

# Foundations for success

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# Foundations for success

**The central basis for our business success is our business model, which was redefined and given a sharper strategic focus in 2023. We aim to use this model to present our corporate purpose transparently to all our stakeholder groups, and to maintain our successful positioning in the glass industry going forward.**

Vetropack's business model is based on glass as a raw material. Glass can be recycled an infinite number of times without any loss of quality, and it is re-usable – attributes that make it an integral element of the circular economy. Glass affords protection for beverages and foods, and makes it possible to preserve them. At the core of our business model is our corporate purpose: 'We make it possible for everyone to enjoy food and beverages in the most elegant, safest and most responsible way.'

So we can continue developing our business successfully through to 2030, we are focussing on five strategic thrusts. They define our identity, and they help to ensure that Vetropack will play its part in shaping the glass industry's long-term development. The right organisational structure helps us to implement the strategy.

Thanks to systematic risk management, we act with foresight and we are able to plan and implement the necessary measures.

Another key foundation for success is interaction with our stakeholder groups. By interacting with them, we learn at first hand what is required and expected of us; we know which trends impact our business, and we come to understand where our strengths lie and where we could have potential for improvement.



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## Business model

**The Vetropack Group numbers among Europe's leading manufacturers of glass packaging for the food and beverage industry. Headquartered in Bülach, Switzerland, the Group has around 3 800 employees. Vetropack has state-of-the-art production facilities as well as sales and distribution centres in Switzerland, Austria, the Czech Republic, Croatia, Slovakia, Ukraine, Italy, the Republic of Moldova and Romania.**

At Vetropack, we make it possible for everyone to enjoy food and beverages in the most elegant, safest and most responsible way. We view glass as the most sustainable packaging solution – and the perfect material to ensure that food is packaged safely. Our holistic Service plus+ approach helps our customers to optimise their value chains and guarantee consumers' safety. Close, long-lasting relationships are the hallmarks of our collaboration with partners. Guided by our understanding of environmental responsibility and cost efficiency, we aim to minimise our carbon footprint throughout the supply chain, and we are committed to recycling as the key to optimising product life-cycles.

You can find detailed information about our organisation and locations on our [website](#).

## We protect your enjoyment.



### We are partners throughout the entire product life cycle

- 1.** Recycled glass accounts for the largest proportion of raw materials we use to manufacture our products. We also use quartz sand, soda, lime, dolomite, feldspar and other minor components to produce glass.
- 2.** We are committed to modern manufacturing processes, and we prioritise energy-efficient and customer-oriented production.
- 3.** We value quality and innovation: one example [Echovai](#), our reusable bottle that is more resistant, lighter in weight, and more sustainable.
- 4.** We ensure proximity to our customers with nine glassworks in eight countries and a maximum delivery radius of 400 km.
- 5.** We offer technical customer service solutions – for example, to solve problems during the filling process.
- 6.** We also collaborate with our customers to develop personalised glass colours and designs for distinctive products.
- 7.** Our goal: to make it possible for everyone to enjoy food and beverages in the most elegant, safest and most responsible way.
- 8.** We promote the circular economy with our reusable and recyclable glass bottles.



### **Circular economy – the foundation of our business model**

Our business model supports the transition to a circular economy – because it is based on natural raw materials and because glass is almost infinitely reusable. Vetropack was already a pioneer of glass recycling back in the 1970s and nowadays, we collect used glass for recycling in all the countries where we operate glassworks. In many countries, we collaborate with special-purpose associations (e.g. the European Container Glass Federation [FEVE](#)) and maintain our own cullet treatment plants to promote high glass collection rates. We are also driving the development of returnable bottles ahead: these are made in part from resource-efficient lightweight glass, so they are even easier to handle.

### **We supply safe glass packaging of high quality to the food and beverage industry**

Vetropack produces glass bottles and wide-neck jars in close collaboration with our customers. On request, we develop individual customised glass packaging based either on our own designs, our customers' ideas, or concepts devised by externally commissioned designers. Our focus is always on the quality and safety of our products.

### **Glass packaging to meet the highest standards**

No matter which foods or beverages our customers want to package – be it jam, mineral water, wine or beer – Vetropack offers around 2,500 different glass packaging designs, both standard and customised, for a huge variety of products. You can find our product portfolio and reference stories on our [website](#).



