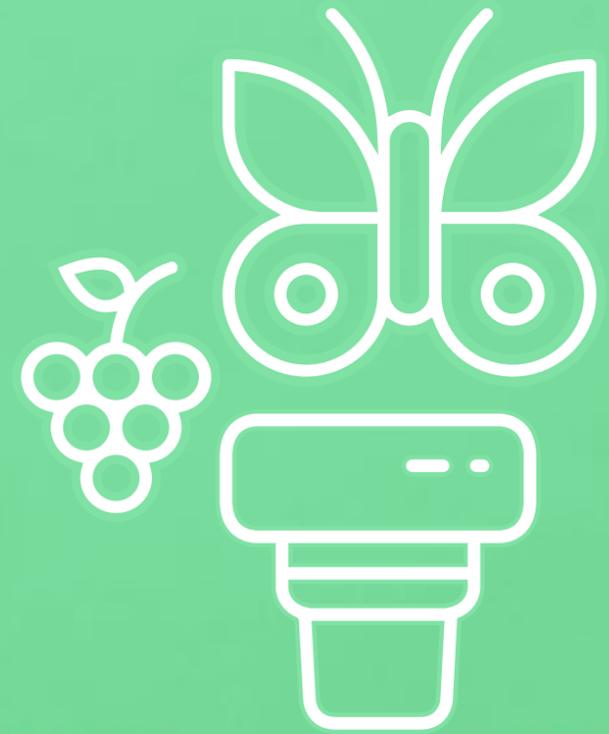


Vinolok CSR Report 2022



BOHEMIAN GLASS CLOSURE

Vinolok CSR Report 2022

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Ales Urbanek
CEO

The Vinolok™ glass closure is the latest and most innovative solution for sealing beverage bottles. The basic material is glass, a traditional material used by mankind for many generations. Its undeniable advantage is inertness, durability and infinite recyclability. In the heart of Europe, our ancestors have been developing the art of glassmaking since the 16th century. For centuries they have cultivated their skills and knowledge. They influenced their surroundings and passed on the know-how to their successors. At Vinolok, we carry on these traditions with respect.

It is my pleasure, as the CEO of our company, to present you with a Corporate Social Responsibility Report that describes the principles we have implemented, firmly based on the applicable rules of the European Community. These social rules evolve as dynamically as the skills and capabilities of people and companies. It is very important to emphasise this because we all, as individuals and even as companies, influence our environment, fundamentally shaping the development of our world and preparing positions for the next generations. This principle and responsibility must be maintained.

At Vinolok we are aware of our influence on the environment, our employees, business partners, suppliers, customers and shareholders. Sustainability is first and foremost a responsibility that we accept and are committed to making a positive difference in every aspect of our business.

We actively seek to partner with suppliers who share our commitment to ethical sourcing and sustainable practices. By working with our supply chain, we ensure that the raw materials we use are responsibly sourced, minimise environmental impact and promote fair labour practices. We prefer to source from local suppliers and shorten supply chains. Three quarters of the materials we use come from sources up to 40km away.



We develop technological processes and manufacturing skills to reduce our environmental footprint. We are actively pursuing a project to concentrate our manufacturing capacity in one industrial area. We implement measures to maximise resource utilisation and eliminate energy consumption. We always use and implement the most efficient processing methods for our processes. In the case of glass melting, we are working with our partners to develop direct electric melting technology, which is the most environmentally friendly and efficient way of producing glass. Specific changes were implemented to reduce electricity consumption for glass melting by 5 % during 2021.

In the region where Vinolok company is based, winter brings the need to use resources to heat buildings. This consumption is not insignificant and is therefore one of our areas of focus. We are working with a long-term plan and in 2019 we implemented a measure that saved 72% of heating energy. In 2022, we added a further 25% saving. We are not satisfied with this result and will be close to minimum heating energy consumption once we have completed the changes to the layout plan of our building.

