



# Vetriere Riunite Group

Sustainability Report 2020



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# Stakeholders Letter

GRI 102-14 Statement from senior decision-maker

Dear stakeholders,

With this document, Vetrerie Riunite S.p.A. publishes its first Sustainability Report: the decision to take this step of transparency is the result of a long path of commitment by the Group in managing the environmental, social and governance aspects of its business.

It is no coincidence that this decision takes place in 2020, the year in which the Covid-19 pandemic made clear to everyone that the correct management of environmental, social and governance aspects has concrete and tangible implications in the real economy. Both the genesis of the pandemic crisis and the policies to contain the contagion, rather than promoting economic recovery, demonstrate how sustainability is an increasingly central value, in Italy as well as abroad. This awareness, which has already been growing for several years, has intensified during the pandemic, to the point of becoming a priority in the dialogue with investors, banking and financial institutions, local administrations, trade organizations, customers and suppliers.

At the end of 2019, a majority of Vetrerie Riunite's equity share was acquired by an investment fund of Sun Capital, a leading American Private Equity. This new shareholder structure has provided a further stimulus to share the sustainability policies already in place at the Group, as well as to strengthen and complete them, with a view to continuous improvement: the Vetrerie Riunite 2020 Sustainability Report therefore captures a snapshot during a path in full evolution: not a point of arrival, but rather a solid platform, to reach new horizons of advancement.

Despite the uncertainty caused at all levels by the pandemic, 2020 was a positive year for Vetrerie Riunite: starting from the second half of the year, demand was at very high levels from all customers, and it is maintained as such for the entire following year. At the same time, a favorable product mix and some operating efficiencies made possible to close a year with a growth compared to the previous one.

The recent acquisition of the Group also coincided with a redefinition of its strategy, now more clearly oriented towards consolidating its leadership in the sector of glass washing machine doors, of which Vetrerie Riunite is already the first world producer, with a global market share of approximately 40%. Following this strategic affirmation, the Group proceeded, at the end of 2020, to the sale of the Vetri delle Venezie business unit, which - in addition to contributing negatively to the Group's results - represented a risk of out-of-focus for management and production.

For 2021, the Group aims to consolidate the growth path started in the second half of 2020, by investing in new production capacity - which allows it to capture new demand trends - and in extraordinary transactions - which contribute to consolidating market leadership -. The washing machine market is constantly growing on all continents, and Vetrerie Riunite is optimally positioned to benefit from this long-term trend, increasing its economies of scale and operational efficiencies.

Also, from the point of view of sustainability, Vetrerie Riunite intends to invest so that 2021 represents a year of growth: various projects have been launched and are underway, which aspire to consolidate the Group's positioning on the environmental, social and governance fronts. They will begin to deliver results starting from 2021, and then to an ever-greater extent thereafter. We therefore expect that the Sustainability Reports for the years to come will trace a period of constant improvement on all the dimensions highlighted and will constitute an irreplaceable tool for measuring the objectives achieved on such a strategic issue, as well as for interacting with all the Group's stakeholders.





# Methodological Note

GRI 102-45/56

This first Sustainability Report arises from the need of Vetrerie Riunite to communicate to all its stakeholders the sustainability performance relating to the fiscal year 2020 (01.01.2020-31.12.2020), with information and references also to the data relating to the previous year.

Vetrerie Riunite undertakes to publish its annual Sustainability Report.

The following report examines the performance of Vetrerie Riunite not only from an economic point of view, but also from an environmental and social point of view. Although the drafting of the Sustainability Report is a voluntary exercise for Vetrerie Riunite, the decision to undertake a structured process of reporting non-financial information was taken with a view to favouring an increasingly complete and transparent disclosure towards its main interlocutors, also in consideration of the high economic, socio-environmental and technological value of the activities carried out in the production of their products.

The reporting boundary of the Sustainability Report considers the headquarters of Vetrerie Riunite S.p.A..

The Report was prepared according to the guidelines of the GRI Sustainability Reporting Standards (GRI Standards) issued in 2016 by the Global Reporting Initiative, which constitute the most widespread international reference for sustainability reporting.

The preparation of this Report was carried out following the fundamental principles of definition and quality provided by the GRI standard, such as: stakeholder inclusiveness, context of sustainability, materiality, completeness, accuracy, balance, clarity, comparability, reliability and timeliness. The themes discussed in the following sections, in fact, are those considered relevant as they are able to reflect the environmental and social impacts of the activities of Vetrerie Riunite or to influence the decisions of its stakeholder. These material themes were identified by conducting a materiality analysis according to an organized and articulated approach.

In the paragraph "GRI Content Index" a correlation table between the information reported by the organization and the GRI indicators is presented in a summary form, opting for a core coverage level.

The Report will not be subject to auditing, which is postponed to future years.

For further information about this report, please contact:

**Mr. Enrico Perlini - Finance Manager (e.perlini@vetrerieriunite.it).**



# 1. Organizational Profile

## Highlights

- 300 employees
- 320 tons of glass per day
- 28 million pieces
- +18% revenues in 2020
- 76 countries served
- Soda-lime glass technology to avoid boron pollution
- Endport technology ovens to reduce energy consumption and pollution

## 1.1. History, mission and vision of Vetrerie Riunite

Vetrerie Riunite S.p.A. is the world leader in the glass porthole market for household appliances. Thanks to the synergy, dynamism and its innovative capacity, the organization has stood out in its sector for over 50 years.

Mission	Vision
To be a world leader in the creation of highly technological and innovative products that respect the environment.	To be a world reference point for customers looking for specialized products with high technological complexity. A synergistic group with an eye always turned towards innovation.

The organization's values and principles are written in the Code of Ethics which describes the ethical principles and the rules of behaviour.

The Code of ethics of Vetrerie Riunite S.p.A. sets out the ethical principles and the rules of conduct that reinforce and give concrete form to the general principle of legality, understood as respect for all laws, regulations, administrative provisions and, in general, the regulatory provisions in force.

The purpose is to maintain the highest possible degree of ethicality in the conduct of business activities, defining the principles and rules of conduct for all stakeholders.

The Addressees are:

- Members of Corporate Bodies (Board of Directors, Board of Auditors);
- Executives and middle managers;
- Employees;
- Consultants, agents, commercial partners, suppliers and collaborators, however denominated.

All recipients will be required to observe and, to the extent of their competence, to ensure compliance with the principles of the Code of Ethics.

The Ethical Principles are:

### 1. Respect for personal dignity and impartiality

For Vetrerie Riunite S.p.A. the respect for the person is a priority. In decisions that affect relationships with its stakeholders (customer management, work organization, supplier selection and management),

Vetrierie Riunite S.p.A. does not condone conduct that is discriminatory in content based on age, gender, health status, race, nationality, political opinions or religious beliefs. Vetrierie Riunite S.p.A. requires no harassment of any kind of employees, suppliers, customers or visitors in internal or external working relationships. Harassment is defined as any form of intimidation, threat, behaviour or verbal abuse that is an obstacle to the peaceful performance of one's duties, for example the abuse by a superior of his or her position of authority.

## **2. Respect for the law**

In carrying out their activities and in relations of any type or nature, personnel and collaborators of Vetrierie Riunite S.p.A. are required to diligently comply with the laws in force, the Code of Ethics and internal provisions. Under no circumstances may the pursuit of interest of Vetrierie Riunite S.p.A. justify any action that does not conform to an ethically and legally sound course of action.

## **3. Transparency and completeness of information**

The collaborators of Vetrierie Riunite S.p.A. are obliged to give complete, transparent, comprehensible and accurate information, in order to allow all the stakeholders to make autonomous and conscious decisions in the development of their relations with the Company. In particular, in the formulation of any form of agreement, Vetrierie Riunite S.p.A. will take care to specify to the contractor, in a clear and understandable way, the conduct to be kept in the relationship established.

## **4. Privacy**

Vetrierie Riunite S.p.A. ensures the confidentiality of the information in its possession and refrains from searching for confidential data, except in the case of express and conscious authorization and in accordance with the legal regulations in force. All employees of Vetrierie Riunite S.p.A. are required not to use confidential information for purposes unrelated to the conduct of their business.

## **5. Value of human resources**

The qualification and specialization of its employees have always been a commitment for Vetrierie Riunite S.p.A. because they are an indispensable factor of success. The company protects and promotes the value of human resources in order to maximize the degree of satisfaction and increase the wealth of skills possessed. Therefore, in the management of relationships involving the establishment of hierarchical relationships, Vetrierie Riunite S.p.A. requires the authority to be exercised with fairness and correctness, prohibiting any behaviour that may be considered harmful to the dignity and autonomy of the employee.

## **6. Environmental protection and sustainable development**

Vetrierie Riunite S.p.A. is strongly committed to an eco-sustainable development, through concrete investments and a cutting-edge environmental policy able to reduce to zero the external impacts. The environmental management system is integrated with the management of health and safety in the workplace and with the quality of products and processes. With a monitoring plan approved and verified by the public control bodies, it tends to a continuous improvement of the impact levels on the various environmental matrices such as air, water, soil. Vetrierie Riunite S.p.A. has made a commitment to a constant reduction of greenhouse emissions. The Kyoto Protocol has never been considered as an obligation, but as a tool to add more and more energy efficiency that allows the containment of CO2 emissions.

## **7. Protection of health and safety at work**

The primary mission of Vetrierie Riunite S.p.A. is to safeguard the health and safety of its employees, of external parties who come into contact with the company, of its clients and of the surrounding population. Equally primary is the objective of eliminating accidents and occupational diseases. Vetrierie Riunite S.p.A. is therefore committed to spreading and consolidating a culture of safety by developing awareness of risks and promoting responsible behaviour by all employees and collaborators.

### **8. Efficiency and technological innovation**

Vetierre Riunite S.p.A. intends to operate in the management of the company with criteria of economy and efficiency to provide products and solutions with a high quality/cost ratio and achieve full customer satisfaction. With this in mind, it has made innovation its nerve and strategic point: it is thanks to this that today the company can boast a very high technological level.

### **9. Responsibility towards the community**

Vetierre Riunite S.p.A. is aware of the influence that its activities may have on the conditions, on the economic and social development and on the general well-being of the community, as well as the importance of the social acceptance of the communities in which it operates. For this reason, Vetierre Riunite S.p.A. intends to conduct its activities aimed at achieving the corporate purpose in accordance with social appreciation, in respect of the communities with whom it interacts.

### **10. Prevention of conflicts of interest**

In conducting any activity, Vetierre Riunite S.p.A. intends to avoid situations in which the persons involved in the transactions are, or may even only appear to be, in conflict of interest.

### **11. Fairness in Relations with Competitors**

Vetierre Riunite S.p.A. intends to protect the value of fair competition by refraining from collusive and anti-competitive conduct.

Rules of conduct

#### **Relations with the corporate bodies**

The members of the corporate bodies, in addition to complying with the provisions of the law, are required to comply with the provisions of the Code of Ethics. In particular, corporate bodies must:

- ensure the truth, completeness, clarity and timeliness of information, both internally and externally, as well as the utmost accuracy in the processing, safekeeping and updating of accounting and corporate data and informations;
- properly and promptly record in the business accounting system each transaction or transaction in accordance with the criteria laid down by law and on the basis of the applicable accounting principles; each transaction or transaction must be authorized, verifiable, legitimate, consistent and appropriate;
- participate, according to their respective competences, in the implementation and implementation an effective business control system and to involve the other entities with which they relate
- make confidential use of the information which comes to their knowledge for reasons of office by avoiding using their position to obtain personal benefits.

#### **Relations with the employees**

Staff selection and management

Vetierre Riunite S.p.A. offers the same opportunities without any discrimination, starting from the moment of the selection of the personnel. Favoritism, forms of patronage or nepotism are not permitted. Those who select or participate in the selection must not be in situations of potential conflict of interest with the candidate.

Recruitment takes place under a regular contract of employment in full compliance with the law and the CCNL applied, facilitating the integration of the worker into the working environment.

Vetierre Riunite S.p.A. offers the same career opportunities to those who possess the characteristics

required for access to higher functions, positions and/or profiles, without any discrimination. The Company shall give priority is given to staff training and constant updating on specific topics (for example: safety at work, updating of technical skills).

**Relations with the suppliers**

The Company imprints its conduct in relations with suppliers on the principles of transparency, equality, loyalty and competition.

**Relations with external collaborators**

The collaborators, however called, are obliged to respect the principles contained in the Code of Ethics.

**Relations with the Public Administration**

The relations of Vetrerie Riunite S.p.A. with the Public Administration - state, regional and municipal, internal or community - or in any case relating to public relations, shall be guided by the strictest observance of applicable laws and regulations and shall in no way affect the integrity and reputation of the Company.

**Relations with competitors**

In the management of business and business relations is inspired by the principles of loyalty, legality, fairness, transparency, efficiency and openness to national and international markets. The activities of Vetrerie Riunite S.p.A. and the behavior of its employees, directors, managers and collaborators must be inspired by the most complete autonomy and independence from the conduct of competitors in the national and foreign markets.