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# Strategy 2030

**Our Strategy 2030, which comprises five initiatives, is intended to shape and drive the development of our business until 2030. Strategy 2030 supports us with tapping potentials for growth in our existing business, and helps us to develop new business segments. We are successfully implementing Strategy 2030 thanks to our culture and our values, and on the basis of clear structures and responsibilities.**



In 2019, Vetropack launched a comprehensive transformation process based on five strategic initiatives. Projects relating to all five initiatives have been undertaken at our locations since the process began. The five main axes indicate the business development we intend to achieve by 2030; our aims are to enable Vetropack to position itself as a strong player on the market in the long term, and to play a key role in shaping the glass industry.

## **Flexibility and stability**

Our mature corporate culture gives us the flexibility we need to respond to unexpected challenges. Strategy 2030 has proven its worth in this regard – particularly in the last few years, which were dominated by the coronavirus pandemic and the war in Ukraine. Credit for this is also due to our [business model](#), which is resilient and therefore robust.

## Five strategic initiatives – the basis for Strategy 2030

Below is an overview of our five strategic initiatives.

### Clearly sustainable

Vetropack pursues a holistic approach to sustainability with the aim of becoming Best in Class in Sustainability in our industry by 2030. Within our **Clearly sustainable** strategic initiative, we focus on careful use of resources, development of our employees, and legally compliant business practices.

### Expand the core

**Expand the core** defines a strategy that will enable us to maintain and consolidate our positions in the home markets. By doing so, we will move even closer to our customers and position ourselves as a high-quality partner and a full-service provider. **Expand the core** also includes the expansion of our proven products and services into selected markets.

### Value growth

With the **Value growth** initiative, Vetropack is broadening its proven areas of expertise. We will enter new business sectors and launch new services throughout the value chain for our glass packaging. This will help us to strengthen our customer relationships and generate value.

### Drive innovation

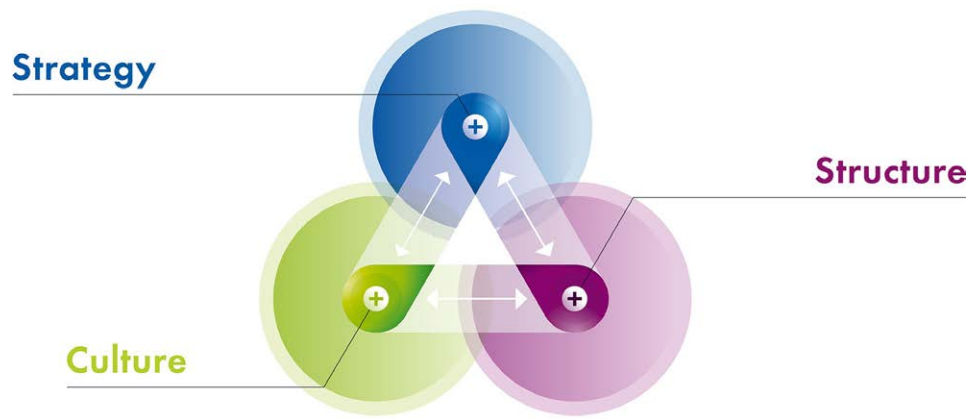
As part of the **Drive innovation** initiative, Vetropack is strengthening its position as a trendsetter in the glass industry and opening up new business areas with new product and market innovations

### Leader in quality

As a **Leader in quality**, Vetropack gears all its activities towards providing optimal support for the strategy at Group level. This includes a holistic operational excellence approach as well as corresponding structures and processes in sales, marketing, technology and production. Vetropack is taking advantage of the opportunities offered by digitalisation and positioning itself as an Employer of Choice.

## Corporate purpose and values

We have defined a process to provide a framework for the fundamental transformation of the company and its business model over a period of ten years. As well as the strategy, with the **corporate purpose**, the transformation we seek to achieve embraces the structure – in terms of **organisation and responsibilities** – together with the culture, which also includes our values.



