to obtain internal stakeholders' assessments, which were consolidated and validated by management in a workshop.

Material topics adjusted and expanded

Customers and suppliers

Active stakeholder engagement (as previously) →

Multi-supplier strategy (as previously) →

Health and safety of customers and consumers (as previously) →

Finance

Cashflow and profitability
(previously together with «Sustainable return on capital») →

Sustainable growth and market position (as previously) →

Sustainable return on capital
(previously together with «Cashflow and profitability») →

Compliance (as previously) →

Innovation and intellectual property

Innovation strategy and portfolio (as previously) →

Manufacturing process innovations with suppliers
(previously «Process innovations with suppliers») →

Production and products

Sustainable product solutions (as previously) →

Continuous quality improvement along the value chain (as previously) →

Digitalisation and automation (as previously) →

Customer-specific products (as previously) →

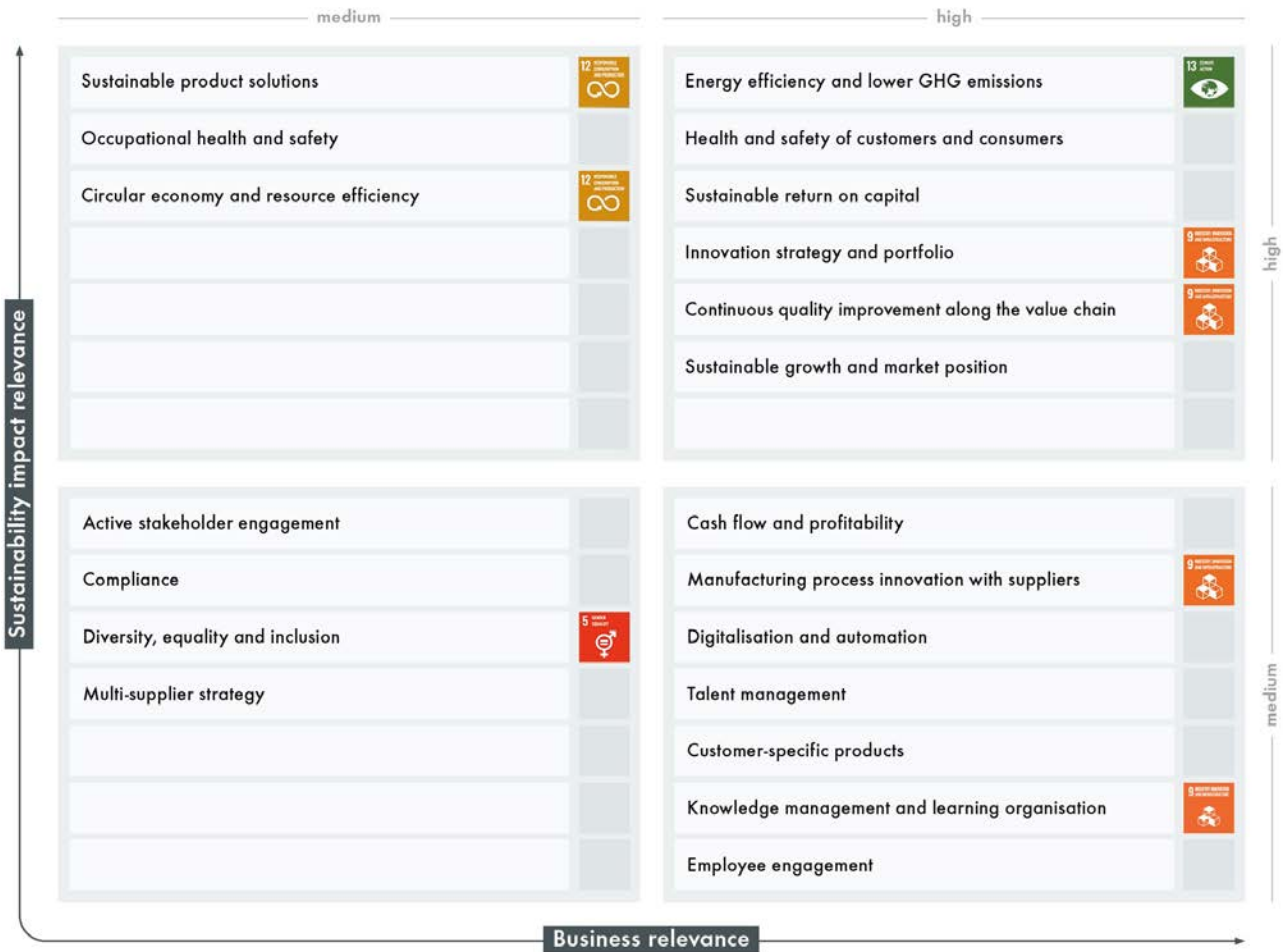
Employees

- Talent management (as previously) →
- Employee engagement (as previously) →
- Knowledge management and learning organisation (previously «Learning organisation») →
- Diversity, equality and inclusion (new) →
- Occupational health and safety (as previously) →

Environment

- Energy efficiency and lower GHG emissions (previously «Energy efficiency and renewable energy» or separate material topics: «Minimising CO₂ emissions, waste and water consumption» and «Climate-neutral logistics by 2030») →
- Circular economy and resource efficiency (previously «Optimise use of raw materials») →

Materiality matrix



Contribution to the United Nations Sustainable Development Goals (UN SDGs)

The 17 Sustainable Development Goals (SDGs) of the United Nations (UN) provide Vetropack with a reference system. This integrates the impact of our own business activities on the environment and society into the context of global sustainable development.

Following the reassessment of our materiality analysis, we reviewed our contribution to the SDGs. We focus here on four out of the seventeen SDGs where we see the greatest leverage for a significant contribution.



Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

Contribution to SDG 9

Vetropack's strategic orientation is based on these core goals: create resilient infrastructure and build sustainable industrialisation. The company's investment programme will bring processes, plant and technologies into line with the latest state-of-the-art. This approach will support sustainable industrialisation. To achieve this, investment projects in the regions will foster and support a network of small companies around the plant. All plants in the Vetropack Group will benefit from the innovations and investments – and so will their partners throughout the value chain, and in the areas surrounding them.