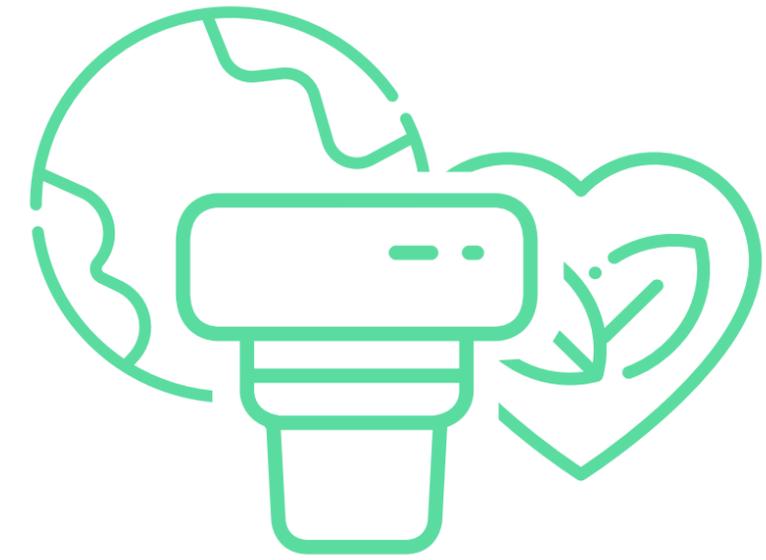
Product quality is extremely important to us and we continue to strive for excellence. We continually invest in research and development to ensure that our glass closures are not only aesthetically pleasing but also meet the highest standards of durability, functionality and safety. Through stringent quality control measures

and extensive testing, we ensure that our products exceed expectations and provide unparalleled customer satisfaction.

We recognise that a diverse team fosters innovation, enhances creativity and promotes corporate culture. We strive to create an environment where everyone feels valued, respected and empowered. We build a team that represents a wide range of skills, backgrounds, perspectives and talents.

In addition to our internal efforts, we are actively involved in the communities in which we operate. Through the Preciosa Foundation, we support local initiatives, sponsor educational programmes and promote social welfare. We strive to address pressing social issues and make a positive difference in the lives of those in need. We are committed to being an active corporate citizen and extending our responsibility beyond the walls of our organisation.

As we look to the future, we recognise that our journey towards social responsibility, sustainability, product quality and diversity is an ongoing process. We will continue to set ambitious goals, push boundaries and find new ways to contribute to a better world. Our commitment remains strong and we look forward to embarking on this journey with our stakeholders, knowing that only together can we make a significant and lasting positive impact. Thank you for joining us on this transformational journey to create a better and more sustainable future for all.



The beginning



The story of the Vinolok™ glass closure begins in 2002 when German homeopathic doctor Karl Matheis, a wine lover and inventor, heard from his friend, a winemaker Hans Marx, about the considerable losses of his 2001 Riesling and Sylvaner production due to cork taint. As a doctor, Matheis knew that glass is used as an inert material with the medicinal ingredients because it helps to keep them fresh and intact.

This gave him the idea of creating a perfect closure that would not suffer any disadvantages. He set his mind on development of a glass closure and within a year filed 20 patents for the concept of the glass closure for wines. And so, the March 2003 ProWein show introduced the new product called Vino-Lok. The closure immediately caught attention of about 50 winemakers from Germany, Austria, France and Italy, who agreed to be the pioneers in testing the closure's properties. And the closure proved to be a success not only in terms of the wine development, but also in sales of the bottles sealed with it.

The closure was originally developed with the investment of Alcoa Germany and the large-scale production of the glass component of the closure was entrusted to the Czech company Preciosa, a leading international glass manufacturer. In 2011, Preciosa acquired Vino-Lok's trademark and business & intellectual property, which allowed significant investment in research and development. Consequently, new sizes and customisation options were introduced and the star of Vinolok™ began to shine even brighter in the world of wine & spirits. Amorim's entry in 2019 is another milestone in Vinolok's history to mark further growth of the company and its distribution net.

Apothecary jar with ground glass stopper on the left and clear glass Vinolok™ with a sealing ring that holds the closure in the bottle.



Nowadays



This unique closure not only enhances the aesthetic impression of each bottle it adorns, but also serves as a symbol of conscientious consumption. As consumers increasingly seek eco-friendly choices, Vinolok™ offers a solution that aligns with their values without compromising on quality or style. Vinolok™ is not just a closure, it is a statement of our commitment to sustainable packaging solutions.

We are excited to partner with beverage producers around the world to offer them the opportunity to elevate their brand image and contribute to a more sustainable future through the glass closure. Together, we can create a world where excellence in processing and environmental responsibility go hand in hand.

Made in Bohemia Since its birth, the Vinolok™ closure has always been manufactured in the Crystal Valley, the oldest glass-making region in the world. Vinolok™ stands out as a testament to both exceptional processing and environmental friendliness. Production takes place exclusively in the Czech Republic, a country renowned for its rich glassmaking heritage.

Upcycling means turning a product into something useful and often beautiful; this can happen with a glass closure and a bottle. Not only is it good for the environment, it also creates memorable branding.



