ZVG ESG POLICY

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Review	Approval Date by ESG Committee	Changes made
0	12/03/2021	First edition
1	13/10/2021	Added Governance and Review sections

1. ZIGNAGO VETRO GROUP - INTRODUCTION

The Zignago Vetro Group (hereinafter also ZVG or the Group), with registered office in Fossalta di Portogruaro, is an Italian and European leader in the production and sale of glass containers.

ZVG is part of an industrial group led by Zignago Holding, a company that operates not only in the glass industry, but also in other sectors, including wine-making and the production of electricity from renewable sources. In addition to Italy, the Zignago Vetro Group is present in France, Poland and the USA.

Over the years, ZVG's targeted strategy has led to a continuous process of diversification of its products, and has seen the Group become a unique offering internationally. It currently in fact works with various industries, ranging from the production of hollow glass containers for beverages, food, cosmetics, perfumery, to special containers and pharmaceuticals.

In managing its activities, the Group also deals with **environmental** issues. Over the past few years it has multiplied its efforts to mitigate its environmental impact, through actions designed in particular to reduce CO_2 and greenhouse gas emissions, water use and energy consumption, and to gradually increase the use of electricity from renewable sources.

In 2013, through a joint venture with other leading players in the sector, ZVG established Vetreco, a company that operates at every phase of the treatment of cullet gathered from separate waste collection, allowing its reuse as raw material in glassworks. The Group subsequently expanded its activities in the treatment and recovery of raw glass through the acquisition of a new company, Vetro Revet, in late 2017, then finally through the establishment of a new company, Julia Vitrum.

ZVG's business is "sustainable" because of the unique characteristics of glass: it is hygienic, healthy and safe. According to Google's Consumer Barometer, in 2018 78% of European consumers ranked glass as the best type of packaging; according to research by FEVE, 91% of European consumers consider glass to be the ideal packaging material. The use of recycled glass also leads to lower CO_2 emissions, lower energy consumption because lower temperatures are required to melt it, reduced consumption of virgin raw materials and, finally, indirectly leads to less waste in landfills.

ZVG's management has therefore focused its environmental strategies on increasing the use of recycled glass, and targets very high percentages of reuse in the coming years.

Glass is also a 100% recyclable product that can be recycled countless times, without causing any deterioration in the quality of the new product.

The use of raw glass in the production process has seen the Group establish itself as one of the most "circular" entities not only in its sector, but among listed companies generally. ZVG also attaches increasing importance to eco-design, allowing for the production on request of reusable containers, among other products.

Social issues are of particular relevance to the Zignago Vetro Group.

Since its founding in fact, around the middle of the 1800's, it has been highly sensitive to social issues.

In the area of Fossalta di Portogruaro where the Group's headquarters are currently located, the Company's founder, Gaetano Marzotto, transformed marshy and uncultivated land into areas that allowed for agriculture and the production of food, providing a boost to the local economy and creating demand for glass containers to preserve food produce.

With the help of the company, he also created a complex containing works and buildings designed to foster the development of the local social fabric. These included a nursery school, an elementary school, a theatre, a small hospital and more, in addition to a network of houses in the surrounding area, equipped with all the basic services and provided for the company's employees.

There has always been, then, a strong connection between the workforce, the community and the company, reflecting a model for development and sustainable growth that has had other proponents in Italy, perhaps the most well-known being that of Adriano Olivetti.

On the ***Governance*** front, the Group also applies a series of stringent requirements, as set out in the management and control organisational models in force at the component companies.

The integration of sustainability principles into the Group's business model was not a formal choice, but the natural consequence of a model of behaviour that had already been in place for a number of years.

The starting point came in 2019 with the establishment of an ESG Committee consisting of some of the Group's most senior Executives, most of whom are members of the Internal Executive Committees, to ensure that all key corporate functions are represented in the management of ESG issues.

The adoption of an ESG Policy definitively confirms the Group's commitment to the creation of sustainable value to benefit every type of stakeholder. It is therefore among ZVG's primary commitments. The Group has decided to build a solid ESG framework, communicate its commitment through the annual publication of a sustainability report and, finally, continue to improve its ESG ratings by achieving the objectives it has established.

Consideration of environmental, social and governance (ESG) elements has therefore become a major driver in all of the Group's future decisions and strategies.