**Protection of privacy**

The acquisition, processing and storage of information and personal data, is carried out in compliance with specific procedures aimed at preventing unauthorized persons and/or entities from becoming aware of it. These procedures are in compliance with current regulations, in particular Vetrerie Riunite S.p.A. pursues compliance with the provisions of the European Regulation 2016/679.

The code of ethics is accessible to all on the [www.vetrerieriunite.it](http://www.vetrerieriunite.it) website.

The list of the main memberships of industry or other associations, and national or international advocacy organizations includes: Confindustria Verona, Assovetro, Assoceramica.

## 1.2. Business model description

Vetrerie Riunite S.p.A. is a leading company in the production and marketing of glass objects high quality pressed, which provides the largest companies internationally in the industry of the household appliance and the household sector. The pressed glass production process involves melting the raw materials in the furnace and subsequent casting in a mould. The application of a punch on the molten material gives the glass the desired shape.

Glassworks has developed specific skills in the production of pressed glass and its sales are addressing two markets: technical glass - portholes of washing machines, globes for lighting - and Tableware.

The complementarity of the two productions has an important effect of efficiency of the capacity almost constant melting furnaces and other inputs and allows to maximize the use of energy and fused matter.

With the exception of Tableware, fragmented into wholesale, retail, and HORECA channels, all other products are intended for B2B customers.

### Technical glass

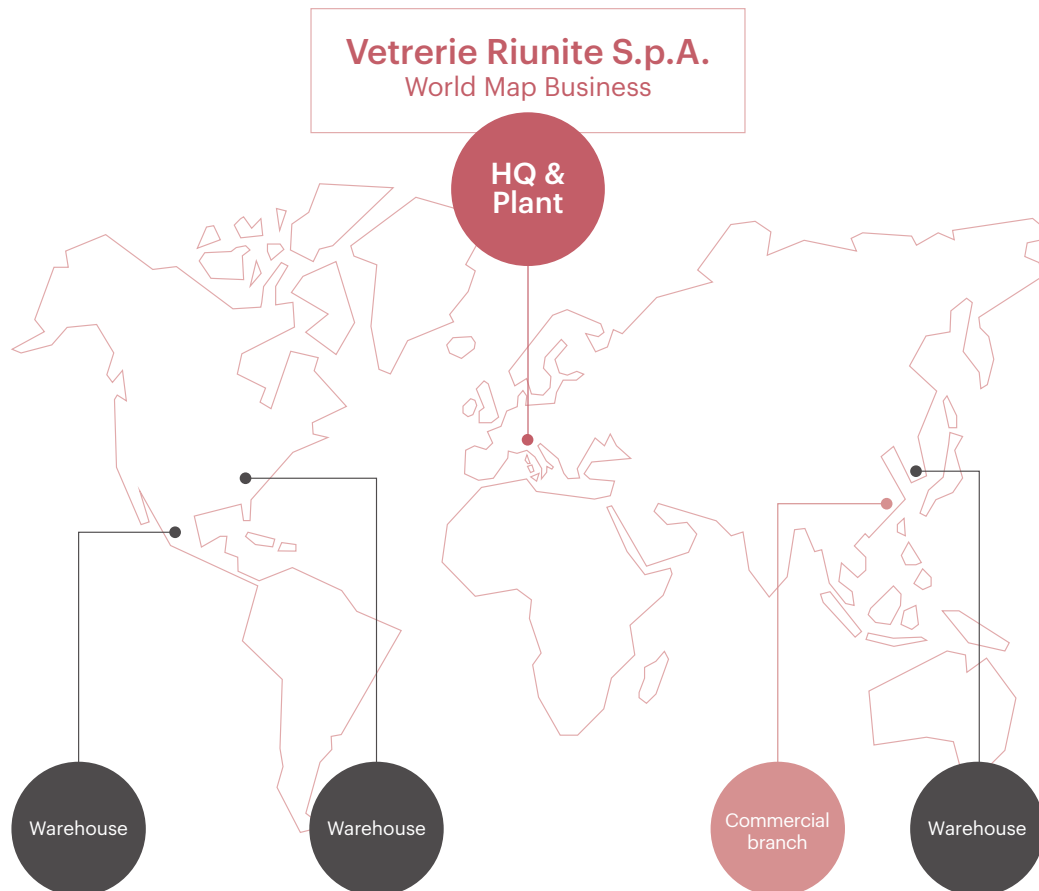
Technical glass is the main focus both in terms of volume and turnover and is a segment where the company has an excellent reputation internationally, being the supplier of the most important manufacturers of household appliances. The main sector of reference is the “white industry” (washing machines and dryers) which Vetriere supplies pressed glass portholes, satisfying about a third of the demand Global for appliances’ front loader.

Vetriere Riunite is a leader in the production of medium-high range portholes and the Group’s customer portfolio includes the major players in the sector. The main strengths are represented by the know-how technology developed over the years and by continuous investments for the improvement of productivity. The technical department of Vetriere can, in fact, develop technologically advanced glasses and very high performance with specific shapes and sizes also relevant. All products are of high quality, high transparency, high resistance to hydrolytic attack and detergents. These characteristics allow to direct the products of Vetriere in the premium segment of the market.

### Tableware

Vetriere Riunite until December 2020 produced and sells glass products for household use, also called Tableware, that are glasses, cups, raised cups and other high-end glass objects for the table. On January 2021 this business unit has been sold to focus on the core business, technical glass.

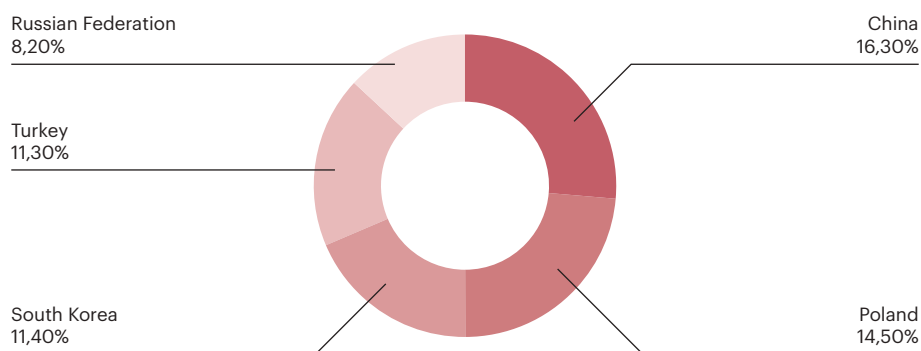
The Vetriere Riunite business model is subdivided according to the following geographic structure:



Vetierre Riunite's customers are washing machines manufacturers; it markets mainly with Eastern European countries; in particular, the main countries for Vetierre Riunite turnover are:

Revenues Per Country - All products	2020	2019	%Revenues 2020	%Revenues 2019
China	€ 12.908.796	€ 11.463.181	16,3%	16,1%
Poland	€ 11.455.345	€ 9.809.554	14,5%	13,7%
South Korea	€ 9.000.410	€ 7.028.868	11,4%	9,9%
Turkey	€ 8.958.242	€ 6.256.568	11,3%	8,8%
Russian Federation	€ 6.482.097	€ 6.813.562	8,2%	9,5%

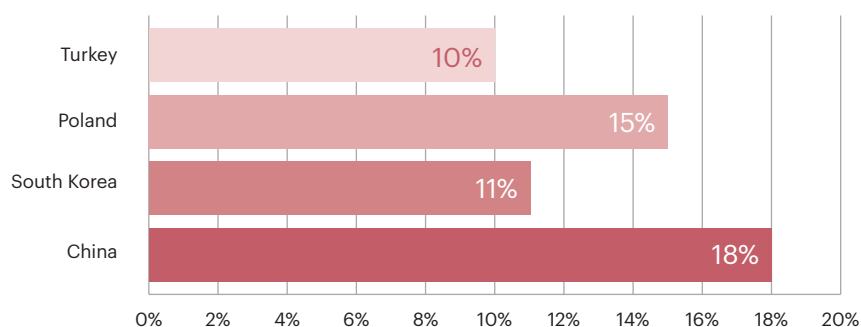
#### % OF REVENUES PER PRINCIPAL COUNTRY OF ALL PRODUCTS - 2020



For the porthole market, however, the principal countries with whom Vetierre Riunite markets most are:

Revenues Per Country - Porthole	2020	2019	%Revenues 2020	%Revenues 2019
China	€ 11.459.446	€ 12.903.581	18,1%	17,6%
South Korea	€ 7.010.245	€ 9.016.320	11,1%	12,3%
Poland	€ 9.732.995	€ 11.400.379	15,4%	15,5%
Turkey	€ 6.246.922	€ 8.901.833	9,9%	12,1%

#### % OF REVENUES PER PRINCIPAL COUNTRY OF PORTHOLE MARKET



## 1.3. Certifications and quality management system

The Vetrerie Riunite Group glass products are composed of excellent raw materials, selected and inserted within a cutting-edge production process. The research carried out in the company laboratories has made it possible to obtain high quality articles recognized all over the world.

The Vetrerie Riunite Group glass is certified according to REACH 1907/2006/EC due to the absence of pollutants within its chemical composition. This characteristic allows it to be totally recyclable as demonstrated by the UNI-EN 12457-2 certification and suitable for the preparation of food and drinks.

The Vetrerie Riunite Group household products can be used in microwaves (EN 15284: 2007 standard) and dishwasher safe (resistance to hydrolytic attack Class 3). Quality certifications are respected and renewed every year.

The Company has the certification ISO 9001 (see paragraph 3.3).

## 1.4. Materiality analysis and stakeholders map

With the aim of forming an interdisciplinary and heterogeneous team to support the materiality analysis process, the company has defined a Working Group, consisting mainly of the directors of the Vetrerie Riunite board and directors of the Business Units. Through an internal analysis, aimed at identifying the main stakeholder of the company, Vetrerie Riunite has identified 5 macro-categories of stakeholder:

- Investors, Banks, Insurance, Financial Community
- Employees
- Clients
- Suppliers and Business partner
- Society (Institution, Public Administration, Not-for-profit Organization, Local Community, School and University).

To better define the nature of its sustainability strategies and for the subsequent drafting of this Sustainability Report, Vetrerie Riunite carried out a materiality analysis aimed at identifying and prioritizing the themes considered relevant and significant for its business and for stakeholder. These themes, in fact, are defined as “material” as they reflect the economic, social and environmental impacts of the activities carried out by the company and because they can influence the decisions of internal and external stakeholder.

Thanks to an analysis of sources internal and external to the company, Vetrerie Riunite has identified a series of main themes relating to 6 different macro-areas:



Subsequently, in order to select the really material topics for Vetrerie Riunite among those identified through this first survey, the methodological approach was divided into 3 phases, briefly summarized below:

- **Mapping of relevant issues:** through an analysis of sources internal and external to the company, **42 relevant issues were identified from a sustainability perspective**, taking into account the business and the sector in which the organization operates;
- **Assessment of relevant issues:** the level of relevance of the identified issues was assessed individually by each member of the Working Group, taking into consideration both **the Vetrerie Riunite point of view and the perspective of the various categories of stakeholder**;
- **Data processing and rationales:** once all the questionnaires with the evaluations have been collected, the data have been consolidated and processed and the result is a matrix that allows you to identify the topics that:
  - reflect the significant economic, environmental and social impacts for the organization;
  - substantially influence the assessments and decisions of relevant stakeholder.

It should be noted that the themes were initially assessed according to six different points of view, that of Vetrerie Riunite and that of each of the five macro-categories of stakeholder. Subsequently, the overall level of relevance of the stakeholder was obtained through an average.