Our corporate purpose is as follows: ‘We make it possible for everyone to enjoy food and beverages in the most elegant, safest and most responsible way.’ We create unique, high-quality products and services.

Based on a tradition in the food and beverage industry that dates back many years, we understand the needs of our stakeholder groups and we endeavour to offer products of high quality. Glass is an elegant material; ‘elegant’ also means offering individual, customised products. The most important requirement that our products must meet is safety: glass comes from natural origins and has an inert structure, so food and beverages are packaged safely in it. ‘Responsible’ highlights the fact that glass can be completely recycled an infinite number of times, so it protects the environment.

Our values convey our convictions and principles. They guide our day-to-day work, and the way we relate to one another and to our stakeholder groups. These are our values:

- Ensuring accountability
- Navigating safely together
- Guaranteeing leadership in quality
- Anticipating change
- Generating trust and confidence
- Exercising environmental responsibility





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# Risk management

**The Vetropack Group's risk management serves the purposes of identifying and assessing material risks, and of addressing them strategically. The risk matrix and the measures resulting from it are updated each year by the Management Board and approved by the Board of Directors.**

## Identifying and assessing risks

Vetropack identifies and assesses potential risks on the basis of a standardised process which is not only essential to our long-term business success, but is also intended to raise awareness. All our employees are called upon to deal with risks responsibly in the course of their daily activities. The company takes account of opportunities as well as risks.

Vetropack classifies risks as follows:

- Financial risks
- Strategic and geopolitical risks
- Operational risks
- Organisational risks

Management draws up a risk matrix for the Vetropack Group each year. This matrix classifies the material risks according to the potential extent of loss or damage they could cause, and the likelihood of their occurrence. Vetropack uses these four levels to assess risks:

- Worst-case scenario: existential risks
- High risk: major impact on business objectives
- Moderate risk: disruption of important business processes
- Low risk: minor impairment of individual business processes

## **Risk management measures**

Following consolidation and assessment of the risks, we develop measures and strategies to minimise them in cases where identified risks cannot be tolerated. Implementation of the measures is monitored continuously on a systematic basis.

## **Approval of the risk matrix**

The risk matrix drawn up for the entire Group, with the strategies and measures identified to minimise the risks, is validated each year by management and submitted to the Board of Directors for approval.

## **Sustainability risks**

In 2023, Vetropack also devoted particular attention to sustainability risks and their impact on business performance. Vetropack's Sustainability Manager was also involved in this process. In addition, a comprehensive risk analysis of environmental and social aspects in the supply chain was undertaken.

As in previous years, energy prices presented a critical business risk in 2023. An appropriate energy procurement strategy enabled us to optimise our planning processes and improve our ability to anticipate the development of energy costs.

Some Swiss companies will be obliged to report in accordance with the requirements of the Task Force on Climate-related Financial Disclosures (TCFD) as from the 2024 fiscal year, and climate-related aspects are proving to be increasingly relevant for Vetropack. For both these reasons, the Board of Directors approved a roadmap for the systematic integration of physical and transitory climate risks into our risk management at the end of 2023.



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# Stakeholders

**Our relationships with our stakeholder groups are defined and influenced by many interactions and dependencies. We interact with our stakeholders in order to listen to their concerns and identify any risks. We aim to raise awareness of the Vetropack (employer) brand through public relations work and transparent communication. Our memberships of associations and industry federations help us to transfer knowledge.**

Given that Vetropack is an exchange-listed stock corporation ('Aktiengesellschaft'), our **shareholders** – gathered together at the Annual General Assembly – are our company's highest governing body. They define the framework for the company's activities and its strategy on the basis of the Articles of Association and decisions regarding personnel. By approving the annual report and the consolidated financial statements, they vote each year on whether they are satisfied with the implementation of the strategy, the business activities and the financial result. We keep shareholders and other interested stakeholder groups informed by issuing annual and semi-annual reports as well as media releases. If shareholders collectively hold at least 0,5 percent of the share capital or votes, they may require an item for discussion to be added to the agenda. Shareholders who represent at least over 5 percent of the share capital or votes may require an Extraordinary General Assembly to be convened at any time, provided that the motions to be discussed are submitted to the Board of Directors in writing.