Aspect that Vetropack can influence significantly

- 9.2: "Promote inclusive and sustainable industrialization and, by 2030, significantly raise industry's share of employment and gross domestic product, in line with national circumstances, and double its share in least developed countries."

Material topics

- Innovation strategy and portfolio →
- Continuous quality improvement along the value chain →
- Manufacturing process innovation with suppliers →
- Knowledge management and learning organisation →



Take urgent action to combat climate change and its impacts

Contribution to SDG 13

As an industrial enterprise that operates internationally with a significant requirement for energy and resources, Vetropack has an ecological footprint. The company focuses its ecological commitment on climate protection.

Aspect that Vetropack can influence significantly

- 13.3: "Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning."

Material topics

Energy efficiency and lower GHG emissions →

Circular economy and resource efficiency →



Ensure sustainable consumption and production patterns

Contribution to SDG 12

The world's population currently consumes more resources than the ecosystems can provide. Moreover, consumption-based waste constitutes another formidable global problem. Glass has numerous properties that can contribute to more sustainable consumption. Achievable goals here are: less consumption of resources, less wastage of food, and less waste.

Aspect that Vetropack can influence significantly

- 12.2: "By 2030, achieve the sustainable management and efficient use of natural resources."
- 12.5: "By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse."

Material topics

Sustainable product solutions →

Circular economy and resource efficiency →



Achieve gender equality and empower all women and girls

Contribution to SDG 5

Eliminating gender-specific differences is an obligatory requirement for a company that is committed to a comprehensively sustainable business policy. Moreover, gender equality has been proven to have positive effects on economic success, productivity, competitiveness and innovation intensity. Women have traditionally been in the minority in the glass industry, at all hierarchical levels and in all job profiles. Given this situation, Vetropack assesses the potential for improvement in this area as high.