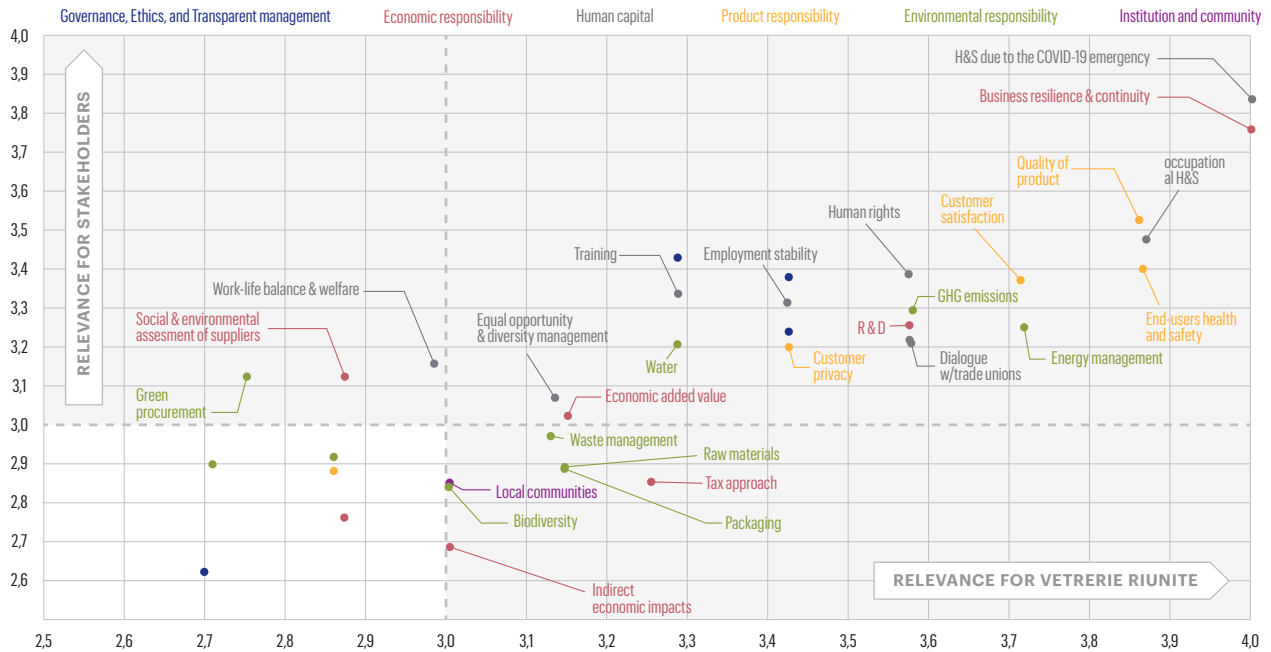
The results of the survey allowed to create the c.d. **matrix of materiality**. This analysis highlights the most important social, environmental, economic and governance issues for the company and its stakeholder. The analysis followed the materiality principle as required by the GRI standard.

The chart below focuses on issues that are considered to be very relevant to Vetrerie Riunite and stakeholder. The analysis shows that for Vetrerie Riunite the central issues are multiple for the purposes of its sustainable development: these include, for example, the health and safety due to covid-19 emergency, business resilience & continuity, occupational health and safety, quality of product, customer satisfaction, and more besides.

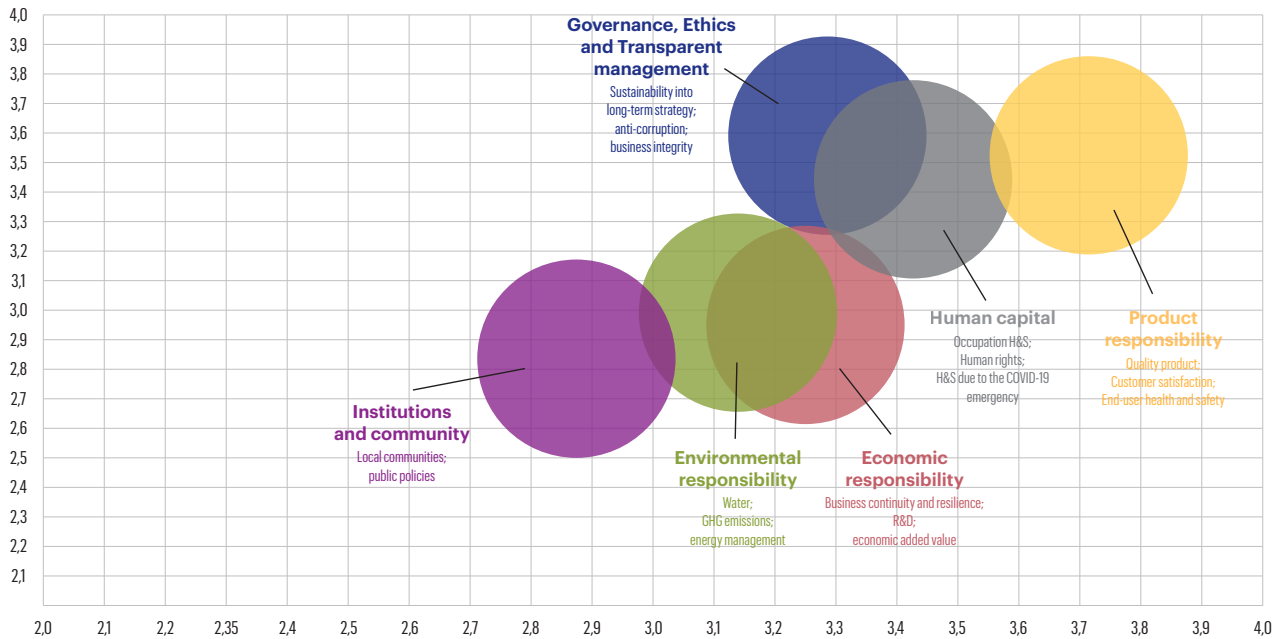
The topics under analysis are subject to an evaluation scale, consisting of the minimum value of "1" (a minor topic), and the maximum value of "4" (a highly relevant topic). The materiality matrix allows to give a synthetic representation of the themes analysed and, on the basis of the evaluation carried out, they

assume a specific positioning that allows to identify the degree of relevance: the themes that are positioned in the clearest band of the graph represent the most significant themes for both Vetrerie Riunite and stakeholder; as you move towards the lower left quadrant, the theme assumes, progressively, a minor relevance.

## MATERIALITY MATRIX



Scope	Materials topic
<b>Governance, ethics and transparent management</b>	Sustainability into long-term strategy Business integrity Anti-corruption Fair competition
<b>Economic responsibility</b>	Business resilience & continuity R&D Economic added value Social & Environmental assessment of suppliers Indirect economic impacts
<b>Human capital</b>	H&S due to the COVID-19 emergency Occupational H&S Human rights Employment stability Training Equal opportunity & Diversity management Dialogue w/trade unions Work-life balance & welfare
<b>Product responsibility</b>	Quality of product Customer satisfaction End-users health and safety Customer privacy Packaging
<b>Environmental responsibility</b>	GHG emissions Energy management Water Green procurement Waste management Raw materials Biodiversity

**MATERIALITY MATRIX - CLUSTER**

## 1.5. Dialogue with stakeholders

Working for maintaining a constant, solid and transparent relationship with stakeholder is a fundamental condition for the correct development of business activities, representing the responsibility that Vetrerie Riunite places towards the social context which it interacts with. The company recognizes as stakeholder all those subjects (e.g. institutions, organizations, groups or individuals) who can, more or less directly and to different degrees, influence or be influenced by its activities. Since the needs and priorities expressed by the different types of stakeholder can be extremely varied and heterogeneous, the correct understanding of the same by Vetrerie Riunite is an aspect of primary importance in terms of:

- manage in advance the emergence of potential critical issues;
- define the actions to be implemented in response to the interests identified;
- identify the most effective communication and engagement channels for interacting with the various parties to be involved.

To meet the expectations of its stakeholder in a timely manner, Vetrerie Riunite adopts a proactive approach, promoting a constant dialogue and the mutual sharing of needs and requirements. The company promotes these initiatives, aware that the opportunities for discussion represent an opportunity for growth and enrichment for all those involved. For the draft of this Sustainability Report, Vetrerie Riunite conducted an internal stakeholder mapping analysis which saw the involvement of the same Working Group subsequently involved in carrying out the materiality analysis. The process was divided into 2 main phases:

- identification of the various stakeholder of Vetrerie Riunite and their breakdown within five macro categories;
- individual assessment of the level of strategic / relevance of the various stakeholder by each member of the Working Group by completing a specific questionnaire and based on two variables:
  - influence, that is the ability of the stakeholder to influence the company's objectives, activities and results;
  - dependence, i.e. the extent to which the stakeholder is influenced and depends on the company's activities.

The commitment to progressively develop a corporate culture focused on creating shared value for stakeholder is evident considering the numerous channels of dialogue adopted by Vetrerie Riunite to interact effectively with its various interlocutors. The system of communication and comparison approaches and tools put in place by the company allows it to maintain constant interaction between the parties and constantly monitor the topics directly or indirectly related to ESG aspects.

Stakeholder category	How the stakeholder are engaged	Frequency of the engagement
Customers	<ul style="list-style-type: none"> <li>• Surveys</li> <li>• telephone interview</li> <li>• one to one meeting</li> </ul>	Daily
Suppliers / Business partner	<ul style="list-style-type: none"> <li>• focus groups</li> <li>• public meeting</li> <li>• corporate advisory panels</li> </ul>	Daily
Shareholders/Investors/ Equity partners/Public entities	<ul style="list-style-type: none"> <li>• Surveys</li> <li>• telephone interview</li> <li>• one to one meeting</li> </ul>	On request
Banks/Insurance companies	<ul style="list-style-type: none"> <li>• focus groups</li> <li>• public meeting</li> <li>• corporate advisory panels</li> </ul>	On request
Public Institutions	<ul style="list-style-type: none"> <li>• Institutional communication</li> </ul>	On request
Community	<ul style="list-style-type: none"> <li>• Surveys</li> <li>• telephone interview</li> <li>• focus groups</li> <li>• public meeting</li> <li>• corporate advisory panels</li> </ul>	Every week
Environmental stakeholder	<ul style="list-style-type: none"> <li>• Institutional communication</li> <li>• Compliance with legislations</li> </ul>	On request

### GRI 102-12 External initiatives

In terms of associations, Vetrerie Riunite maintains a long-term relationship with Confindustria, Assovetro, CUOA, SSV, Camera di Commercio Italo-Cinese and Fondazione Italia-Cina.



## 2. Governance, ethics and transparency

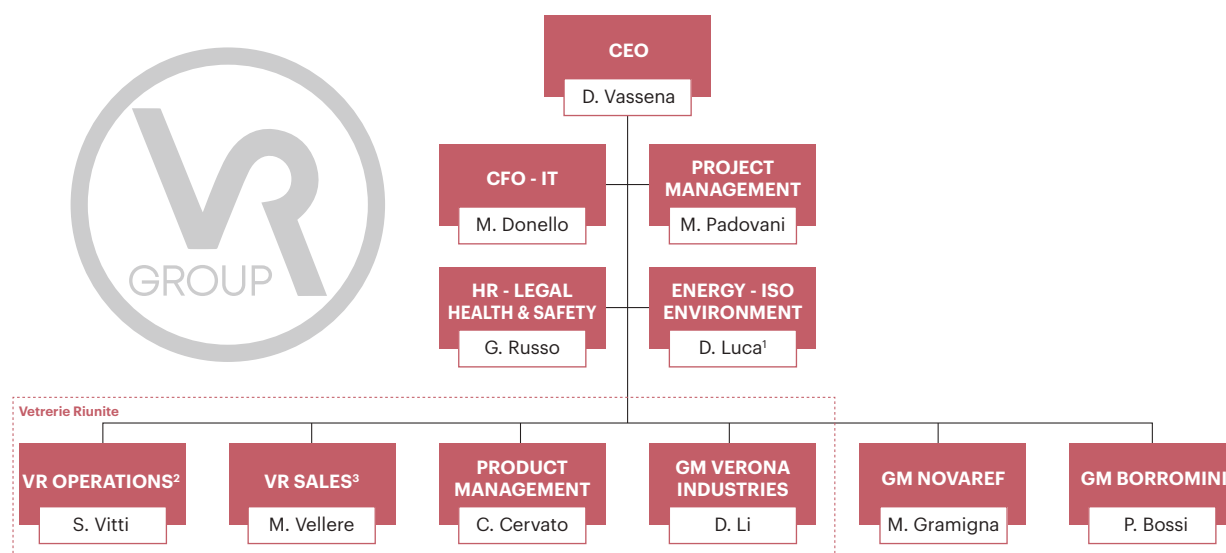
### Highlights

- 33% of women on the Board of Directors
- D.Lgs. 231/2001
- Whistleblowing policy
- Risk analysis

## 2.1. Governance and organizational structure

The Board of Directors consists of 3 members, of which 2 men and 1 woman, and 67% are in the 30-50 age group; there aren't any employees who belong to the protected categories.

Name	Surname	Role
Luca Matteo	Villa	Chairman
Davide	Vassena	CEO
Marisa	Donello	Director



- 1 Delegate of the Employer pursuant to Legislative Decree 81/2008 Vetrie Riunite  
 2 Excluding local operations for Chinese customers  
 3 Excluding sales to Chinese customers

In compliance with the provisions of the law, Vetrie Riunite is subject to the control of an audit firm, a board of auditors and a supervisory body, contributing to the supervision of the main ESG issues.

## 2.2. Business integrity and transparency

Vetrie Riunite did not report any legal action pending or concluded during the reporting period regarding anti-competitive behaviour and violations of antitrust and monopoly practices in which the organization has been identified as a participant.

In light of the company's desire to operate in a transparent and correct way, also to protect its reputation and its shareholder, directors and employees, Vetrie Riunite S.p.A. decided it was appropriate, in line

with its company philosophy, to adopt and implement an Organisation, Management and Control Model and subsequently keep it constantly up to date. The purpose of the Model is also to raise awareness among all Recipients, in order to guide their conduct based on the principles of correctness and transparency, at the same time as avoiding and preventing any risk of them committing crimes in relation to the company's activities.

This Model was adopted by the Board of Directors of Vetrerie Riunite S.p.A. through a resolution passed on 28th May 2018.

