

ZIGNAGO VETRO



Annex

ESG Approach

01/10/2021

ESG (Environment, Social, Governance)



Our Mission:

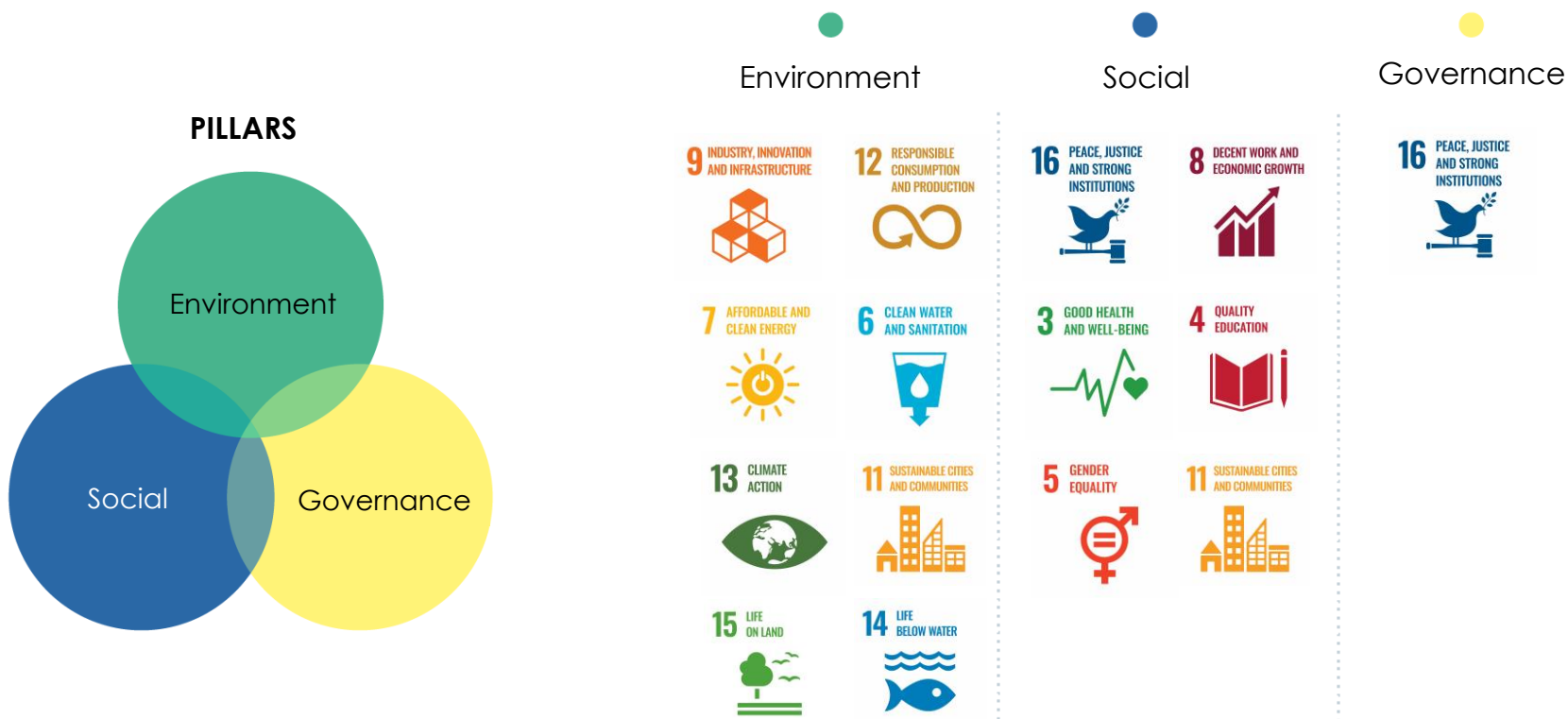
Produce and market glass containers for the Food & Beverage and the Cosmetics & Perfumery sector, with a particular focus on sustainability and with the aim of providing our customers with safe and high-quality products, while ensuring continuous value creation for our shareholders and stakeholders.