2. VISION AND OBJECTIVES

The integration of ESG factors into ZVG's operations permits greater awareness of risks and opportunities, while simultaneously optimising sustainable, long-term value creation to benefit all stakeholders.

The objective of this ESG Policy is to integrate ESG factors into the Company's business model, ensuring a responsible approach designed to achieve long-term sustainable growth.

Following the drafting and communication of the ESG Policy, ZVG underlines its commitment to:

1. integrate ESG issues into the decision-making processes of the various business functions;
2. commit to combating climate change by further reducing greenhouse gas emissions (such as CO_2) relative to activity volumes;
3. assess key suppliers on their compliance with ESG *Best Practices* and require their compliance to the Supplier Code of Conduct;
4. promote the acceptance and implementation of ethical and sustainable business with all its stakeholders;
5. provide information on its activities and progress in implementing sustainable business practices.

Consistent with that outlined above, it follows that sustainability issues will be increasingly integrated into the Business Model and operations of the Zignago Vetro Group.

As further proof of this commitment, ZVG's ESG Policy also incorporates the decision of the Board of Directors to link **a portion of variable salary to specific and formalised ESG objectives,** where possible, **both for Executives and for some managers and department heads**.

Furthermore, through the integration and implementation of sustainable business into governance and environmental and social activities, the Group aims to increase sustainable value creation for its stakeholders by:

- creating and enhancing new business opportunities to attract investors and clients interested in the effective management of ESG issues and opportunities;
- reducing costs, increasing efficiencies and resource savings and limiting exposure to contingent liabilities;
- reducing economic, financial and reputational risks through a thorough understanding of all key non-financial metrics.

3. SCOPE OF APPLICATION

This Policy applies to all Group companies, and specifically: *Zignago Vetro SpA, Zignago Vetro Brosse SaS, Zignago Vetro Polska SA and Zignago Glass Usa Inc*.

Each of the above companies shall operate in accordance with this Policy, without prejudice to the fact that compliance with the national law in force in the country in which the Company operates and European law, where applicable, shall prevail.

This ESG Policy describes the present and future commitment made by the various operating Business Units and corporate functions and represents a further tool in improving the ESG performance and sensitivity at an Environmental, Social and Governance level that has been present and continuously developed over a number of years.

ZVG is committed to integrating ESG criteria into all its activities and into every corporate function.

4. GOVERNANCE

ESG governance requires a clear allocation of responsibilities throughout the organisation.

Within the Group, responsibility for the implementation and dissemination of ESG principles is assigned to the following parties:

4.1 *ESG Committee*

Appointed by the Board of Directors, the ESG Committee defines ZVG's ESG policies and strategies, implements them and, through the Chief Executive Officer, provides regular disclosure to the Board of Directors.

In addition, this Committee is responsible for:

- defining the degree of relevance of ESG factors that may impact the Company's ordinary business and stakeholders;
- identifying the corporate functions and their respective responsibilities in achieving ESG objectives;
- defining medium-term ESG targets and priorities for the entire Group;
- defining, introducing and monitoring the effective application of and compliance with company policies;
- defining social responsibility initiatives.

The current members of the ESG Committee are as follows:

- Zignago Vetro Group Chief Executive Officer (on the Internal Executive Committee);
- Group CFO (on the Internal Executive Committee);
- Group Technical Management (on the Internal Executive Committee);
- HR Management (on the Internal Executive Committee);
- Safety, Environment and Quality System Manager (ESG Coordinator);
- Italy and Development of Group Synergies Operating Manager (on the Internal Executive Committee)
- Zignago Vetro Brosse General Manager (on the Internal Executive Committee);
- Zignago Vetro Polska General Manager (on the Internal Executive Committee);

Other corporate functions also contribute to the work of the Committee.

Finally, the work of the Committee is supported by experienced ESG consultants.

4.2 *ESG Coordinator*

The ESG Coordinator reports to the ZVG ESG Committee and is responsible for ensuring, supervising and improving the implementation of the ESG policy within the organisation, collecting reports and information provided by the ESG Managers of the individual corporate functions. The ESG Coordinator serves on the ESG Committee.