## 2.3.Fight against corruption

Vetrerie Riunite Spa has adopted and implemented a safety management system in compliance with d.lgs. 231/2001. The management system has no certification, but it is audited annually by the supervisory body.

The team dedicated to the management of Vetrerie Riunite is made up of the supervisory body. The mechanisms adopted for the management of complaints are periodic audits by the supervisory body. Furthermore, a Whistleblowing policy has been implemented.

Anti-corruption policies have been communicated to all members of government bodies and to all employee, while no training has been provided to government bodies, nor to employees. Business partners have not received anti-corruption training.

Vetrerie Riunite has not had any legal actions pending or completed during the reporting period regarding anti-competitive behaviour and violations of antitrust and monopolistic legislation in which the organization has been identified as a participant.

## 2.4.Risk analysis and management

Based on the provisions of the Decree and the instructions provided by the Guidelines, Vetrerie Riunite S.P.A. has mapped its risks, identifying the areas within its company that are particularly at risk of some of the Predicate Offences being committed.

First of all, Vetrerie Riunite S.p.A. analysed the basic elements of the Predicate Offences, with the aim of identifying and defining the actual conduct which, within the company, could commit the crimes in question. Vetrerie Riunite S.p.A. then analysed the company, in order to identify the areas and departments that were most at risk. These risk areas were identified with the help of an external consultant who is an expert in (Italian) Legislative Decree no. 231/01 and who was hired specifically for this purpose, and by analysing the company Vetrerie Riunite S.p.A. based on interviews with Directors and Heads of Processes and by analysing a sample of documents out of those used to run company activities.

Lastly, Vetrerie Riunite S.p.A., within the "at-risk" areas identified during the initial assessment, drafted the procedures and protocols that it believed suitable to ensure the Model would be appropriate and efficient in relation to the provisions of the Decree. The results of this risk mapping activity will be described in detail in each Special Section, which will also explain the procedures and measures implemented by Vetrerie Riunite S.p.A. to prevent, or in any case reduce to a minimum, the risk of the Predicate Offences being committed.



# 3. Economic responsibility



## Highlights

- Revenues in 2020:  
80.008.296€
- Economic value distributed:  
72.606.477€
- 78% of total budget is spent  
on purchases on local  
suppliers

## 3.1. Creation and distribution of economic added value

The Administration Financial and Controlling department (AFC) oversees the economics management of the entire Group.

The Company employee policy ensures career and professional development. New talents are taken into consideration for managerial positions and to growth with the Company along the years. Growing steps for strategic positions are defined since the beginning.

Professional training is provided at different levels according to roles, positions, expertise and individual needs. The professional training plan will start again after Covid-19 pandemic.

Concerning tools of work, the AFC is supported by IT Systems AS400 for accounting, Microsoft Power BI for sales and profitability analysis and instant info access, DocFinance for treasury management, and Microsoft Excel supporting tools for specific computation and analysis.

The information and reporting system is organized on reports, according to different level of detail and time frame. In this process all the AFC professionals are involved, following a Group calendar of deadlines and best practices that are mainly ongoing from many years but always updated and enhanced. Here the Group approved reports:

### **Weekly Report**

Weekly flash: It is handed within every Tuesday and it contains the main sales and orders data, production KPIs, accounting receivables and payables, inventories and treasury management indicators, EBITDA and Sales forecasts for the current month and the next 2 months.

Weekly cash: it is handed within every Tuesday and it contains 13-week forecasts cash flows, with evidence of the operating cash flow and free cash flow. Deviations from the previous week's version are requested

### **Monthly Financial Report (MFR)**

Flash MFR: Within the 10th of each month the AFC prepares a report consisting in Profit & Loss (monthly and year to date), Balance sheet and Cash Flow. In this task, the AFC gathers all the info needed from the other functions.

Final MFR: Within the 14th of each month, on the base of the Monthly Fast closing, the AFC prepares the MFR according to SUN Capital group standards with more details and info than the previous one.

### **Budget / Forecast Report**

Budget Report: by the end of each year the budget for the following year is approved. All business areas are involved in the budget process with the use of specific tools developed internally to adequately support planning. The budget process is developed over a 3-month time horizon from September to December.

Forecast Report: Two forecasts are carried out every year: in July the forecast 6+6 and in November the forecast 10+2. Management is strongly committed to planning and the economic and financial implications of each strategic decision are always examined

### **Business Plan**

Every year the company updates the three-year Business plan of the Group.

### **Annual Statutory Financial Report**

Annual Statutory and consolidated Financial Report. Within the 30th of April, the Company performs and approves all the documents required. The AFC coordinates the activities of all the Entities of the Group, auditors and Statutory auditors to ensure full compliance to the law and to the best practices.

The AFC supports the Directors and investors providing reports on demand and specific analysis. As staff function, AFC relates with every function ensuring concerning Economics matters.

In order to ensure the compliance with law and best practices, the AFC cooperates on a daily base with lawyers and tax consultants, as well as professionals of the investors.

**Risk analysis:**

The AFC pdt manages above all risks related to its activity, that can be affected also by others activity. The main risks on which the department is committed to ensure compliance and coverage are:

- **Fiscal risks:** the Company cooperates constantly with a primary chartered accountants' partnership to be aligned on every tax law and best practice ongoing.
- **Law compliance risks:** the company set a stable cooperation with a primary lawyer's partnership.
- **Financial Reports issues:** the Financial Reports are audited by law ban audit firm, with which the Company cooperate during the whole year to ensure the compliance with International Accounting Standard and the truly reporting of the relevant events.
- **Breach of Law and Statutory:** to ensure the respect of statutory and law provisions, the Company has appointed, by law, a Statutory auditor committee composed by three independent chartered accountants. The committee supervises the main Company management and figures along the year and, at the end, issues a certification.
- **Breach of Management best practices:** the Company has adopted some operative procedures and best practices for the management of working flows. As well as different power of attorney at different levels of the management, in order to ensure segregation of duties and quick operation.
- **Liabilities actions towards Management and Directors:** to cover the risk coming from a legal action against management responsibilities, the Company undersigned a D&O insurance coverage with a primary Insurance firm.

For the FY 2021, the Company aims to reach an EBITDA of 17,7 mln €, the highest in its history. Thanks to a favourable market contingency and to an enhanced production efficiency, the Company aims to reach its highest profitability result. This will be possible also because of the ongoing costs reduction.

Vetserie Riunite has never paid any kind of monetary political contribution.

Vetserie Riunite hasn't received any significant fines and non-monetary sanctions for non-compliance with laws and/or regulations in the social and economic area.

The representation of the **economic value generated and distributed** allows, through the reclassification of some items in the Vetserie Riunite income statement, to better highlight the company's ability to generate wealth for some of its main stakeholder, while respecting the cost-effectiveness of management and the expectations of the same interlocutors. The following table shows how most of the economic value generated by Vetserie Riunite in 2020 has been used to remunerate the socio-economic system with which the company interacts, with reference to some of its main stakeholder:

- personnel: in the form of costs for wages and salaries, social security contributions, benefits, directors' fees, etc.;
- Public Administration: costs incurred for the payment of income taxes (IRES and IRAP) and other taxes for the period;
- lenders: interest recognized as remuneration of the credit capital;

- suppliers: costs related to the purchase of goods and services necessary for the performance of company activities.

Direct economic value generated and distributed (EVG&D) - euro	2019	2020
Revenues	71.862.845	77.829.839
Financial income	146.901	105.459
Other income/expense	2.164.842	2.072.998
<b>Total economic value generated</b>	<b>74.174.588</b>	<b>80.008.296</b>
Operating costs	43.321.023	48.375.726
Remuneration of staff	19.086.847	19.219.240
Credit and risk capital	4.324.448	4.503.762
Taxes and duties	420.518	342.207
Donations of membership contributions	81.064	165.543
<b>Total economic value distributed</b>	<b>67.233.900</b>	<b>72.606.477</b>
<b>Economic value retained by the Group</b>	<b>6.940.688</b>	<b>7.401.819</b>

Vetierre Riunite adopts a management approach aimed at maximizing the economic profitability for generating a virtuous cycle to consolidate the creation of value for the benefit of the sustainable development of the territory. In the financial statements as at 31 December 2020, the Group recorded an increase in turnover of 8,3%, going from 71,8 million euros in 2019 to 77,8 million euros in 2020. In 2020, the Economic Value generated amounted to more than 80 million euros, mainly distributed to the various stakeholder. Vetierre Riunite comes into contact with in carrying out its business, in compliance with the cost-effectiveness of management and the expectations of the interlocutors themselves. The distributed economic value, equal to 72,6 million euros, represents approximately 91% of the generated economic value. Finally, Vetierre Riunite does not present any retained economic value since all the value generated is dedicated to economic growth and capital stability of the business system.

During the reporting period, Vetierre Riunite did not detect any significant fines and non-monetary sanctions for non-compliance with laws and regulations in the social and economic area.

The table below reports the financial assistance received by Vetierre Riunite from the Italian government.

Financial assistance received - euro	2019	2020
Tax relief and tax credits	35.051	205.047
Investments grants, research and development grants, and other relevant types of grant	1.050.202	1.118.330

Our site is subject to the EU ETS directive which provides for the allocation of free CO<sub>2</sub> quotas for the sectors included in the list of carbon losses. In phase IV of the EU ETS (2020-2030) the free allowances will be reduced and we estimate a deficit during the first sub-period (2021-2025) included in a range of 15,000 - 20,000 allowances per year, considering a price fluctuating from 30 to 50 euros.

The management method consists of purchasing CO<sub>2</sub> quotas at the lowest possible price and investing in technology to reduce CO<sub>2</sub> emissions. It is not possible to assess the cost of management as we have not purchased any CO<sub>2</sub> allowances yet. Future studies and technology projects are also under discussion. We could imagine a cost of around 50,000 euros linked to a possible consultancy service on this topic. We operate in an energy-intensive industry that is very sensitive to changes in pricing regulations. Furthermore, in Italy the cost of energy is higher than the European average.

A change in regulation that involves a change in the cost of energy has a direct impact on our business. At the moment we can estimate an increase in the price of energy as a consequence of the increase in CO2 prices, in a range between 5 and 10%.

The financial implication of this cost change is very high and has a large impact on our operating cost. Our management method is mainly the work carried out by our Energy Manager who follows the evolution of national legislation relating to the energy-intensive company (art. 39 DL Development 83/12). Take part in the meetings hosted by Assovetro to define all the necessary actions for state support for the energy-intensive company.

## 3.2.R&D e innovation

Vetriere Riunite, since its foundation, believing in innovation as a tool of leadership has always dedicated a particular effort to research.

The approach to innovation has actually led Vetriere Riunite to become a world leader in the production of pressed technical glass. In the last twenty years, thanks to the particular attention to the technical needs of customers and the continuous search for improvement, Vetriere Riunite has conquered the position of world leadership in the production of portholes for washing machines.

Believing in this market and wanting to further strengthen its leadership position in the production of technical pressed glass, Vetriere Riunite has strengthened its R&D division. The staff of the previous years mainly dedicated to the development of new products, have been coached by technicians dedicated to the study of the characteristics of glass and production processes.

The staff is composed of:

- Claudio Cervato, R&D Manager, who reports to CEO is directly in contact with customers helps to develop new items and improve product feature.

The total amount of investments made by Vetriere Riunite during 2020 is equal to 615.486€.

Vetriere Riunite, in the last two years, has dedicated research both to the improvement of the reference product, and to the acquisition of know-how for the development of new opportunistic products.

In order to pay particular attention to the improvement in terms of safety and quality of the product not only addressed to the direct customer, but also to the final consumer, some projects have been launched in collaboration with prestigious external bodies such as: UNI Trento materials research division, Stazione Sperimentale del Vetro di Murano and Politecnico di Milano.

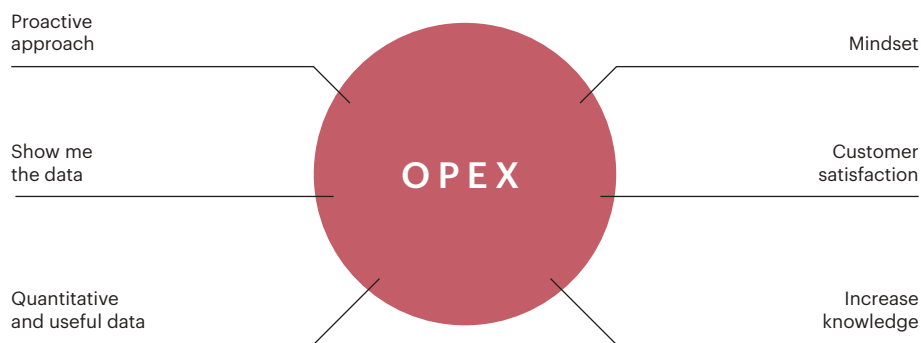
Starting from the recent introduction of safety standards for household appliances in the US market, a project was addressed to increase the resistance to accidental impact of force of 6,8 Joule. Through the study of the shapes, the thicknesses and the parameters of tempera a program of experimentation has been started. With the analysis of the recorded data, in collaboration with an external partner, a software has been studied that can identify the weak points of the product. When designing new products, we are therefore able to orient the customer towards more performing geometries.