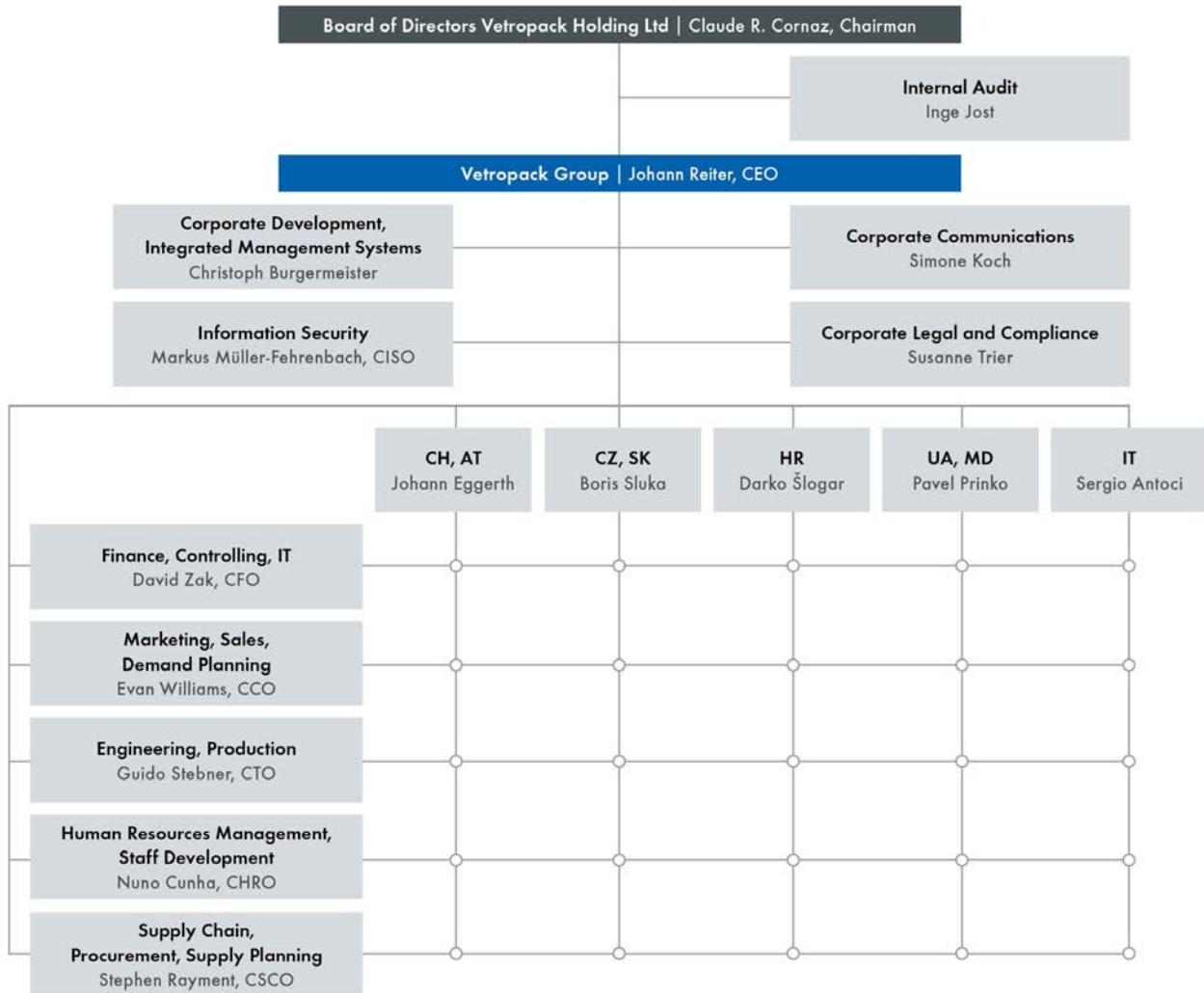
Aspect that Vetropack can influence significantly

- 5.5: "Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life."