ESG (Environment, Social, Governance)



Aware of its role for the sustainable development, Zignago Vetro has linked its activities to the **2030 Agenda of the United Nations**, focusing mainly on the subsequent 13 Goals that are connected to 3 main pillars:







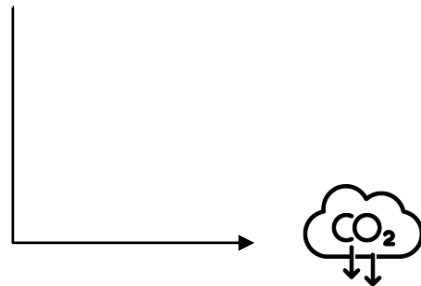
The entire analysis and defined KPIs are available on the Sustainability Report (<https://zignagovetro.com/esg-kpi-e-reports/>).




ESG - Environment



2020 main Environmental achievements vs 2019:

-  – the % of **PCR** used on total glass produced has increased by **+14,6%**;
-  – CO2 specific emissions (Scope 1 and 2) have decreased by **-6,2%**;
-  – the energy consumption per ton of glass produced have decreased by **-2,1%**;
-  – the % of electricity from renewable resources has increased by **+9,1%**;



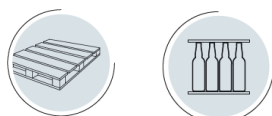
-  – specific water consumption per ton of glass produced has significantly decreased by **-20,3%**;
-  – ordinary waste per ton of glass produced has increased by **+13,8%*** (due to a normal fluctuation on waste production and to an increase in cleaning and sanitization of the working areas).
-  – **total absence** of environmental accidents in all the sites of the Group.

During 2020, the use of electricity from renewable resources **has saved 47.000 ton of CO2 emissions.**

ESG - Environment



For the first time, in 2020, the Group provides full disclosure on the management of its **packaging materials**:

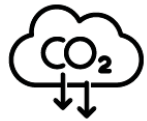


	% of recycled packaging in 2019	% of recycled packaging in 2020
Pallets	62,6%	66,2%
Layer pads	64,6%	79,6%