In collaboration with international partners, an experimental study was launched for the surface treatment of glass in order to explore possible improvements such as:

- increased resistance to accidental damage;
- improvement of surface opacity resistance resulting from permanence in wet environment;
- antibacterial treatment.

The growing demand for product reliability with the goal of “zero defects” has started some improvement projects, which:

- the in-depth analysis of the individual defects to determine the causes that generated them by applying the OPEX (Operational Excellence)<sup>1</sup> method, for example reduce the waste due to the bubbles defect;
- a study of design and experimental development for the realization of a prototype machine for the detection of defects present on the portholes for washing machines. The development was based on an online control system able to detect the presence of cosmetic defects in the glass. A vision station was built in prototypical version of vision and defect detection based on the concept of artificial intelligence and self-learning. For the applicability of the control of the latter, a specific study was also carried out on the feasibility of technological application.



As a palliative proposal to improve quality efficiency, a project was launched to study and apply a surface pattern on the mould. This element would allow to:

- reduce the percentage of waste (hiding small aesthetic defects) and introducing an element of decorative novelty of the product; for this project, Vetrerie Riunite has already filed the patent;
- to create a functional element of performance improvement during the washing cycle.

<sup>1</sup> OPEX: a course organized by one of our major customer, focused how to reduce suppliers' ppm waste. Requires suppliers to optimize their processes by reducing waste, adopting the OPEX (Operational Excellence) methodological approach.

Identifying in the door assembly of the washing machine, a supply chain complexity that involves the involvement of various suppliers, Vetrerie Riunite, thought of creating a unique piece co-printed. Using the know-how of its companies both in the glass and plastic sector (Borromini), it has developed a system that allows the glass and accessories such as lock and hinge to be added to the plastic frame. This system is being patented.

In a spirit "green" studied and still being prototyped, a new packaging that allows to optimize the spaces and reduce the amount of cardboard, allowing to:

- simplify glass packaging/glazing operation, also allowing automation;
- increasing the stability of the pallet during transport and the loading capacity in terms of parts loaded on containers/trucks.

In response to the need for a perforated porthole, Vetrerie Riunite, in contrast to competitors, explored the possibility of obtaining a more performing characteristic product directly drilled in the forming phase, and for this reason, various technologies have been explored. It has been carried out experiments with special moulds from multiple presses to the use of a laser beam directly during forming.

Vetrerie Riunite has always been a supporter of soda-lime glass as the only recyclable glass, has dedicated many resources to improving technical characteristics, such as mechanical strength and thermal changes. This has determined an interest on the part of customers who use borosilicate glass that has seen in Vetrerie Riunite the possibility of using our glass as its substitute. Borosilicate, unlike soda-lime, is considered a special waste. In 2019, the first forms of baked goods were made, while in 2020, products were designed to expand the range.

Always with particular regard to the production of "technical" articles, a project has been started to produce products for small appliances for food preparation (Mixing bowls and Blenders) and covers for pots. In collaboration with UNI-Trento and SSV, a study on the behaviour of microwave soda-lime has been launched in order to replace the current borosilicate used for the production of trays for microwave ovens. Vetrerie Riunite would be the first manufacturer of trays for microwave ovens in soda-lime.

The improvement of the production process, which has always been marked by an increase in productivity, has been aimed at reducing the waste of energy during the forming phase of the product. In collaboration with Politecnico di Milano, the analysis of the thermal transition of the moulds during the production process has tried to study the intelligent optimization of the cooling in order to reduce the waste of compressed air with a consequent saving of electricity.

In collaboration with the technicians of the English studio "Chartwell Consulting" were analysed the "bottle neck" of our production processes in order to improve the process and reduce waste.

An important project to improve the burdensome and repetitive working conditions of the personnel directly employed in the production process: special self-learning anthropomorphic robots have been studied, able to carry out the lubrication operations of the moulds during the production process.

Importance was given to the training of young technicians, with participation in seminars, and courses:

- certification **Lean Six Sigma Green Belt** in order to develop the ability to analyse and improve business processes, using a structured problem solving methodology, as well as learn techniques for identifying and reducing business waste, to increase efficiency and profitability. Learn to collect, process and statistically analyse business process data in order to set corrective actions and make decisions objectively (data driven).
- **OPEX**: course organized by Whirlpool, with the aim of reducing waste in parts per million of suppliers, requires the latter to optimize their processes by reducing waste, adopting the methodological approach OPEX (Operational Excellence).
- **ATIV** (Italian Association of Glass Technicians): courses on European directives in the field of emission reduction.

- **Enginsoft, training:**
  - in-depth courses on instant simulation dedicated to mechanics, electronics and fluid dynamics with use of the Ansys Discovery system;
  - virtual prototyping, to optimise the product design phase by also evaluating the thermal aspects related to glass tempering.
- **SSV-introductory Course in Glass Science and Technology:** in-depth course on melting and refractory furnaces for glass production.
- **Dassault Systems** - use update Catia software: advanced surface module / workflow improvement for the realization of 3D models that allow the development of moulds for the moulding of our products.
- **Confindustria Verona:** Round Table on "Proposition 65" Regarding substances identified by the state of California as carcinogenic or harmful to the reproductive system.

Other internal project are:

- **FMEA (Failure Mode and Effect Analysis):** is a methodology used to analyse the failure or defect modes of a process, product or system. Failure mode is the expression of how the fault or defect manifests in the process, while effect means the impact of the fault or defect on the process or on the internal/external customer. The goal if the project is draw up an FMEA product manual listing all possible defects present in the glass, the methods of detection and corrective actions to be put in place to resolve them. Different versions of the manual will be published according to the end user (testing department, press department, ovens...).
- **Ansy - simulate the pressing process:** to measure the temperatures in the moulding phase in order to develop a model that simulates the various phases of our process. The goal is start working with the simulator approaching the simplest problems (fluid-dynamic type of cooling of the air rings) and then apply it to various sectors of our process up to complete simulation of the pressing process.

## 3.3. Responsible management of the supply chain

Our packaging protects products from damage during the transport, we do not use it as vehicle for the brand or other marketing purposes. During last years we reduce the packaging removing unnecessary components and using recycled materials. Paper of the boxes, wood of the pallet etc.

For the transports, Vetrerie Riunite use ocean, road, air and multimodal transport.

In 2020, there aren't any significant changes along the supply-chain during the reporting period have been detected.

Each year Vetrerie Riunite makes a Supplier assessment based on ISO 9001 standards; it is structured as follows:

- evaluation based on the criteria that were previously established for selecting a supplier (technical, managerial, financial, ethical);

- selection based on our specifications or those of the supplier, depending on what we need;
- recurring control of the supplier's skill and the quality of what he sells.

Supplier are assessed according to: Production Capacity, quality, performance and support, price.

Every year is defined a purchase budget based on production forecasts.

For internal and external complaints, we use emails, ask for pictures or samples and proofs of the problem, together with numbers and values. For suppliers we have a Non-compliance procedure who are obliged to respect.

In 2020, the most purchased product categories are energy and raw materials; compared to 2019, the purchase of services has increased by 21,6%, whereas the purchase of energy has decreased by 10,9%. Overall, purchases in 2020 decreased by 2,7%.

Purchases by Product Category - euro	2019	2020	Var. % 2020-2019
Raw Materials	€ 8.100.000	€ 7.600.000	-6,2%
Packaging	€ 3.860.000	€ 3.700.000	-4,1%
Transport	€ 0	€ 3.760.000	-
Services	€ 3.700.000	€ 4.500.000	21,6%
Energy	€ 11.900.000	€ 10.600.000	-10,9%
<b>TOTAL</b>	<b>€ 31.320.000</b>	<b>€ 30.460.000</b>	<b>-2,7%</b>

For "local procurement" Vetrerie Riunite refers to the suppliers with headquarters in the north of Italy. With the term "significant location of operation" the company refers to the Vetrerie Riunite's production site near Verona.

Vetrerie Riunite has high loyalty suppliers, especially because of technical reasons.

The total budget allocated to purchases is equal to €30.460.000, of which 78% is spent on purchases on local suppliers.

There aren't any significant changes to the organization and its supply chain in 2020. Regarding Operations and suppliers, all companies inside the perimeter are currently performing operations only in countries that are supporting the freedom of association and collective bargaining. Following the evaluation process, it resulted that no suppliers were in the risk area of compromising the freedom of association and collective bargaining.

Moreover, the companies inside the perimeter do not have operations and suppliers that are considered at significant risk for incidents of child labour and compulsory labour.

The total number of suppliers evaluated by considering either social or environmental criteria is not available. However, Vetrerie Riunite is evaluating the possibility to introduce some criteria for the evaluation of suppliers according to their sustainability level.

The main risks associated with the supply chain of Vetrerie Riunite are the follow:

#### Inadequate needs analysis

Without a proper Procurement software, it can be easy both to develop a wrong purchasing strategies and make bad negotiating contracts with our suppliers.

#### Poor supply chain management

Is when there are no rules, e.g. no detailed requests, no purchasing approval, inadequate best price-quality research, no double-checked documents linking purchase orders to invoices and shipping documents.

**Fraud and Corruption**

Can happen if we do not have complete commercial information and we do not make document cross-checking;

**Different suppliers quotes**

We ask for several quotations before to decide which supplier use

**Loss of important suppliers**

Can happen if you do not build a good relationship with them, or you do not have a formal contract. It can be a very big problem if you do not have a second supplier

Vetierre Riunite is working to improve the efficiency of its packaging, in order to reduce the waste and the space consumption.



A photograph of a male worker in a factory setting. He is wearing a dark blue t-shirt, a grey face mask, and yellow gloves. He is working on a large, curved glass component. In the background, there is a control panel with several green buttons. The scene is industrial and well-lit.

# 4. Social Responsibility

## Highlights

- 100% of employees have a permanent contract
- 97% of employees have a full time contract
- 28% of employees have received a performance assessment 303 training hours

Vetierre Riunite encourages the professional development of its resources through multidisciplinary training courses. The verification of the progress of the career of each resource from the point of view of remuneration is carried out on an annual basis through the Budget process where, in agreement with the area manager, career advancement plans for the following year are discussed and approved (if there are grounds for doing so). For certain resources defined as “strategic” the professional growth plans are biennial/ triennial.

Vetierre Riunite adopts the 231 Organizational Model. The Human Resources department is composed of two entry data/data analysts and a department manager.

There are no complaints management procedures. Any problems relating to the employment relationship are reported to the personnel office (payroll inconsistencies), to the union or to the supervisors (working environment and safety) or directly to the HR manager.

The following section sets out the objectives that the Society sets itself in the course of 2021 for the theme of Human Resources and which aims to achieve according to specific methods and timing, through investment in specific resources and dedicated initiatives.

Objectives	Results expected	Methods and resources used for achieving the objectives	Timeline for achieving objectives
Absenteism	3%	Worklife balance, better work environment	1 year
FTE	BDG	BDG compliance	1 year
Holiday	100%	Work life balance program	1 year



## 4.1. Staff composition

The Vetrerie Riunite Group is made up of 300 employees, of which 12% are women; there are also 60 interns. Compared to 2019, the workforce decreased by 6%. 100% of employees have a permanent contract, of which 12% are women.

Total number of employees by employment contract (permanent and temporary), by gender.	2019		2020	
	Women	Men	Women	Men
Permanent	42	278	37	263
Total	42	278	37	263
<b>Total employees</b>	<b>320</b>		<b>300</b>	

All employees of Vetrerie Riunite come from Veneto; 97% of employees have a full time contract, of which 9% are women. Furthermore, all employees are covered by a national collective labor agreement.

Total number of employees by employment type (full-time and part-time), by gender.	2019		2020	
	Women	Men	Women	Men
Full-time	31	277	28	262
Part-time	11	1	9	1
Total	42	278	37	263
<b>Total employees</b>	<b>320</b>		<b>300</b>	

For Vetrerie Riunite, the “senior managers” are those who have the qualification of manager; in total, 6% of the executives have been hired by the local community.

Most of the employees are represented by the professional figure of workers, equal to 78%, while 17% are represented by employees; 46% of employees fall within the 30-50 age group. There are 13 employees who belong to the protected categories, of which 12 men and 1 woman.

