Green Procurement Policy of the Zignago Vetro Group

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1. Zignago Vetro Group - Introduction

The Zignago Vetro Group (hereafter also the "Group" or "ZV Group"), based in Fossalta di Portogruaro, is a leader in Italy and Europe in the production and marketing of glass containers for an extremely broad and diversified range of sectors, and in particular for Beverages, Food, Cosmetics and Perfumery. The Group's Production Sites are located in Italy, France and Poland.

It is also engaged in the collection and treatment of raw glass, from municipal waste collection, through three plants located throughout Italy and uses recycled glass as its main raw material.

Zignago Vetro 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 order to integrate the principles of sustainability into its Business Model, the ZV Group has decided to create an ***ESG framework.*** The ESG Policy and the Ethics Code form the cornerstones of this framework, and are designed to promote the principles of legality, fairness, equality and transparency, in addition to those of sustainability.

By establishing consistent policies, the framework also seeks to govern relationships with key stakeholders in order to share and spread these principles, both within the company and externally.

The ZV Group has drafted this Policy based on it belief in the need for sustainable sourcing and thus the responsibility upon it to purchase products, materials and services that maximise environmental and health protection. In this way it seeks to drive the purchase of sustainable materials and services both internally and within the totality of its suppliers.

2. Scope, objectives and addressees

The scope of this Green Procurement Policy of the ZV Group is to:

1) ensure commitment and willingness to purchasing products, materials, and services that protect the environment and health;
2) integrate the relevant procedures into the Company's work and all business dealings;
3) seek best practices in the purchase of sustainable raw materials.

Examples of the application of this Policy are the use of glass cullet as a secondary raw material, which the ZV Group increasingly uses and obtains in particular through a number of investee companies or subsidiaries engaged in the collection and processing of glass for its subsequent reuse. The use of glass cullet as a productive factor brings a significant reduction in CO_2 emissions, lower energy consumption and monetary savings.

Similarly, also in packaging the ZV Group strives to identify solutions that can improve the sustainability of the product to be delivered to customers, aware that this category of stakeholders is particularly concerned about sustainability and environmental protection.

In particular, the reuse of packaging such as pallets, interlayers, boxes and thermoformed packaging is promoted and extended. In addition, many of the packaging materials used (plastic film, cardboard, wood) are recovered at the plant and sent for subsequent recycling.

Also in terms of energy, the ZV Group targets the boosting of efficiency, also through ongoing investment in the best available technologies, as well as through the increasing use of clean energy, in various ways, including the installation of photovoltaic panels, the elimination of the use of fuels such as coal and dense oils, in favour of energy sources with lower environmental impact.

Finally, also for materials and services to be used internally, the Group seeks to progressively improve its sustainability through the daily use of recyclable products or products made with recycled materials.

The **goals and commitments** in adopting the ZV Group's Green Procurement Policy are:

- **Minimising the impact on the environment**. The purchase of sustainable, recycled and otherwise recyclable products, materials and services has a positive direct and indirect impact on consumption and emissions and, consequently, on the environment; The preference for purchasing products meeting high **Environmental Standards** is of particular significance. Whenever possible, standards should cover aspects such as sustainability of raw materials and components used, type of energy used, and emissions produced. Life cycle analysis (LCA) of acquired products and services enables such an assessment and must cover both the environmental impacts generated by the creation, use and end-of-life of the products and services themselves**.**
  The ZV Group's priorities in selecting purchases include: a) **reducing CO2 emissions** throughout the product life cycle; b) cutting air pollution c) **minimising the impact** of its production activities **on land and biodiversity and protecting/restoring nature**: Green Deal for land and marine habitats so as to keep nature in balance and counteract climate change; d) **optimise the use of natural resources**; e) **increase the use** of material from **recycling;** f) develop products and processes that minimise **water withdrawal and pollution**; g) boost **the use of renewable energy** (reducing the use of non-renewables); h) develop **waste treatment and disposal**, minimising the production of waste for landfill and increasing that for recycling; i) **avoid the use of hazardous substances**; l) adopt an **optimised logistics** procedure (using means that minimise environmental impact);
- **Stimulate the supply chain** consistent with the ZV Group's commitment;
- **Ensure partnership with suppliers** who are respectful of environmental issues (including water use, pollution reduction, waste reduction, increased recycling), social issues and local communities, human rights and labour;
- **Improve the health of stakeholders such as employees, customers, suppliers, and the community**. Environmentally sustainable, recycled and/or recyclable products, materials and services generally have a positive impact on health and safety;
- **Involve employees** in order to increase their awareness of the multiple positive impacts of an approach to sustainable materials and products by complying with the Core Labour Standards (CLS) of the International Labour Organisation (ILO), in addition to national standards;
- **Adequately train** its employees on the principles set out in this document;
- **Increase product and process innovation**. The choice of sustainable products often involves the replacing of obsolete technologies and the adoption of new materials and processes. In the case of new products and the use of ecodesign, knowledge of the product's life cycle and its waste must be increasingly integrated into purchasing decisions. Promote innovation and the search for improved technical solutions;
- **Mitigating ESG risks.** By adopting sustainable products and materials, many environmental, social and governance risks are reduced. Among these, reducing packaging and products for disposal is a primary goal;

- **Constantly measure performance** through specific KPI's;
- **Energy management** with the development of practices to reduce energy consumption;
- **Improve the reputational aspect**. Amid an increasingly sustainability-sensitive backdrop, the adoption of a Policy focused on procedures that target more sustainable materials and products meets with the approval of stakeholders and of the Global Compact to which the Group has signed up
- **Improve the business and financial aspect**. In a context marked by increasingly high direct and indirect costs in case of inefficient choices on the sustainability side, the adoption of more sustainable products, materials and services generally turns into a positive return in terms of results.

The **addressees** of the ZV Group's Green Procurement Policy are:

directly:

- **Employees**, who should encourage the adoption of policies for the purchasing of increasingly sustainable materials and the protection of health and the environment;

indirectly:

- **Customers**, who benefit from their suppliers' adoption of health-centred and environmentally-friendly products, policies, and procedures;
- **Suppliers**, who benefit from a growing demand from their customers for sustainable products, materials and services.

3. Application

This Policy applies to all Group companies, and specifically: Zignago Vetro SpA, Zignago Vetro France SaS, Zignago Vetro Polska SA, Zignago Glass Usa Inc, Vetro Revet Srl and Italian Glass Moulds Srl.

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.

4. Governance

Within the Zignago Vetro Group, the responsibility for the implementation and communication of the principles contained in this Policy is assigned to the members of the Executive Committees of the Group companies, and thereafter to all the managers and heads of every company function, with particular emphasis on the Purchasing function.

5. Sources

This paper was based on the following sources:

- ISO 20400
- Of the SDGs and the directions of major environmental organisations
- Responsible Business Alliance (RBA) programmes and initiatives

- Electronic Industry Citizenship Coalition (EICC) programmes and initiatives

6. Review

This 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. Responsibility for its review lies with the Zignago Vetro Group's ESG Committee, consisting of some of the Group's most senior Executives, the majority of whom are members of the Internal Executive Committee, to ensure that all key corporate functions are represented in the management of ESG issues.