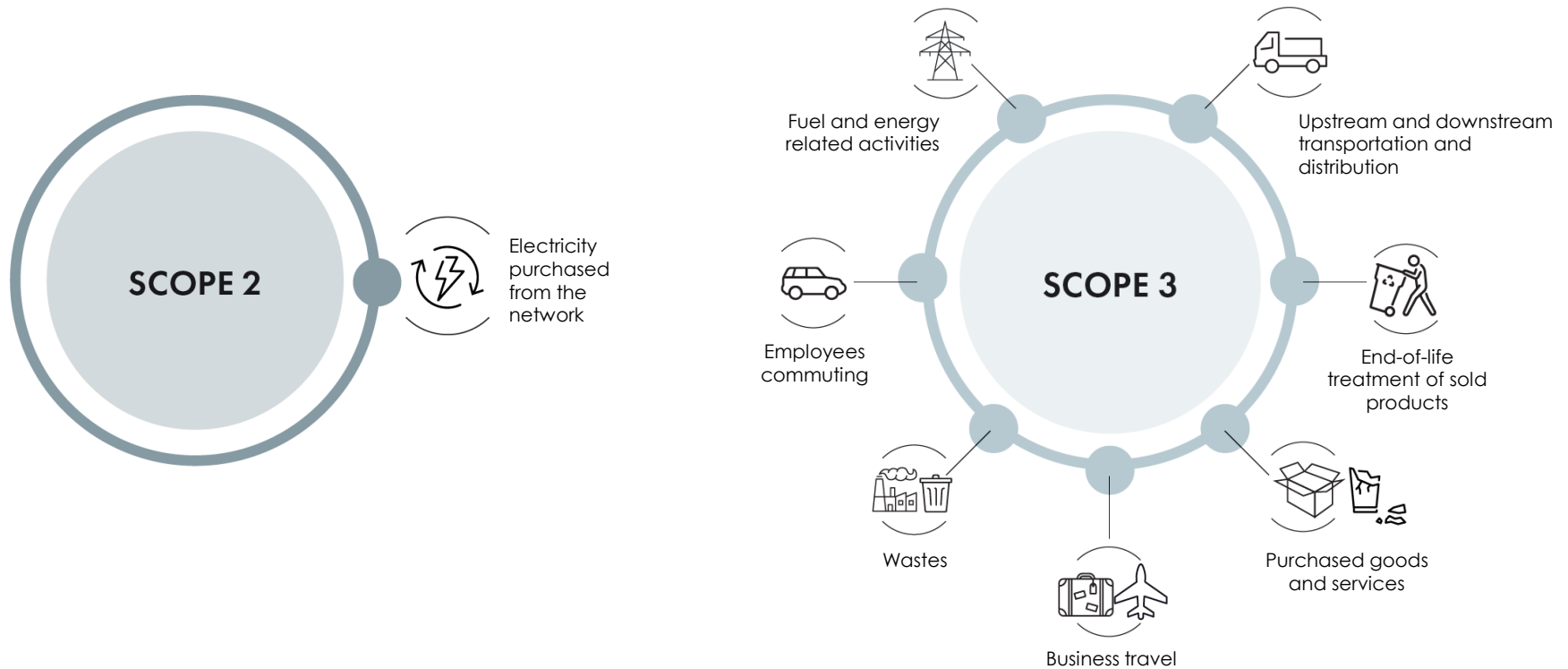


	% recycled materials in the packaging used in 2019	% recycled materials in the packaging used in 2020
Shrink wrap	25,9%	26,1%
Box and cardboard	64,8%	72,8%
Layer pads	41,2%	42,3%

ESG - Environment



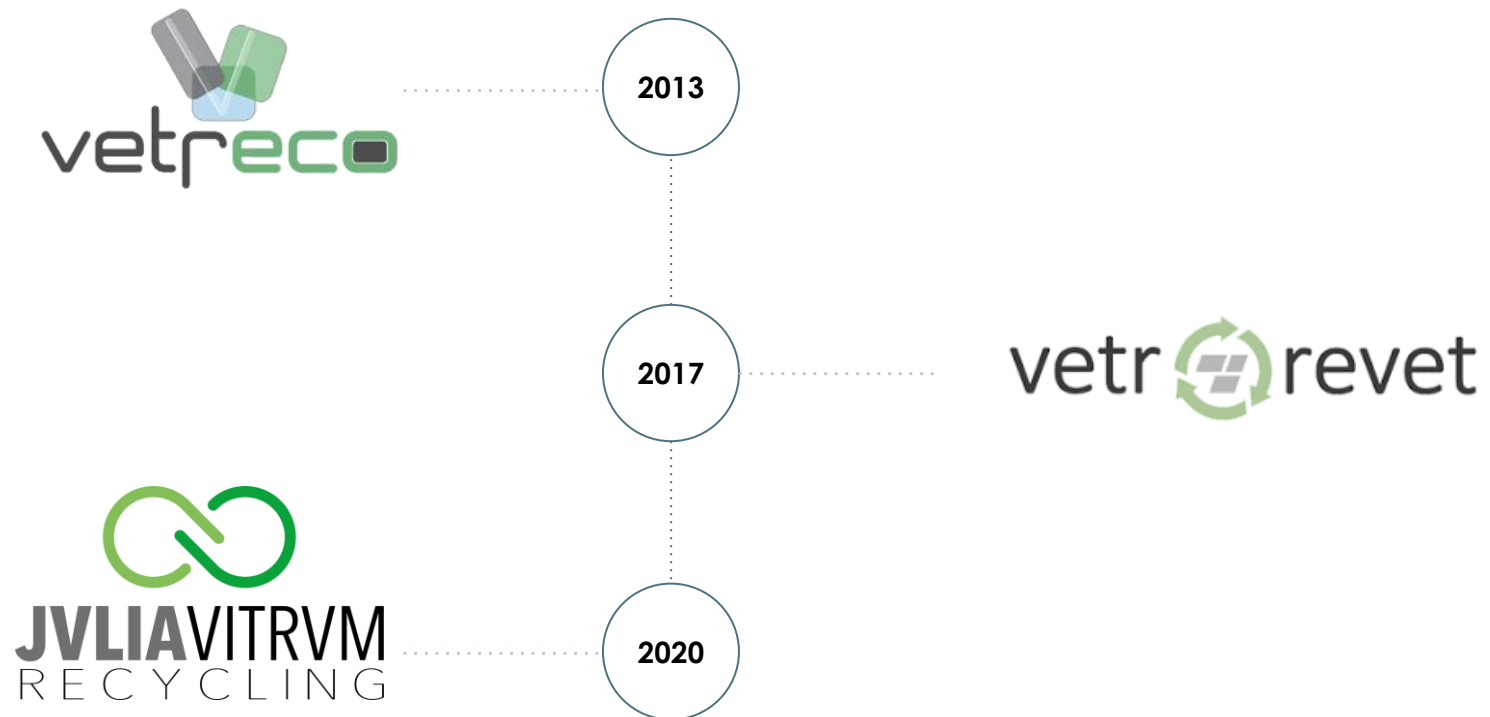
In January 2020 we've started a special project dedicated to the **reduction of CO2 emissions**. The aim is to improve our performance and get significant reduction of CO2 emissions, by focusing on those of Scope 2 and Scope 3.