Gender	2019			2020		
	Women	Men	Total	Women	Men	Total
Officers	0	5	5	0	4	4
Middle Managers	2	12	14	1	10	11
Employees	26	30	56	22	30	52
Workers	14	231	245	14	219	233
<b>Total</b>	<b>42</b>	<b>278</b>	<b>320</b>	<b>37</b>	<b>263</b>	<b>300</b>
<b>Rate</b>	<b>13%</b>	<b>87%</b>	<b>100%</b>	<b>12%</b>	<b>88%</b>	<b>100%</b>

## 04 - Social responsibility

Age Group	2019				2020			
	<30 years old	30-50 years old	>50 years old	Totale	<30 years old	30-50 years old	>50 years old	Total
Officers	0	1	4	5	0	0	4	4
Middle Managers	0	5	9	14	0	4	7	11
Employees	5	26	25	56	3	27	22	52
Workers	38	109	98	245	34	105	94	233
<b>Total</b>	<b>43</b>	<b>141</b>	<b>136</b>	<b>320</b>	<b>37</b>	<b>136</b>	<b>127</b>	<b>300</b>
<b>Rate</b>	<b>13%</b>	<b>44%</b>	<b>43%</b>	<b>100%</b>	<b>12%</b>	<b>46%</b>	<b>42%</b>	<b>100%</b>

During 2020, the Group hired 12 employees, of which 2 women and 10 men; the rate of new hires is 4%, a decrease compared to 2019. The turnover rate, on the other hand, is equal to 11%, since the employees who have resigned are 34, an increase compared to 2019.

2020	Women				Men				Tot
	< 30 years old	30-50 years old	> 50 years old	Total Women	< 30 years old	30-50 years old	> 50 years old	Total Men	
Number of employees	1	14	22	37	31	136	96	263	300
Number of new hires	0	1	1	2	3	6	1	10	12
Number of employees turnover	0	2	5	7	5	7	15	27	34
<b>Rate of new employee hire</b>	<b>0%</b>	<b>7%</b>	<b>5%</b>	<b>5%</b>	<b>10%</b>	<b>4%</b>	<b>1%</b>	<b>4%</b>	<b>4%</b>
<b>Turnover rate</b>	<b>0%</b>	<b>14%</b>	<b>23%</b>	<b>19%</b>	<b>16%</b>	<b>5%</b>	<b>16%</b>	<b>10%</b>	<b>11%</b>

2019	Women				Men				Tot
	< 30 years old	30-50 years old	> 50 years old	Total Women	< 30 years old	30-50 years old	> 50 years old	Total Men	
Number of employees	1	15	26	42	41	130	107	278	320
Number of new hires	1	3	1	5	16	15	4	35	40
Number of employees turnover	0	3	2	5	3	8	12	23	28
<b>Rate of new employee hire</b>	<b>100%</b>	<b>20%</b>	<b>4%</b>	<b>12%</b>	<b>39%</b>	<b>12%</b>	<b>4%</b>	<b>13%</b>	<b>13%</b>
<b>Turnover rate</b>	<b>0%</b>	<b>20%</b>	<b>8%</b>	<b>12%</b>	<b>7%</b>	<b>6%</b>	<b>11%</b>	<b>8%</b>	<b>9%</b>

Benefits provided to employees full time are parental leave and retirement provision. No employee used parental leave in 2020, while in 2019 1 employee used parental leave; both the rate of return to work and the rate of retention are equal to 100%.

During 2020, Vetrerie Riunite did not have any kind of discrimination incident.

The employees who have received a performance assessment during 2020 are 28%, of which 4 women and 44 men.

Percentage of employees receiving regular performance and career development reviews	2019				2020			
	Number of women who received review	%	Number of men who received review	%	Number of women who received review	%	Number of men who received review	%
Officers (Dirigenti)		-	1	20%		-		0%
Middle Managers (Quadri)		0%	3	25%		0%		0%
Employees (Impiegati)	2	8%	7	23%	3	14%	9	30%
Workers (Operai)		0%	35	15%	1	7%	35	16%
<b>Total</b>	<b>2</b>	<b>5%</b>	<b>46</b>	<b>17%</b>	<b>4</b>	<b>11%</b>	<b>44</b>	<b>17%</b>



## 4.2. Training and talents development

The training provided to employees during 2020 is equal to 303 hours, of which 50% was provided to employees. Compared to 2019, the training hours decrease of 42%. The average hours of training per employee is equal to 1,01, decrease compared to 2019.

Training hours	2019			2020		
	Women	Men	Total	Women	Men	Total
Officers (Dirigenti)	0	0	0	0	0	0
Middle Managers (Quadri)	0	0	0	23	78	101
Employees (Impiegati)	12	116	128	45	106	151
Workers (Operai)	0	391	391	0	51	51
<b>Total training hours</b>	<b>12</b>	<b>507</b>	<b>519</b>	<b>68</b>	<b>235</b>	<b>303</b>

Average training hours	2019	2020
Average hours of training per employee	1,62	1,01
Average hours of training per female employee	0,29	1,84
Average hours of training per male employee	1,82	0,89
Average hours of training per Officer	-	-
Average hours of training per Middle manager	0,00	9,18
Average hours of training per Employee	2,29	2,90
Average hours of training per Worker	1,60	0,22

During 2020, Vetrerie Riunite did not provide any training courses related to human rights issues.

## 4.3. Occupational health and safety

Vetrerie Riunite has adopted an occupational health and safety management system due both to legal requirements and on the basis of a defined risk management system. All the requirements are present in d.lgs 81/2008, d.lgs 231/2001 and SGSL Uni Inail September 2001. The management system has no certification, but it is audited annually by the supervisory body. There aren't any worker, activity or workplace not covered from the system. The factory produces glass items for domestic appliances. There are workers and maintainers who operate in production departments, and employees in administration, commercial and technical departments. The Health and safety system cover all the production, maintenance and clerical activities. The work programs for the following year are presented at the end of the current year to the management and report the budgets, training programs and consultancy planned for the following year. The internal resources dedicated to health and safety are the RSPP, the delegated employer and the internal manager of the supervisory body (HSE Manager). Also the CEO, the general manager and union representatives are involved in decisions relating to improvement programs. There is an internal

procedure for recording accidents, near misses, and reports by operators. The procedure includes the study and analysis of the event with the aim of introducing solutions that reduce its repeatability to a minimum. A large number of initiatives adopted, and improvement programs are active, such as a more detailed machine risk assessment than the current one to introduce any adjustments, or a packaging modification study to facilitate the packaging activity.

The processes used to identify any hazards at work are mainly internal Audits, external Audits (by supervisory body), specific advice activities. The Organization guarantees the quality of these process by Auditor's certified skills, in compliance with current regulations. All non-conformities and opportunities for improvement are reported on specific reports which are the starting point for continuous improvement.

Employees can report any health and safety hazards through trade union representatives or directly to the health and safety department. Moreover, in case of danger to health and safety, employees can always contact their superior who will decide the ways and methods for evacuating the department. There are currently in force procedures and instructions for the safe evacuation of personnel.

A procedure (called 6.4/4-O/1) for analysing accidents at work, including root cause research, is currently in place. At the end of the analysis, this is discussed with the management to approve the proposed improvement solutions.

To contribute to the identification and elimination of hazards and the minimization of risks a competent doctor has been appointed. He regularly carries out periodic and pre-employment visits to company employees. The medical examination service is provided during working hours at the company clinic. Employees can consult and actively participate in the development and implementation of the safety management system through the trade union representatives. Currently three people are appointed within the trade union representatives who perform the role of workers' safety managers. They meet with the management twice a year (According to the law, 1 periodic meeting is sufficient) and their task is to report any critical issues relating to health and safety. They are also consulted to discuss improvement proposals.

The company scrupulously adheres to the regulations in force relating to training on safety at work. Both the training required by law and specific internal training courses relating to new procedures, new machinery, etc. are carried out.

Type of training	2019		2020	
	Hours	Participants	Hours	Participants
General training	1.008	63	160	10
Specific training, of which:	848	112	468	45
Forklifts	376	72	96	8
PLE			260	26
PEI (Persona Idonea: suitable person), PES (Persona Esperta: expert person), PAV (Persona Avvisata: forewarned person)			48	3
Responsible			64	8
Firefighting	168	21		
First aid	304	19		
Total	1.856	175	628	55

The General training refers to courses required by law in accordance with the agreement State-Regions, while others are Specific training. In particular the types of training named forklifts and PLE refer respectively to a forklift qualification course and a mobile elevating platforms qualification course. PES PAV is a specific course for electrical risk and Responsible a training for responsible staff. Firefighting is a course

for fire emergency personnel and First aid for first aid personnel useful in case of injury or illness of a colleague. Due to Covid-19 some courses scheduled for 2020 had to be postponed.

The company offers the flu vaccine every year (except for 2020) for the entire company population who intend to use it. On the other hand, the company has no proposals for facilitation of non-work-related medical services.

There are no written policies relating to safety and health in business relationships with customers and suppliers. However, many strategic production choices (for example the speed of the machines) are constrained by the non-worsening of the safety and health conditions of the workplaces.

The organization has implemented an occupational health and safety management system based on recognized requirements and/or standards or guidelines; **100% of employees and workers who are not employees**, but whose work and workplace is controlled by the organization, are covered by the health and safety management system.

All workers are informed by the trade union representatives regarding the health and safety improvements envisaged for their specific department and all the information reported was taken from internal official records used by the company for statistical purposes.

Comparing 2019 and 2020, **for employees the number of recordable workplace injuries** decrease from 13 to 12 with a number of hours worked respectively of 507.954 and 480.219. For this reason, the rate of recordable work-related injuries drops from 25,59 in 2019 to 24,99 in 2020.

Extending the comparison to **workers who are not employees**, in 2019 there was an injury at work with serious consequences which did not occur in 2020. Moreover, the number of recordable work-related injuries from 9 in 2019 decrease to 4 in 2020 with an amount of worked hours respectively of 259.121 and 196.435. Obviously in 2020 the rate of high-consequence work-related injuries is equal to zero and the rate of recordable work-related injuries has considerably decreased from 34,73 in 2019 to 20,36 in 2020. In general, the two most frequent types of injuries are tripping or slipping and light burns.

The main risks about the efficient management and enhancement of people are:

- failure to revise the classification in relation to the duties actually carried out;
- recognition of disproportionate remuneration in relation to the duties actually carried out.

The measures to mitigate the risks are the annual verification through the budget process; regarding the organisational model implemented by the Society, the main risk is the failure to apply the organizational model, but there is a constant supervision of that.

All risks relating to the glass manufacturing business were determined by the risk assessment and reported in the risk assessment document. One of the risks that has generated the most serious consequences is the cut. The cut risk was initially determined by the risk assessment. As production changed, it was necessary to change the risk assessment and adopt new personal protective equipment to reduce the risk. Another risk that has caused rare but important consequences is the risk coming from production machines. Over the years, procedures have been adopted to reduce the risk of injury related to the use of production machines. VR is currently studying a glass control system that allows to eliminate the manual handling of loads.

All workers are informed by the trade union representatives regarding the health and safety improvements envisaged for their specific department and all the information reported was taken from internal official records used by the company for statistical purposes.

With regards to **work-related ill health for all employees and workers who are not employees**, the number of fatalities of work-related ill health and the number of cases of recordable work-related ill health result equal to zero, both in 2019 and in 2020.

The risks associated with occupational diseases were all determined by the risk assessment activity and

reported in the risk assessment document. The risks that have caused the most serious problems in the past concern the manual handling of loads on which we are currently studying a system to reduce this risk, the noise for which we have modified and improved the PPE in use and the microclimate for which we have this year a further technical improvement of the cooling system of the production departments. All workers are informed by the trade union representatives regarding the health and safety improvements envisaged for their specific department and all the information reported was taken from internal official records used by the company for statistical purposes.

The **objectives** that Vetrerie Riunite sets for 2021 is to reduce workplace accidents by 8 accidents through improvement of the behavioral performances of the operators through the training of the supervisors, and also increase in technical factors to replace procedural factors.



## 4.3.1. Health and safety in the workplace in relation to the COVID-19 emergency

The covid emergency was managed through the drafting of protocols shared with the trade unions which, depending on the gravity of the pandemic situation, provided for more or less stinging provisions in the following areas:

1. **Information**
  - a. Prior information to workers
  - b. Prior information to third parties
  - c. Information in the company
2. **Method of entry into the company**
  - a. Temperature control
  - b. Request for information
3. **Management method of suppliers and contractors**
  - a. Communication of the behavioral rules to follow
  - b. Access to reception / offices for the collection / delivery of documents
  - c. Access to toilets
  - d. Carrying out of loading and unloading operations
  - e. In-company tenders
4. **Cleaning and sanitization in the company**
5. **Personal hygienic precautions**
6. **Personal protective equipment**
  - a. Masks
  - b. Other protective devices
7. **Management of common spaces**
8. **Business organization**
9. **Meetings, events and staff training**
  - a. Meetings
  - b. Events
10. **Management of symptomatic workers in the company**
11. **Health surveillance and competent doctor**
12. **Updating of the protocol**

## 4.4. Relationship with the local community

### GRI 413-1: Operations with local community engagement, impact assessments, and development programs

Vetierre Riunite has launched two projects related to the environmental and health and safety aspects; in particular:

#### **Environmental project**

the purpose of this project is to establish the gap that exists between the concept of “formal” environmental respect intended as a set of authorizations and obligations required by current legislation and “substantial” environmental respect, that is the rules and behaviours that lead to an environmentally sustainable workplace.