4.3 *ESG Manager of Individual Corporate Functions*

An ESG Manager is appointed for each of the main corporate functions. He/she must, within the function itself:

- encourage the advancement of ESG issues;
- assess and monitor ESG risks and opportunities during both ordinary and extraordinary operations;
- promote and monitor the achievement of annual and multi-year ESG objectives within their function, following company guidelines and procedures;
- report to the ESG Committee on results, progress, and any problems.

The ESG Manager for each function has been and will be subject to adequate training which will be passed on within the function itself.

It will be the responsibility of the ESG Coordinator to bring all decisions and directives made by the ESG Committee to the attention of each function's ESG Manager, if they are not an integral part of the ESG Committee.

5. IMPLEMENTATION

Effective implementation of the principles set out in this document requires a differentiated approach, taking into account the characteristics of key corporate functions.

Analysis of ESG factors will be progressively integrated into corporate functions and activities through the definition of a series of objectives.

This ESG analysis is planned and implemented considering the relevance of the topics in question, which in turn is determined through the use of constant monitoring conducted through Stakeholder Engagement activities.

The appropriate ESG manager sends the ESG Coordinator and the ESG Committee, of which he/she may be a member, the required data for measuring ESG performance in each function and reports any sustainability improvements.

5.1 *Purchases*

Purchases of goods and services are subject to a selection process based on ESG factors, such as the supplier's adherence to ZVG's Supplier Code of Conduct, or the preferential use, all else being equal, of products made from recycled raw materials.

As of 2019, in fact, a **Supplier Code of Conduct** has been introduced that stipulates, among other matters, that the Group's suppliers must comply with the social and environmental guidelines provided by ZVG.

Similarly, purchases of products and/or raw materials will be preceded by processes to assess suppliers with regard to the proper management of ESG issues and other due diligence in order to verify the absence among the components of substances that may be harmful to people and the environment.

5.2 *Technical Office*

Among the main responsibilities of the Technical Office is the choice and development of facilities and supervision of their correct operation. This involves fundamental decisions relating to the Group's technological evolution towards solutions with ever lower environmental impacts, both in terms of energy consumption and polluting emissions.

5.3 *Safety, Environment and Quality System*

Is responsible for the main environmental and safety issues in the workplace, as well as in the introduction of and compliance with company procedures, including quality procedures. Among these responsibilities are:

- the monitoring of all impacts on environmental matrices: air, water, soil and natural resources;
- the calculation and monitoring of direct and indirect emissions of greenhouse gases and climate-changing agents;
- the monitoring of regulatory compliance in environmental and occupational safety matters;
- the mandatory and optional environmental and quality certifications;
- compliance oversight of all corporate functions regarding safety and training.

5.4 *Finance and Control*

Is responsible for key financial and corporate governance issues in accordance with ESG best practice and Board decisions.

5.5 *Human Resources*

Is responsible for selecting, training and developing staff, in accordance with the Best Practices of listed companies, as well as verifying and overseeing compliance with human rights, equal opportunity and anti-discrimination practices within the organisation.

6. APPROVAL OF THE ESG POLICY

The Board of Directors approved the ESG Policy on March 12, 2021.

ZVG's commitment to environmental, social and corporate governance issues is considered by the company as significant and substantial.

Considering the complexity and the continuous evolution of the market in which it operates, ZVG will supervise activities implemented in the ESG area, informing its stakeholders of relevant updates, as part of a process to constantly improve its ESG practices.

Approval of this ESG Policy by the Board of Directors forms part of this process.

The main terms of ZVG's ESG Policy are listed below:

- ZVG will periodically communicate the results achieved in the application of this Sustainability Policy through its Sustainability Report, half-yearly reports, any press releases and any other form of dissemination to be published on the company website or communicated in another form;
- At least every six months, the ESG Coordinator will update the Group's ESG Committee regarding the application of this ESG Policy and any proposals for its improvement;
- ZVG will systematically monitor activities and best practice in its target market.

Finally, ZVG is committed to supporting the process of improvement and diffusion of the principles included in this ESG Policy including through participation in events and activities promoting the integration of ESG

factors into business decisions, research and improvement of practices in this field (including through external consultants), promotion of an internal culture through continuous training, and the involvement of its own personnel.

7. REVIEW

This ESG Policy is subject to a review mechanism that provides for its updating on each occasion that there is a significant change in its contents and in any case at least every two years. The ESG Committee of the Zignago Vetro Group is responsible for the review.

Fossalta di Portogruaro, October 13, 2021