PCR: a strategic raw material



Given this background, and with the clear objective of getting a strategic raw material under control, which is important to enable ZV to meet its planned growth and keep its mission alive, the ZV Group has followed a precise investment strategy identified by the following milestones:



Impact on the Community



What is extremely important to consider is that the creation of Julia Vitrum is not just a financial investment:

- it is territorial involvement, with the involvement of municipalities through the company Ambiente e Servizi, in charge of waste collection in the region;
- it is economic involvement of means and technology, with agreements with the company Ambiente e Servizi, which has to change its way of working in the glass sector;
- it is job creation (about 40 people);
- and is a change in citizens' behavior.



Certifications



The Group has elaborated a strategic program for the achievement of various **certifications** in the next 5 years:

	Zignago Vetro Italy (Fossalta)	Zignago Vetro Italy (Empoli)	Zignago Vetro Brosse	Zignago Vetro Polska
ISO 9001 (Product quality)	✓	✓	Within 2021	✓
ISO 14001 (Environment)	✓	✓	Within 2022	✓
ISO 50001 (Energy)	Within 2023	Within 2023	-	Within 2021
ISO 45001 (Workplace safety)	Within 2024	Within 2023	-	Within 2025
FSSC 22000 (Food safety)	Within 2022	Within 2021	-	Within 2023
UNI EN 15593 (Food safety)	✓	-	-	✓





In 2020, Zignago Vetro Polska has achieved the ISO 14001.

ESG certifications



The Group is evaluated by Ecovadis and CDP

	 (range 0-100)	 (range D-A)
2020	62	B
2019	59	B
2018	55	B
2017	50	B



Zignago Vetro is awarded the **Silver Medal**, with a score of **62**, higher than **89%** of the companies evaluated in the manufacturing glass sector.

ESG - Social



2020 main Social achievements vs 2019:



- the outgoing employees' turnover has decreased by **-4%**; whereas the **female workforce** has increased, representing the **31%** of the total workforce;



- Corporate Welfare Plan implemented in ZV Itlay;
- insurance policy extended for situations outside of work;
- smart-working implemented in all the compatible business functions;
- starting of a social inclusion project with Futura Social Cooperative;



- the accidents' trend has decreased by **-2,2%**;



- the number of training hours has increased by **+11,9%**;



- implementation of the **supplier's Code of Conduct**: subscribed by the **74%** of suppliers;

Social: Covid-19 measures



Given the emergency situation caused by Covid-19, Zignago Vetro has implemented numerous actions to protect the health & safety of its employees and all its stakeholders:



Solidarity program:

- **1 Million Euros** has been donated by Zignago Vetro to the town hospital to build a Recovery Room in the intensive care unit;
- Zignago Vetro has also made donations in support of the Veneto and Tuscany regions (**25.000 euros each**);
- **10.000 fabric masks** have been produced thanks to the 1.000 meters of washable fabric donated by Zignago Holding;
- glass bottles have been donated to a local pharmacy, to be filled with hand sanitizers;
- masks and hand sanitizers have been offered also to the city-hall, in order to promote the local school opening.