#### **Health and safety project**

the purpose of this project is to establish the gap that exists between the concept of “formal” security understood as a set of authorizations and obligations required by current legislation and “substantial” security or the rules and behaviours that lead to an environment safe working.



A green knitted glove is shown holding a clear glass bowl. The background is dark and out of focus. On the left side of the page, there is a vertical bar with three colored segments: pink, red, and blue.

# 5. Product responsibility

## Highlights

- Constant monitoring of the needs and requirements of its customers
- No incidents of non-compliance with regulations and self-regulatory codes regarding the health and safety impacts of products

## 5.1. Product quality and made in Italy

Vetierre Riunite collaborates with a list of major customers, such as by way of example LG, Arcelik, Candy, Bosh, Whirlpool, Miele, Electrolux and others. They represent the historical clients of the Group; therefore, Vetierre Riunite has a long-standing customer relationship.

The relationship with customers is always managed directly with the respective customer purchasing offices, in general talking directly with the head offices but, where necessary, also with the national plants. In particular situations, local agents are also used because, thanks to their knowledge of the customer, mastery of the language and local customs, they can facilitate relationships.

To address a business continuity and risk management issue, customers source by a multitude of competitors, able to meet the needs of the market.

Between the principles of Vetierre Riunite is the respect of the timetable of supplying, also when the question far exceeds the offer; the home glass business was sold in January 2021, in order to focus more on the porthole business. This has allowed Vetierre Riunite to carry out a more pointed bargaining with the customers.

The Vetierre Riunite sales office is organized in:

- Custom relations (external relations) office which interfaces customers with the company, fixes sales prices, defines supply contracts, agrees on annual volumes and payment methods and in general on all generic issues relating to customer service. This office consists of area managers or key accounts (two at this time)
- A order management office (order management) that manages the logistics related to supplies and therefore:
  - receives and manages orders by entering them into the IT system
  - interface with production to define delivery times and volumes
  - Coordinate shipments by interfacing with shippers
  - Manages external warehouses.

This office is managed by a manager assisted by 4 assistants.

- Sales office collaborates directly with the company's R&D in the part that sees the process of technically defining new products.
- Sales office is directly involved also in defining the quality standard with the customers in direct contact with the quality department.
- Sales office also has the task of formulating business plans, annual sales budgets, market studies in order to provide the strategic direction of the company with the appropriate tools to plan investments, to organize the production and in general to predict the market trends.
- Vetierre Riunite has acted specific initiatives for its customers, namely:
- Our trade policy is not tied to particular countries or markets since almost all our customers are multinationals that have their own plants in different continents or areas.
- Commercially, as a supplier of components, we follow the trends that our customers indicate or ask us to follow. At the moment the initiatives that are being asked of us and that we are therefore following are:

- to study of components that meet the new safety regulations and withstand shocks up to 6.8 Joules;
- to supply components that are recyclable;
- to Supply components that meet the repairability criteria.
- Among the main concerns of our customers, especially in this phase of pandemic, is the sustainability and constancy of supplies. Part of our job is to provide information on our internal situation and ensure that the organization is able to operate even in exceptional conditions and knows how to manage this type of risks. Some-time also weekly meetings are scheduled only to report the situation.
- An important and strategic responsibility we have in progress is to be able to guarantee our customers sufficient production capacity and therefore supplies in this phase of strong market growth.

During the reporting period, Vetrerie Riunite did not report any incidents of non-compliance with regulations and self-regulatory codes regarding the health and safety impacts of products.

Vetrerie Riunite has not had any incidents of non-compliance concerning marketing communications.

## 5.2.Relevance of circular economy in terms of recycle and reuse of glass

Vetrerie Riunite has always taken care to the environment: 100% of the internal wasted glass is directly recycled in production. Vetrerie Riunite produce only high-quality Soda-lime glass comparable to borosilicate glass (i.e. Pyrex).

While Borosilicate glass, is a special waste, soda-lime glass can be easily recycled in the bins for glass disposal and eventually be used for production of bottles.

## 5.3.Customer satisfaction

Vetrerie Riunite has managed to develop a constant monitoring of the needs and requirements of its customers by working with them in a “just-in-time” perspective. Through co-design activities, the group is now able to proactively contribute to the product development phase. The projects are analysed in order to achieve maximum optimization, both from a functional and cost point of view. Being by the side of customers allows the organization to create highly complex and technological items. This has allowed the establishment of lasting and solid collaborations, based on the professionalism of the services offered to its partners.

During the fiscal years 2019 and 2020, Vetrerie Riunite did not report any compliance incidents with regulations and voluntary codes resulting in a fine or a warning.

## 5.4. Customer privacy and data protection

During the reporting period, Vetrerie Riunite did not received substantiated complaints concerning breaches of customer privacy from outside parties or regulatory bodies. Moreover, the company did not report any leak, theft or loss of customer data.



# 6. Environmental responsibility



## Highlights

- Objective: Reduction of water consumption
- -1,23% consumption of energy
- Environmental policy



As stated in the Environmental Policy, Vetrerie Riunite is aware of the impacts that its own activity has on the environment and the resulting responsibilities. For this reason, it undertakes to manage production processes in a sustainable and responsible way, in compliance with the law, improving its performance and involving staff in specific training and awareness initiatives. These programs involve both company employees and the staff of external companies that operate in Vetrerie Riunite. To achieve these commitments, the company has adopted an Environmental Management System which is an integral part of the integrated Quality, Safety and Environment System. This System proposes the continuous improvement of environmental performance in a perspective that affects the entire life cycle of the products, through procedures and instructions for the control of activities associated with significant environmental aspects. In this context, the Environment Function plays the role of referent and coordinates all types of reporting on the management of environmental aspects. Company values are therefore reflected in actions aimed at ensuring maximum respect for the environment and legality from an environmental point of view. The key element of Vetrerie Riunite's activity is in fact regulatory compliance as, being "Glass manufacturing plant with a melting capacity of over 20 tons per day" is subject to the issue of Integrated Environmental Authorization (A.I.A.), as indicated by Legislative Decree 152/06. Vetrerie Riunite is required to comply, as part of the A.I.A., with a Monitoring and Control Plan that precisely defines the parameters, methods of analysis and sampling points of the most significant environmental aspects. In compliance with the values that have always distinguish the company, Vetrerie Riunite favors solutions and innovations that involve reductions in consumption energy and water, as well as in harmful emissions. In process innovation, great attention is paid to production optimization and mitigation of the environmental impacts of production. This commitment has led the company over the years to adopt some measures aimed at reducing the main impacts:

- the installation of energy-saving ovens, which guarantee a direct reduction in methane and electricity consumption and indirectly a reduction in CO<sub>2</sub> emissions;
- the installation of special systems for water recycling;
- the recycling of all glass waste from production;
- forming machines equipped with electronic movement mechanisms, more precise and with lower consumption than mechanical ones.

The objectives that the Society sets itself for the next years for the theme of Environment are the following:

Objectives	Results expected	Methods and resources used for achieving the objectives	Timeline for achieving objectives
Reduction of energy consumption for the melting of 1 Kg of glass for F4	1200Kcal/Kg glass	F4 makeover with energy saving objective	Dec-2020
Enhancement of water use in closed circuit	Reduction of water consumption	Installation of a new evaporative tower	
Completion also inside the LED lighting plant	Electricity saving	Installation of LED lighting fixtures in departments and offices	
Reduction of diffuse dust emissions	Containment of diffuse dust emissions	Installation of new systems for dust collection	
Study and design of reducing electricity consumption from the grid by installing solar panels	reduction of electricity consumption	Photovoltaic panels installation	Dec-2021
grid by installing solar panels			
Realization of photovoltaic panels installation	3 GWh/anno	Photovoltaic panels installation	Dec-2022
Realization of packaging rationalization project	Reduction packaging del 10%	New packaging and distribution system	Dec-2022

## 6.1. Policies adopted for packaging

A study is in the final phase for the realization of the rationalization of the box models (from about 30 current models to 3 or 4 for the new boxes). The project makes it possible to centralize the box forming process and distribute them with a future automatic supply line to the production lines.

The project will take place in 2022 and will reduce packaging. In particular, it will be possible to obtain substantial reductions in both pallets and cardboard boxes. Furthermore, the estimates also provide interesting reductions in the number of shipments due to the greater compaction of loads.

## 6.2. Raw materials

The control and selection of raw materials are crucial actions to ensure the high quality of the Vetrie Riunite products. Glass is one of the oldest known materials: it comes from amorphous powders present in nature (quartz sand) and comes to life thanks to fire; for this reason, all components must be carefully selected and properly mixed. For the production of its products, Vetrie Riunite starts from the use of natural and synthetic materials that they include:

- Raw materials, at the base of the composition of the batch;
- Semi-finished products for the creation of product molds, consisting of steel, cast iron and graphite;
- Packaging material, consisting of cardboard packaging.

Most of these materials, elements necessary for the production of glass products, are typically defined as “non-renewable”, such as materials that do not regenerate in a short period of time. Given the company's commitment to reduce its environmental impacts,

**100%**

materials for packaging renewable

important attention is paid to the management of scraps and their reuse within the production process. In compliance with the quality standards required from the point of view of transparency and brightness only white scrap is returned to the melting furnaces. In 2019 and 2020, the percentage of white cullet out of the total glass produced was 34%. 100% of our white cullet is reused within our production process. The total weight of material that is used to produce and package the organization's primary

products and services, divided by non-renewable materials and renewable materials is reported below:

Total materials used to carry out the services offered	2019	2020
<b>Raw material (tons)</b>		
Non-renewable material	70.270	74.862
Renewable material	36.029	35.136
<b>Materials needed in the production process (tons)</b>		
Non-renewable material	100	86
<b>Materials needed in the production process (litres)</b>		
Non-renewable material	700	638
<b>Packaging materials (tons)</b>		
Non-renewable material	4.404	3.172

## 6.3. Use and management of water resources

For the use and management of water resources, the withdrawal is mainly related to industrial activities and, to a lesser extent, to a series of support actions, such as the canteen and civil utilities. The water taken from the aqueduct is used exclusively for civil uses, while the well water is used for industrial purposes including cooling the glass and machinery more thermally stressed and for washing moulds and mechanical parts. Where it is possible, closed cooling circuits are used where the water is cooled by evaporative towers. Vetrerie Riunite has been in possession of an Integrated Environmental Authorization (AIA) since 2012 and in this context the water together with the air, earth and noise is subject to a plan of periodic checks carried out by the VR itself, by the bodies delegated to control (ARPAV, Province of VR, Municipality of Colognola ai Colli) and from the audits of the customers themselves. Since 2019, the company has also joined the CDP (Carbon Disclosure Project), an independent body that offers companies and countries a system to measure, manage and share information on climate change and water safety. Vetrerie Riunite's risk assessment covers our direct operations in the facility. It does not contain a specific assessment of the water risk of the supply chain. Water risks are assessed with reference to various risk factors that can create substantial changes in our business are the following:

- floods / natural disasters with consequent damage to production plants;
- lack of water availability with consequent impossibility to continue the productive activity.

The above risks have a direct impact on the ability to produce glass. The impact of the above risks can cause material changes in the business, operations and revenues of the company. The impact is directly proportional to the days of production stop (each day is equivalent to a reduction in revenues of 0.3%). Other regulatory risks are considered negligible as they should not cause material change in our business. In 2019 the water investments concerned the installation of a new transfer system (20.000€ cost, equal to 0.1% of CAPEX), while in 2020 a new water-cooling tower was installed, resulting in a cost of 50.000€, equal to 0, CAPEX 5%. As for OPEX, the maintenance costs are too low compared to the total maintenance costs for both years. In 2019, the index value was 6,46. A new transfer system, installed at the end of the year, and a new water-cooling tower, installed in 2020, would guarantee a reduction below the value 6, reaching the target. The water discharges have as their sole destination the public Sewerage managed by the AcqueVeronesi company. There are 4 discharges:

- n. 2 discharges of water similar to domestic (bathrooms, changing rooms, showers, etc.)
- 1 discharge of treated water in a chemical-physical purification plant suitable for the treatment of water from galvanic
- 1 discharge of rainwater and industrial cooling water.

As a result of their use in cooling operations, the wastewater deriving from production activities contains traces of lubricating oils so that there are de-oiling and sediment separator systems. The discharges of the water coming from the purifier and those coming from the cooling water are subjected to periodic analyses provided for the AIA self-control protocols and by controls by external bodies. The standards are defined in the AIA control protocol.

### Water resources

Water is an indispensable natural resource in the glass production process, used mainly for the cooling of products and plants. To limit withdrawals, we favor closed industrial circuits and, when this is not possible, the waters come carefully treated before being reintroduced into the environment. Vetrerie Riunite is committed to a sustainable and compatible use of water, resorting as much as possible to recycling and recovery actions and the use of adequate wastewater treatment and disposal systems. In addition, with a view to prevention, the company carries out frequent monitoring of its own at established intervals water discharges.

### Water drains

Water discharges have a single destination: discharges into the Municipal Public Sewer. Following their use in cooling operations, the wastewater deriving from production activities contains traces of lubricating oils, these waste waters are previously treated by a chemical-physical purification plant followed by a passage on sand filters.