Milestones

2003 The launch – Wines sealed with Vino-Lok glass closure were launched at the ProWein show in Germany.



2011 Czech ownership – Company Preciosa acquired Vino-Lok from Alcoa Germany (trademark and business & intellectual property). The company purchased patents for Vinolok™ which allowed substantial investments into research and development.



2012 New furnace – Total yearly production of Vinolok™ reaches 20 million closures and a new production line is opened.

2012 Expanding compatibility – Vinolok™ 18.5 was launched, quickly becoming the most sold size among the Vinolok™ closures.



2014 Design innovation – Launch of Vinolok™ design options, first designs were colour coating and coloured sealing ring.

2017 Turning to luxury – When luxury packaging asked for a luxury closure, Vinolok™ introduced the Premium Collection.



2018 Keeping our planet green – Vinolok company focuses on the ecology and sustainable equipment in the production.



2019 Launch of the Vinolok™ Edge – Collection and major improvement in the brand communication.



2019 – Joint venture with Amorim – Amorim acquires 50% in the company Vinolok and together with Preciosa become the only owners of the structure.

2021 ISO environmental certification

2022 Start of production transfer and construction of new glass furnaces



Company vision

The technical, design unique and exclusive Vinolok™ glass closure is a guarantee of a securely and reliably sealed beverage. The glass closure is entirely recyclable. At the Vinolok company we ensure the safety of personal data of employees and business partners. The vision of our company looks to the future and creates a visual image of the ideal situation we want to achieve. It is also inspirational, and we want it to challenge our employees.