The **majority shareholder** in Vetropack Holding Ltd, the Cornaz AG-Holding, has a special position. It appoints Richard Fritschi as the Chairman of the Board of Directors and Claude R. Cornanz as the Vice-Chairman.

Both the CEO and the CFO maintain relationships with investors and are responsible for responding to their enquiries. These exchanges take place at meetings or during plant visits.

Our **suppliers, customers** and the **consumers** are stakeholder groups of central importance in our operational business. The Chief Supply Chain Officer (CSCO), for example, is responsible for interaction with the suppliers. The Chief Commercial Officer (CCO) is responsible for customer care and retention, requirements planning, and sales. Development of innovative customised products is driven ahead by the Engineering and Production department. We interact with our customers on a daily basis; we also conduct regular surveys to obtain knowledge about their needs and requirements, and to continue our strategic development. The most recent survey of this sort was carried out in 2023.

Our glassworks create jobs, generate added value, and can also promote the development and expansion of local infrastructure. The **communities** where our plants are located also have to tolerate certain negative impacts such as traffic or also noise (in the immediate vicinity). For this reason, Vetropack endeavours to respect the relevant emission limits by implementing technological optimisations.

Vetropack cooperates with **schools** in certain countries to raise children's awareness about collecting glass and environment-friendly behaviour. In this context, we collaborate with local schools to organise projects and competitions (such as the Vetro Challenge staged by Vetropack Straža). Vetropack also participates in Switzerland's nationwide Day of the Future, when we offer insights into everyday working life to school students who are interested.

We engage in public relations work – for example, by supporting events and through advertising – to draw the attention of the **general public** (the end consumers of our products) to the advantages of glass as a packaging for food and beverages, and to the environmental relevance of recycling. By implementing strict quality controls and standardised production processes, we guarantee that the **consumers** can enjoy food and beverages without risks or hazards; our glass packaging products also ensure that foods and beverages can be preserved.

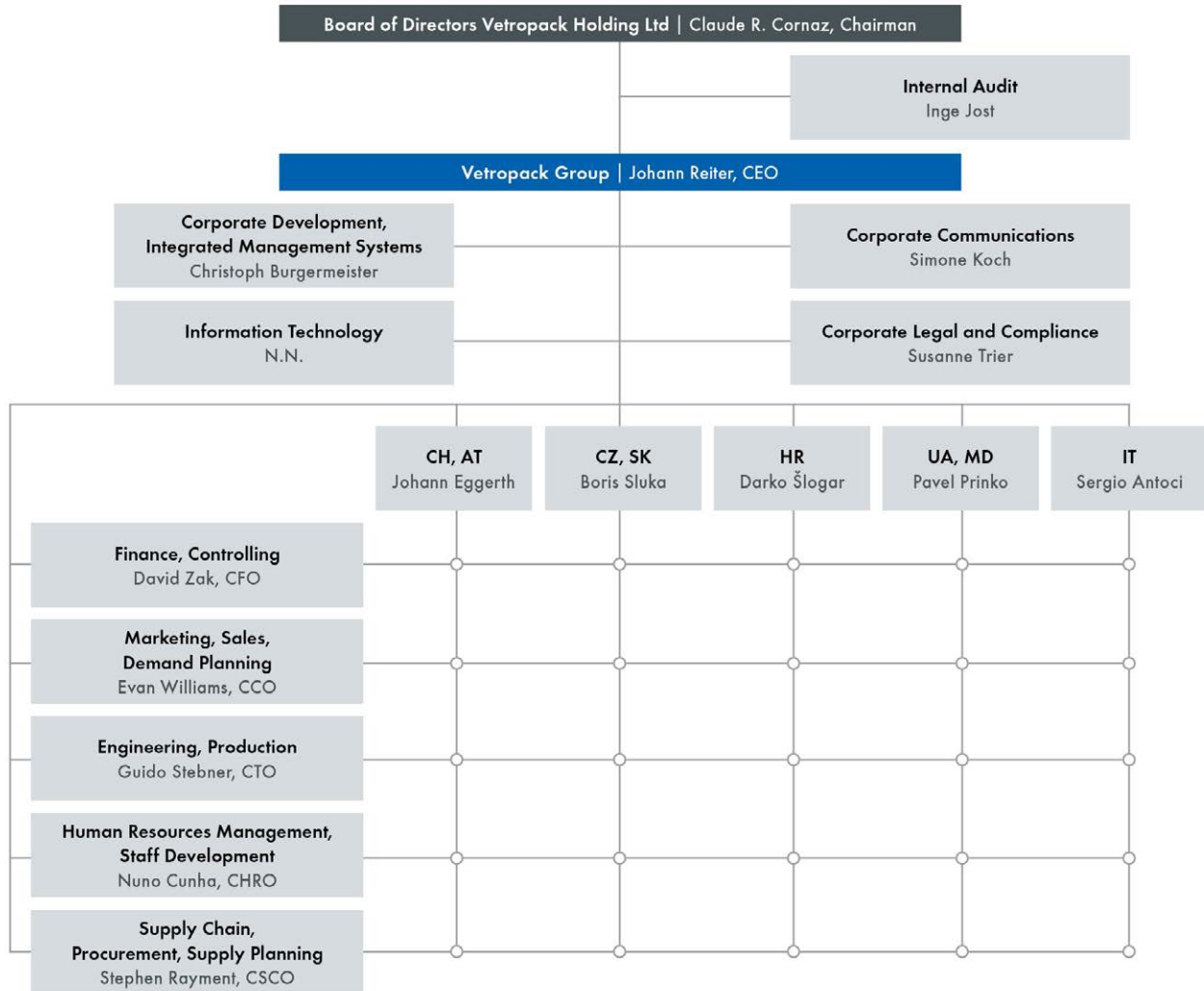
**Media:** to interact with our stakeholder groups (the general public, customers, potential new customers, business partners and others), we make use of various communication channels: our company website, our internal portal, employee magazines and the employee app (Beekeeper), brochures, trade magazines, our customer magazine Vetrotime, and LinkedIn as our preferred social media channel. We focus on compact, fact-based communication in all these media. In order to reach our stakeholder groups, we offer insights into specific aspects of our day-to-day work. For this purpose, we opt for a mix of Group communication and posts from our sites. We have also published a large number of media releases since 2022.