### Water withdrawals

Water withdrawal is mainly connected to industrial activities and, to a lesser extent, to a series of support actions, such as the canteen and civil utilities. The water withdrawn from the aqueduct is used exclusively for civilian uses, while the water from wells is used for industrial purposes including the cooling of glass and machinery more thermally stressed and for washing molds and mechanical parts. Vetrerie Riunite, as far as possible, uses water recovery systems and closed-circuit systems that allow to reduce the amount of water withdrawn from the wells.

In 2020, the water consumption of the organization is 634 megaliters, 8,8% more than in 2019; furthermore, Vetrerie Riunite hasn't any water-stressed areas.

Water consumption (in megaliters):	2019	2020
	All areas	All areas
Change in megalitre water storage if water storage is found to have a significant impact in correlation with the use of water resource	583	634

## 6.4. Energy efficiency

Glass manufacturing is by its very nature an energy-intensive process, mainly due to the very high temperatures with which the vitrifiable mixture is melted inside the ovens constantly in operation, to the production of compressed air and to the annealing and tempering operations. For this reason, over the years, all possible efforts have been made to introduce it of technologically advanced industrial plants and the optimization of the management of existing plants in order to reduce their energy consumption. Pursuant to Law 10/91, Vetrerie Riunite has appointed the Energy Manager, who guarantees maximum attention to the topic through the management of a precise series of actions such as analysis, monitoring and optimization of energy consumption. Also, in 2019, it was carried out the energy audit, with the aim of analyzing the main sources of energy consumption and identifying potential actions to improve their use. The main sources used are natural gas and electricity. The company also uses diesel (for forklifts and company cars) and acetylene (for the lubrication of the preparatory molds). In 2019 the refurbishment of Oven 4 was carried out by replacing the old furnace of the Unit Melter type with an End Port oven with an increase in the max extracted from 100 tons / g to 175 tons / g with a substantial reduction of the

calories necessary for the production of 1 Kg of glass passing from 1.500 Kcal / Kg glass to 1.200 Kcal / Kg glass of the order of 20%.

The main energy consumptions for Vetrerie Riunite are reported. It is important to notice that the company does not self-produce electric energy, although the board is evaluating the possibility to develop such solutions. Data in the following tables are gathered by invoices and measurement reports.

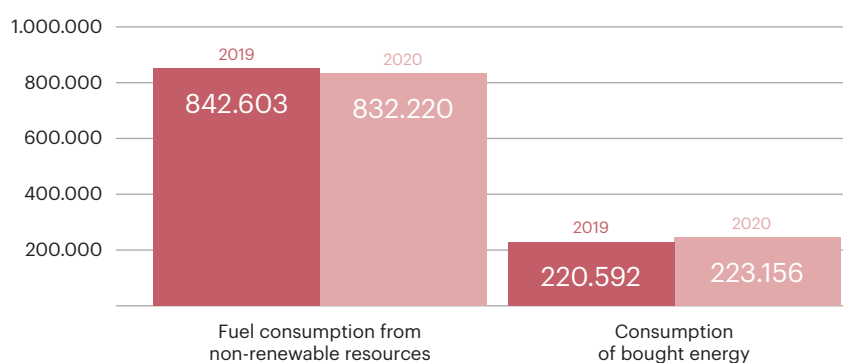
In 2020, the consumption of bought energy from non-renewable sources is equal to 223.156 gigajoule, 1,2% more than in 2019.

In 2020, the total consumption of natural gas from non-renewable sources is equal to 23.123.574 smc, while the total fuel consumption from non-renewable sources is equal to 161.550 litres; in 2020, in total 832.220 gigajoule were consumed, 1,2% less than in 2019.

Fuel consumption within the organization from non-renewable sources	Use	2019	2020	2019 (GJoule)	2020 (GJoule)
Natural Gas (smc)	heating	23.374.394	23.123.574	836.990	828.009
GPL (litres)	productive process	174.440	137.350	4.241	3.339
Diesel (litres)	productive process	11.000	3.200	400	116
Diesel (litres)	company vehicles	27.000	21.000	972	756
Total Non- Renewable Sources (smc)		23.374.394	23.123.574	836.990	828.009
Total Non- Renewable Sources (litres)		212.440	161.550	5.613	4.211
Total GJ		-	-	842.603	832.220

Consumption of bought energy	2019 (kwh)	2020 (kwh)	2019 (GJoule)	2020 (GJoule)
Electric energy bought from Non-renewable sources	61.275.557	61.987.659	220.592	223.156
Total energy bought and consumed	61.275.557	61.987.659	220.592	223.156

### CONSUMPTION IN GJ - 2020



The main actions related to savings during the reporting periods mainly refer to electricity and methane. The basis for calculating the reductions in energy consumption is made by referring to the calendar years 2019 e 2020.

- Refurbishment of Oven 4 by replacing the old Unit Melter type oven with an End Port type oven with an increase in the max extracted from 100 ton/day to 175 ton/day. In the same way as what was achieved in 2017 on the Oven 2, the investment was also made with a view to energy saving: on the F2 in 2017 a saving of 22% was certified in the year 2018 on 2016 (52.459 Gjoulles) while on the F4 it is necessary to compare the year 2018 with 2020 which in the Covid period is not very significant (provides a -13% equal to -26.618 Gjoulle) (F.Y. 2019);
- Replacement of all external lighting with LED lamps. The amount of energy saved per year is around 43.000 Kwh/year corresponding to 155 Gjoulles) (F.Y. 2019).
- Energy saving diagnostic analysis of the compressed air production room but without significant results other than the fact of having the confirmation of energy optimization achieved. A new analysis has been scheduled for next year (F.Y. 2020).
- It was carried out a study for the installation on the roofs of photovoltaic panels for self-production of electricity (F.Y. 2020).



## 6.5. Emissions reduction

A significant environmental issue for the glass industry concerns emissions into the atmosphere since the production of glass requires the use of melting furnaces and other combustion processes, which generate greenhouse gas emissions (GHG) and polluting emissions into the atmosphere. Since 2019, the company has also joined the CDP (Carbon Disclosure Project), an independent body that offers companies and countries a system to measure, manage and share information on change climatic. Reporting information to the CDP is a way for Vetrerie Riunite, not to stop at legislative regulations, but to take a further step: identify and address their own risks environmental and find new opportunities for action for the management and improvement of these, too for example, always looking for the best technological solutions available. The GHG emissions for Vetrerie Riunite during the years 2019-2020 are reported below:

EMISSIONS SCOPE 1 - 2019		Total GHG emissions (Ton CO2 eq)
Natural Gas	Heating	47.278
Diesel	Productive process	30
LPG	Productive process	271
Diesel	Company vehicles	73
TOTAL		47.653

EMISSIONS SCOPE 1 - 2020 <sup>1</sup>		Total GHG emissions (Ton CO2 eq)
Natural Gas	Heating	46.771
Diesel	Productive process	9
LPG	Productive process	214
Diesel	Company vehicles	56
TOTAL		47.050

Vetrerie Riunite bought the air conditioning systems in the company's production site in a different way, and then led to the reduction of CO2 emissions in the two-year period considered 98.5%<sup>2</sup>.

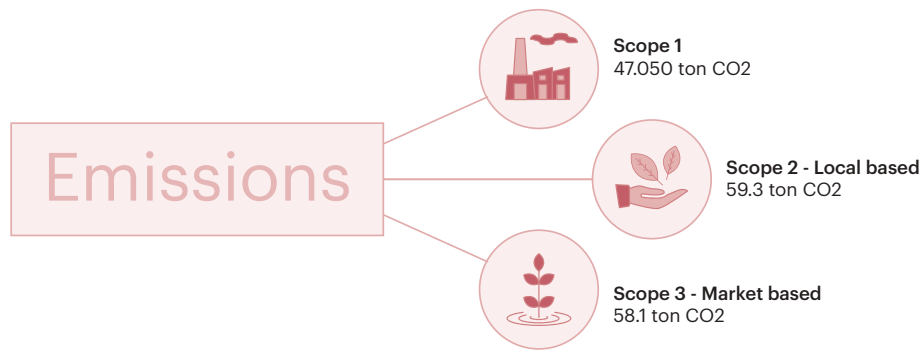
EMISSIONS SCOPE 2 - 2019		Total GJ	Total GHG emissions (Ton CO2 eq) - LB	Total GHG emissions (Ton CO2 eq) - MB
Electricity	Non-renewable	220.592	58,6	57,5

EMISSIONS SCOPE 2 - 2020 <sup>3</sup>		Total GJ	Total GHG emissions (Ton CO2 eq) - LB	Total GHG emissions (Ton CO2 eq) - MB
Electricity	Non-renewable	223.156	59,3	58,1

1 DEFRA 2020 emissions factors' have been used.

2 F-GAS is considered R407C. DEFRA 2020 factor emissions.

3 TERNA 2020 emissions factors' have been used.



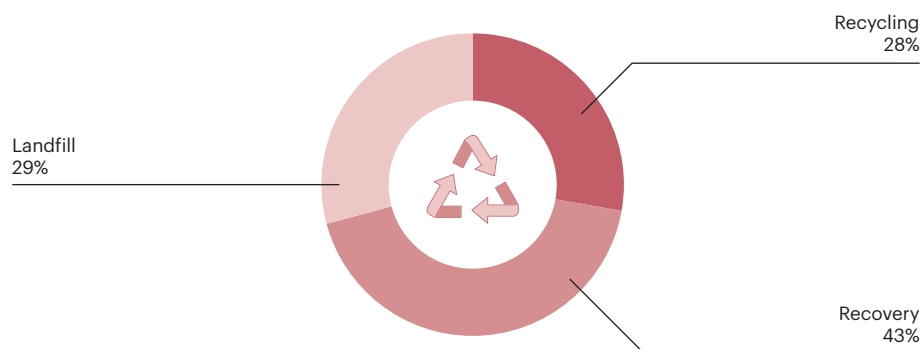
## 6.6. Waste management

The company is committed to minimizing the production of waste and investing to find new methods to increase their recovery. For this reason, the volume of waste produced is precisely monitored in compliance with regulatory obligations and related storage requirements.

Disposal Methods - 2019	Weight of hazardous waste (tons)	Weight of non-hazardous waste (tons)	Total	% total
Recycling	9,65	338,51	348,16	32%
Recovery, including energy recovery	2,62	555,16	557,78	52%
Landfill	89,99	82,36	172,35	16%
TOTAL	102,26	976,03	1.078,29	100%

Disposal Methods - 2020	Weight of hazardous waste (tons)	Weight of non-hazardous waste (tons)	Total	% total
Recycling	6,90	277,33	284,23	28%
Recovery, including energy recovery	6,30	438,34	444,64	43%
Landfill	174,07	122,15	296,22	29%
TOTAL	187,27	837,82	1.025,09	100%

### DISPOSAL METHOD



Types of waste	2019		2020	
	Weight of hazardous waste (tons)	Weight of non-hazardous waste (tons)	Weight of hazardous waste (tons)	Weight of non-hazardous waste (tons)
Plastics		15,08		14,64
Carton packaging		146,73		156,71
Metal		3,46		5,86
Batteries	0,29			
Light bulbs			0,50	
Used oil	3,44		6,36	
Contaminated fabrics and containers	13,35		13,64	
Oil filters	0,91			
Contaminated packaging	0,40		0,43	
Wood		127,25		100
Other	83,87	683,51	166,00	561,00
<b>TOTAL</b>	<b>102,26</b>	<b>976,03</b>	<b>186,93</b>	<b>838,21</b>

From 2019 to 2020, considering the total amount of waste produced, occurred a reduction of 53,2 tons. Although the weight of hazardous waste increased, the weight of non-hazardous waste has decreased so much that the reduction of the total waste production was possible. One type of hazardous waste that contributed with 13,6 tons to the growth of the hazardous waste weight are the Contaminated fabrics and containers. Another weighty type of waste is Used oil; however the most impactful category remains Other.

The disposal of the waste is defined by the organization, the contractor in charge, the transporter with direct confirmation of the disposal by the contractor in charge.

The waste produced essentially derives from the production process. With the aim of reducing the amount of waste, the company is committed to reusing “white” waste glass and reintroducing it into the production cycle as a raw material. The company is also registered with CO.NA.I - National Packaging Consortium.

Waste management is regulated by specific procedures with the aim of:

- define the guidelines for the subdivision, classification, temporary storage and disposal of waste in compliance with the laws, regulations and regulations in force;
- identify those responsible for the various stages of waste disposal (from production to final storage), including in the tasks the information to the authorities required by current legislation;
- specify the procedures for managing the documentation.

The company does not own any proprietary sites that fall within protected areas or high biodiversity value.

On 2020 an assessment report was issued by the sewer manager for exceeding the “sulphites” parameter in the wastewater emitted by the chemical-physical chromium abatement plant coming from an internal galvanic plant company. A technical brief was sent to highlight the activities implemented to control the “sulphites” parameter.





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