Material topic

Diversity, equality and inclusion →

Management Structure



Extended Management Board



Johann Reiter
CEO



Christoph Burgermeister
Corporate Development
Integrated Management
Systems



Simone Koch
Corporate Communications



Susanne Trier
Corporate Legal and
Compliance



Johann Eggerth
Switzerland, Austria



Boris Sluka
Czech Republic, Slovakia



Darko Šlogar
Croatia



Pavel Prinko
Ukraine, Republic Moldova



Sergio Antoci
Italy



David Zak
CFO



Evan Williams
CCO



Guido Stebner
CTO



Nuno Cunha
CHRO



Stephen Rayment
CSCO

Organisation

per 31 December 2022

Management Board	
Johann Reiter, CEO	
David Zak, CFO	
Nuno Cunha, CHRO	
Johann Eggerth, Managing Director Division Switzerland/Austria	
Stephen Rayment, CSCO	
Guido Stebner, CTO	
Evan Williams, CCO	
Finance, Controlling, IT and Procurement	
David Zak	
– Group Reporting and Transfer Pricing	Andreas Buchs
– Group Controlling and Accounting	Adriano Melchiorretto
– IT	Georg Oberdammer
Sales, Marketing and Demand Planning	
Evan Williams	
– Group Technical Customer Service	Christoph Böwing
– Commercial Excellence	Armelle Dupont
Human Resources	
Nuno Cunha	
– Talent Acquisition	Maja Darija Skrljak
– Learning and Development	Keiko Seki von Allmen
– Talent Management	Panagiota Katinou
Technology and Production	
Guido Stebner	
– Performance	Dubravko Stuhne
– Technology and Projects	Nick Giannoulas
– Innovation	Daniel Egger
Supply Chain, Procurement and Supply Planning	
Stephen Rayment	
– Group Procurement	Ulrich Ruberg
Corporate Development, Integrated Management System	
Christoph Burgermeister	
– Integrated Management System	Claire Faessel a.i.
– Quality Management	Andrea Steinlein
– Occupational Health and Safety	Nenad Horvath
– Sustainability	Nicolas Lootens
Corporate Communications	
Simone Koch	
Corporate Legal and Compliance	
Susanne Trier	
Switzerland/Austria	
Johann Eggerth	
Sales + Marketing	
– Switzerland	Christine Arnet
– Austria	Ina Graggaber
Human Resources	
Sabine Hameter-Weber	
Finance	
Gudrun Brack	
Supply Chain	
Werner Schaumberger	
Production	
– St-Prex plant	Philippe Clerc
– Pöchlarn plant	Gerd Buchmayer
– Kremsmünster plant	Thomas Poxleitner
Integrated Management System	
– St-Prex Plant	Renaud Roquigny
– Pöchlarn and Kremsmünster plants	Hannes Fasshuber

Czech Republic/Slovakia	
Boris Sluka	
Sales + Marketing	
	Peter Sumrák
– Czech Republic	Peter Sumrák
– Slovakia	Zuzana Hudecová
– Export Europe East	Vlastimil Ostrezi
Supply Chain	
Jaroslav Mikliš	
Engineering	
Miroslav Šebík	
Integrated Management System	
Aleš Habán	
Kyjev plant	
– Production	Antonín Pres
– Finance + Human Resources	Milan Kucharčík
Nemšová plant	
– Production	Roman Fait
– Finance + Human Resources	Eva Vanková
Croatia	
Darko Šlogar, a.i.	
Sales + Marketing	
Mario Matković	
Finance	
Marija Špiljak	
Supply Chain	
Robert Vražić	
Human Resources	
Damir Gorup	
Production	
Božo Hršak	
Engineering	
Mario Berc	
Integrated Management System	
Anica Hriberski-Leskovar	
Ukraine/Republic of Moldova	
Pavel Prinko	
– Ukraine	Pavel Prinko
– Republic of Moldova	Oleg Baban
Finance	
Oleksandr Bondarenko	
– Ukraine	Oleksandr Bondarenko
– Republic of Moldova	Boris Crivoi
Supply Chain	
Serhii Kazhan	
– Ukraine	Serhii Kazhan
– Republic of Moldova	Igor Hincu
Human Resources	
– Ukraine	Antonina Dobrovska
– Republic of Moldova	Antonina Dobrovska
Integrated Management System	
Pavel Prinko a.i.	
Gostomel Plant	
– Sales + Marketing	Hennadiy Arsiy
– Production	Roman Yatsuk
– Engineering	Mikola Marchenko
Chişinău Plant	
– Sales + Marketing	Oleg Garstea
– Production + Engineering	Igor Volcanov
Italy	
Sergio Antoci	
Sales + Marketing	
Francesco Bonazzi	
Finance	
Chiara Garancini	
Supply Chain	
Luca Marini	
Human Resources	
Annalisa Girardi	
Production + Engineering	
Giovanni Depoli	
Engineering	
Alberto Alvisi	
Integrated Management System	
Alessandro Canulli	
Group companies	
Müller + Krempel Ltd	Mark Isler
Vetoreal Ltd	Matthias Bieri