The Sustainability section of this report ([Social impact](#)) includes a detailed description of how we interact with our employees and how we integrate them.

## Memberships and associations

We participate in associations and industry federations for the purpose of transferring knowledge about innovative processes, the latest technology and safe, environment-friendly production processes. A list of all our memberships is available on our [website](#). The most important of these for us is FEVE (the European Container Glass Federation). As part of our membership activities, we collaborate with other glass manufacturers to engage in initiatives such as 'Close the Glass Loop', and we help to raise public awareness about the advantages of glass as a packaging material.

# Organisational structure



## Extended Management Board



From left: Sergio Antoci, Pavel Prinko, Darko Šlogar, Johann Reiter, David Zak, Nuno Cunha, Evan Williams, Stephen Rayment, Johann Eggerth, Simone Koch, Boris Sluka, Guido Stebner, Christoph Burgermeister; not present in the photograph: Susanne Trier

## Organisation chart as at 31 December 2023

<b>Management Board</b>	
Johann Reiter, CEO	
David Zak, CFO	
Nuno Cunha, CHRO	
Johann Eggerth, Managing Director Division Switzerland/Austria	
Stephen Rayment, CSCCO	
Guido Stebner, CTO	
Evan Williams, CCO	
<b>Finance, Controlling, IT and Procurement</b>	
David Zak	
– Group Reporting and Transfer Pricing	Andreas Buchs
– Group Controlling and Accounting	Adriano Melchiorretto
– IT	TBA
<b>Sales, Marketing and Production Planning</b>	
Evan Williams	
– Group Technical Customer Service	Christoph Böwing
– Commercial Excellence	Armelle Dupont
– Marketing	Tanja Gašpar
<b>Human Resources</b>	
Nuno Cunha	
– Talent Acquisition	Maja Darija Skrljak
– Learning and Development	Keiko Seki von Allmen
– Talent Management	Panagiota Katiniou
<b>Technology and Production</b>	
Guido Stebner	
– Performance	Dubravko Stuhne
– Technology and Projects	Nick Giannoulas
– Innovation	Daniel Egger
<b>Supply Chain, Procurement and Supply Planning</b>	
Stephen Rayment	
– Group Procurement	Ulrich Ruberg
<b>Corporate Development and Integrated Management Systems</b>	
Christoph Burgermeister	
– Integrated Management System	TBA
– Quality Management	Andrea Steinlein
– Occupational Health and Safety	Nenad Horvath
– Sustainability	Nicolas Lootens
<b>Corporate Communications</b>	
Simone Koch	
<b>Corporate Legal and Compliance</b>	
Susanne Trier	
<b>Switzerland/Austria</b>	
Johann Eggerth	
<b>Sales + Marketing</b>	
– Switzerland	Christine Arnet
– Austria	Ina Graggaber
<b>Human Resources</b>	
– Switzerland	Birgit Bally
– Austria	Sabine Hameter-Weber
<b>Finance</b>	
Gudrun Brack	
<b>Supply Chain</b>	
Werner Schaumberger	
<b>Production</b>	
– St-Prex plant	Philippe Clerc
– Pöchlarn plant	Gerd Buchmayer
– Kremsmünster plant	Thomas Paxleitner
<b>Integrated Management Systems</b>	
– St-Prex plant	Renaud Roquigny
– Pöchlarn and Kremsmünster plants	Hannes Fasshuber
<b>Czech Republic/Slovakia</b>	
Boris Sluka	
<b>Sales + Marketing</b>	
Peter Sumrák	
– Czech Republic	Peter Sumrák
– Slovakia	Zuzana Hudecová
– Export Europe East	Vlastimil Ostrezi
<b>Supply Chain</b>	
Jaroslav Mikliš	
<b>Engineering</b>	
Miroslav Šebík	
<b>Integrated Management Systems</b>	
Aleš Habán	
<b>Kyjov plant</b>	
– Production	Antonín Pres
– Finance + Human Resources	Milan Kucharčík
<b>Nemšová plant</b>	
– Production	Roman Fait
– Finance + Human Resources	Eva Vanková
<b>Croatia</b>	
Darko Šlogar	
<b>Sales + Marketing</b>	
Mario Matković	
<b>Finance</b>	
Marija Špiljak	
<b>Supply Chain</b>	
Robert Vražić	
<b>Human Resources</b>	
Lahorka Krsnik Cingulin	
<b>Production</b>	
Božo Hršak	
<b>Engineering</b>	
Mario Berc	
<b>Integrated Management Systems</b>	
Anica Hriberški-Leskovar	
<b>Ukraine/Republic of Moldova</b>	
Pavel Prinko	
– Ukraine	Pavel Prinko
– Republic of Moldova	Boris Crivoi
<b>Finance</b>	
– Ukraine	Oleksandr Bondarenko
– Republic of Moldova	Oleksandr Bondarenko
– Republic of Moldova	Boris Crivoi
<b>Supply Chain</b>	
– Ukraine	Serhii Kazhan
– Republic of Moldova	Serhii Kazhan
– Republic of Moldova	Igor Hincu
<b>Human Resources</b>	
– Ukraine	Antonina Dobrovol'ska
– Republic of Moldova	Antonina Dobrovol'ska
<b>Integrated Management Systems</b>	
Pavel Prinko (interim)	
<b>Gostomel plant</b>	
– Sales + Marketing	Yaroslav Klimenko
– Production	Roman Yatsuk
– Engineering	Mikola Marchenko
<b>Chişinău plant</b>	
– Sales + Marketing	Oleg Garstea
– Production + Engineering	Igor Volcanov
<b>Italy</b>	
Sergio Antoci	
<b>Sales + Marketing</b>	
Francesco Bonazzi	
<b>Finance</b>	
Chiara Garancini	
<b>Supply Chain</b>	
Luca Marini	
<b>Human Resources</b>	
Annalisa Girardi	
<b>Production</b>	
Alessandro Canulli	
<b>Engineering</b>	
Giovanni Depoli	
<b>Integrated Management Systems</b>	
TBA	
<b>Group companies</b>	
Müller + Krempel AG	Mark Isler
Vetoreal Ltd	Matthias Bieri