Workplace measures:

- all plants have been equipped with protection measures and policy to guarantee the health and safety of our employees;
- smart-working options have been implemented in all the compatible business functions;
- a specific **insurance policy** coverage for Covid-19 has been activated for all the employees;
- babysitting service has been granted to some key job positions, in order to guarantee the possibility to work;
- specific agreements have been signed with trade unions to safeguard our employees.


Environment: KPIs and Goals



	TOPIC	KPIs	2020 Achieved Goal	2021 Goal	2026 Strategic Goal
 	Raw materials management	% of PCR used on total glass produced	48,0%	52,0%	57,0%
	Packaging management	% of recycled packaging or packaging containing recycled material	Increased	Keep Increasing	Keep Increasing
	Energy efficiency	Energy consumption per ton of glass produced	Δ%: -2,1%	Δ%: -0,6%	Δ%: -9,6%
		% of electricity from renewable resources	44,3%	46%	81%
	Water management	Specific water consumption per ton of glass produced	Δ%: -20,3%	Δ%: -25,4%	Δ%: -40,8%
 	Emissions	CO2 specific emissions (Scope 1 and 2)	Δ%: -6,2%	Δ%: -1,2%	Δ%: -25,9%
		Sustainable logistics	Multimodal transport system	Keep implementing	Keep implementing
	Waste Management	Ordinary waste per ton of glass produced	Δ%: +13,8%	n.a.	n.a.
	Biodiversity	# of environmental accidents	0	0	0
	Environment-related projects	Supported initiatives	10+ supported projects	0,25% of the consolidated annual result dedicated to these initiatives	0,25% of the consolidated annual result dedicated to these initiatives

Social: KPIs and Goals



TOPIC	KPIs	2020 Achieved Goal	2021 Goal	2026 Strategic Goal
 Human Resources management	Outgoing turnover	Δ%: -4%	n.a.	n.a.
	Work-life balance initiatives	Implemented	Ongoing	Ongoing
	Corporate Welfare plan	Implemented in Italy	To be extended in other plants	To be extended in other plants
 Health and safety in the workplace	Accidents' trend	Δ%: -2,2%	Keep lowering	Keep lowering
 Consumers' Health & Safety	Defective products affecting consumers' H&S	0 cases	0 cases	0 cases
 Personnel training	N. of training hours	18.884	Improve the n. of hours	Improve the n. of hours
 Protection of diversity, equal opportunities and non-discrimination	Social inclusion policies	Social inclusion project in Italy	Improve social inclusion policies	Improve social inclusion policies
 Suppliers' management	Favoring local suppliers & implementation of the Suppliers' Code of Conduct	Achieved	Ongoing	Ongoing
 Social-related projects	Supported initiatives	10+ supported projects	0,25% of the consolidated annual result dedicated to these initiatives	0,25% of the consolidated annual result dedicated to these initiatives

Governance: KPIs and Goals



	TOPIC	KPIs	2020 Achieved Goal	2021 Goal	2026 Strategic Goal
	Fiscal transparency	Corruption cases	0	0	0
	Governance structure	Operative structure and committees able to guarantee proper level of management quality	Achieved	Ongoing achievement	Ongoing achievement
	Remuneration system	Component of incentive remuneration linked to ESG targets achievement	Implemented	Ongoing implementation	Ongoing implementation
	Internal Control and Risk Management System	Operative structure and committees able to guarantee proper risk management	Achieved	Ongoing achievement	Ongoing achievement

ZIGNAGO VETRO



Zignago Vetro S.p.A.
Via Ita Marzotto 8, 30025 Fossalta di Portogruaro (VE) – Italy
Tel (+39) 0421 246111 - info@zignagovetro.com