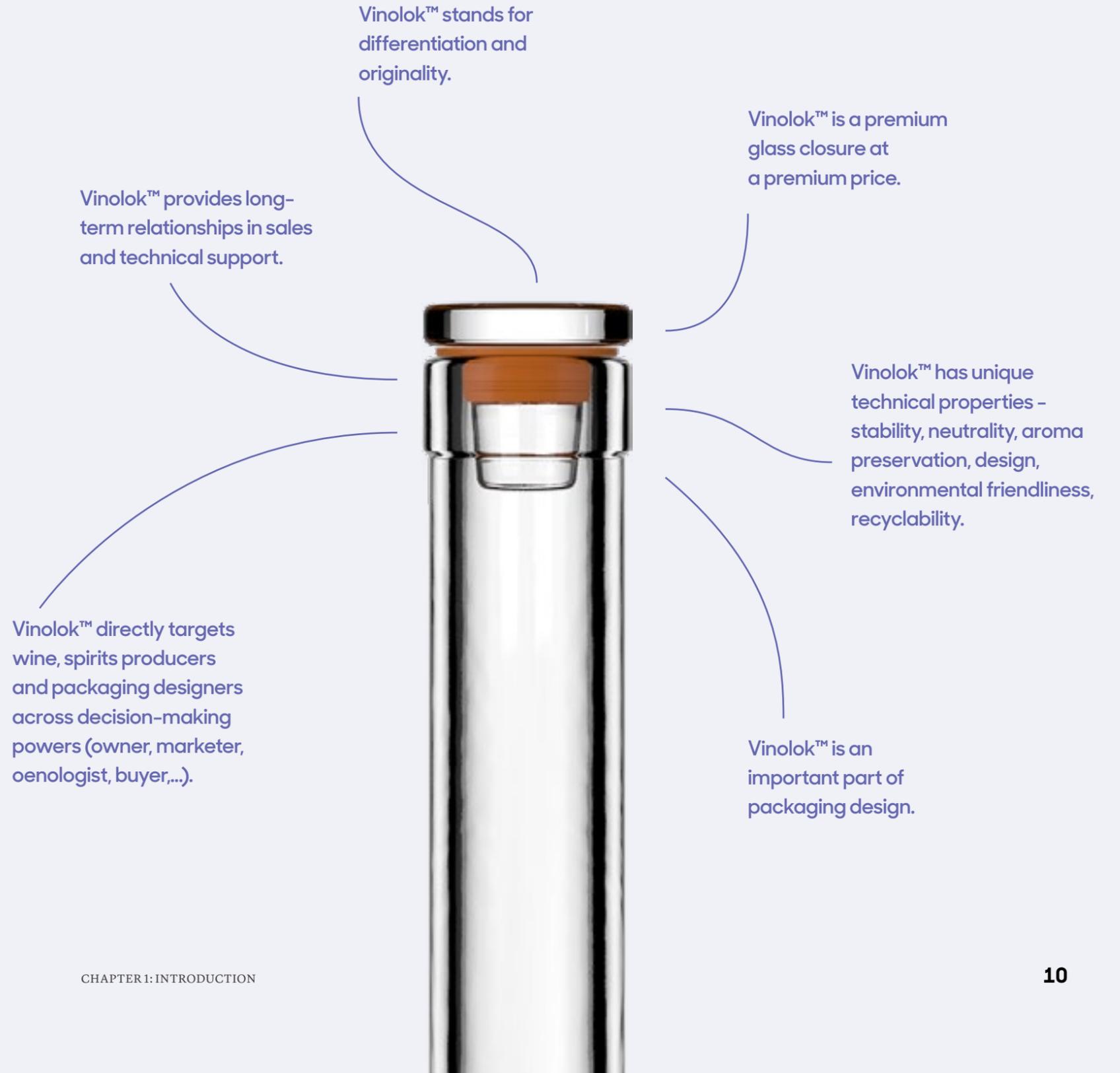
Company mission

The company's mission is to produce and supply quality and safe products, glass closures for use in beverage packaging. The purpose and overall intent of our company supports the vision and serves to communicate purpose and direction to employees, customers, suppliers and other stakeholders.



Our principles

The values statement sets out the fundamental principles that guide our company. We stand by the fact that these values have a moral impact for the brand, but also for our employees. These core values are our internalized framework that is shared and followed by the company's leadership.



Our values



Having clear company values help us ensure that all our employees are working towards the same goals. Our core values support the company's vision and shape its culture. That's why our every single business decision is aligned with these values. The company has long accepted and consciously strengthened the following stakeholder values as part of its image and corporate identity:

In relation to the customer:

- a reputable and reliable business partner
- meeting mutually agreed requirements with customers
- continuous product development, performance and quality assurance

In relation to the suppliers:

- win-win strategy
- trying to prioritise local suppliers and producers

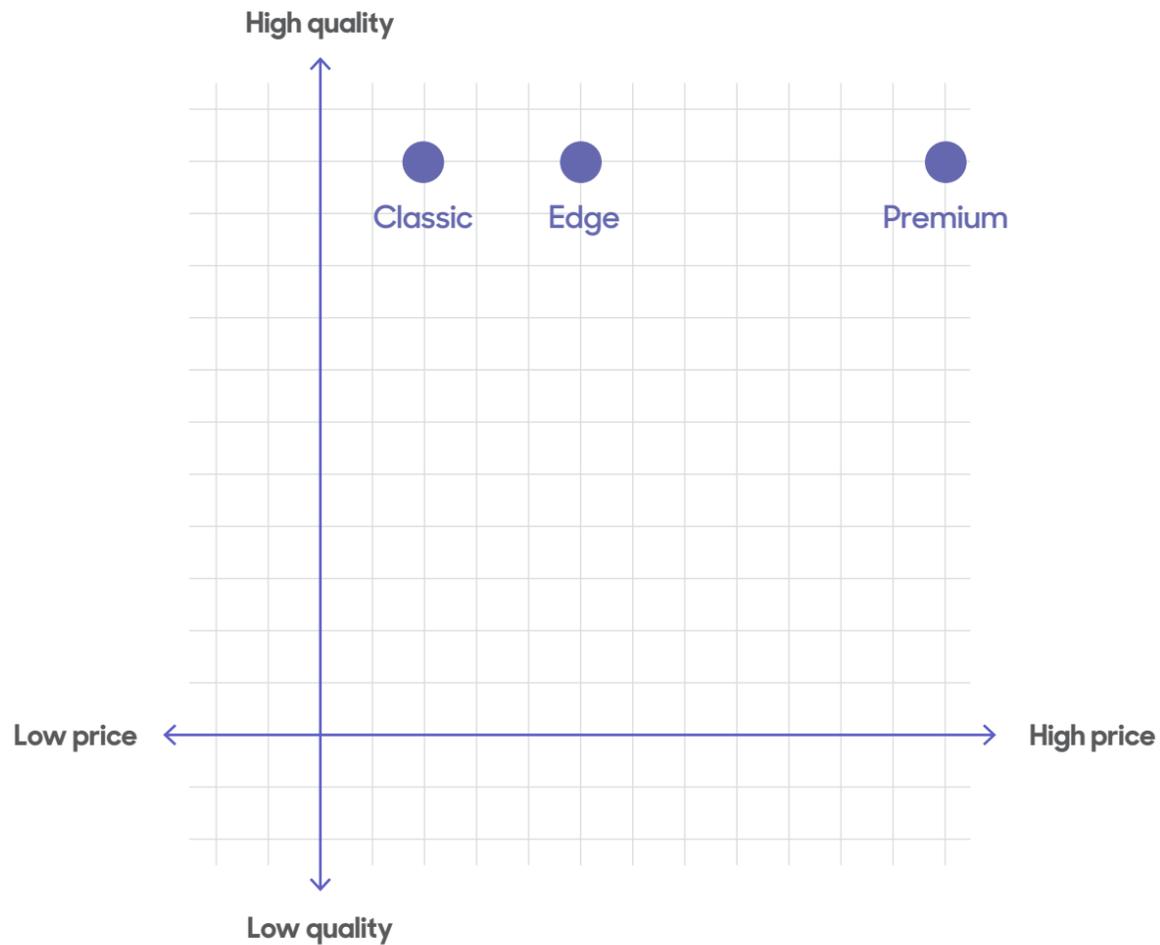
In relation to the employees:

- provide excellent job opportunities
- equal conditions for all employees, with reference to European practices
- to create conditions for the fulfillment and further development of employees

In relation to the general public:

- socially responsible activities and engagement within the region
- sustainable development and environmental responsibility

Positioning



Brand essence

The most unique closure in the world. There is no other closure like Vinolok™. It is made from pure Bohemian glass. Glass is a material proven over centuries for storing beverages. Vinolok™ closures offer unparalleled combination of eye-catching beauty and technical functionality, while being fully recyclable.

Premium packaging

The fundamental pillar of the Vinolok™ glass closure is authenticity – premium brands are based on originality and Vinolok™ contributes to this foundation. We think about elegance because premium packaging is about finesse, detail and quality. We are all about the experience of buying a product or service, not just the product itself. Our message is to create an emotional connection between our consumers and the Vinolok brand through design and experience.

Brand promise

Vinolok™ is a glass closure for elegant and creative packaging. It allows brands to enhance the design like no other closure. At the same time, it secures the content of the bottle. It turns every bottle into an exceptional packaging.

Reasons to believe Vinolok is a leading provider of sustainable packaging solutions, committed to revolutionizing the industry with environmentally conscious products. With a focus on innovation and craftsmanship, we strive to meet the growing demand for sustainable packaging options, setting new standards for quality and aesthetics.

Katerina Slezakova

Position: Marketing Manager

At Vinolok since: 2012

Brand positioning is crucial for our company for several reasons:

It focuses on the unique value proposition and differentiates the brand by highlighting its distinct features, benefits, or attributes.

When a brand is clearly positioned, it becomes more memorable, recognizable, and associated with specific attributes. This can lead to increased customer preference and loyalty.

Effective brand positioning helps us identify and target the ideal audience.

It ensures consistency in brand message, visual identity, tone of voice and overall brand impression, both online and offline. Consistency builds trust and credibility and strengthens the brand's position in the minds of consumers.

It influences how consumers perceive and interpret a brand. A strong positioning strategy can shape positive perceptions, evoke desired emotions, and create a favourable reputation.



Governance

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The board of directors is responsible for governance, oversight, and major decision-making, representing the interests of shareholders or stakeholders.

Board of directors

Chairman of the Board of directors
Jiri Karl

Board Member and Director
Ales Urbanek

Board Members
Radan Haiblik
Antonio Rios de Amorim
Christophe Rene Fouquet
Christophe Sauvaud

Supervisory Board

Chairman of the Supervisory Board
Luís Miguel da Silva Esteves

Board Member
Jitka Cvrkalova

Economical figures The annual report offers a comprehensive economical analysis of our company. Within the report, we examine the various economic aspects that have contributed to our company's success and the key factors affecting our performance. By closely examining our financial data and analysing our strategic position, we seek to provide a detailed assessment of our economic success, growth prospects and the overall health of our organization.





Since 2019, the company Vinolok is part of the Preciosa and Amorim groups, which hold an equal share (50%) in Vinolok. The company owns all trademarks and patents related to Vinolok™ products.

PRECIOSA

About Preciosa

A global leader in luxury goods manufactured from crystal, Preciosa stands upon nearly five centuries of glassmaking tradition and innovation. From the world's smallest faceted flatback stone to our cutting-edge, bespoke lighting installations, Preciosa looks to our own unique heritage to draw inspiration for the future of responsibly crafted Bohemian crystal. Together, the Group operates regional offices across Europe, North America and Asia and melts 40 tons of glass every day.

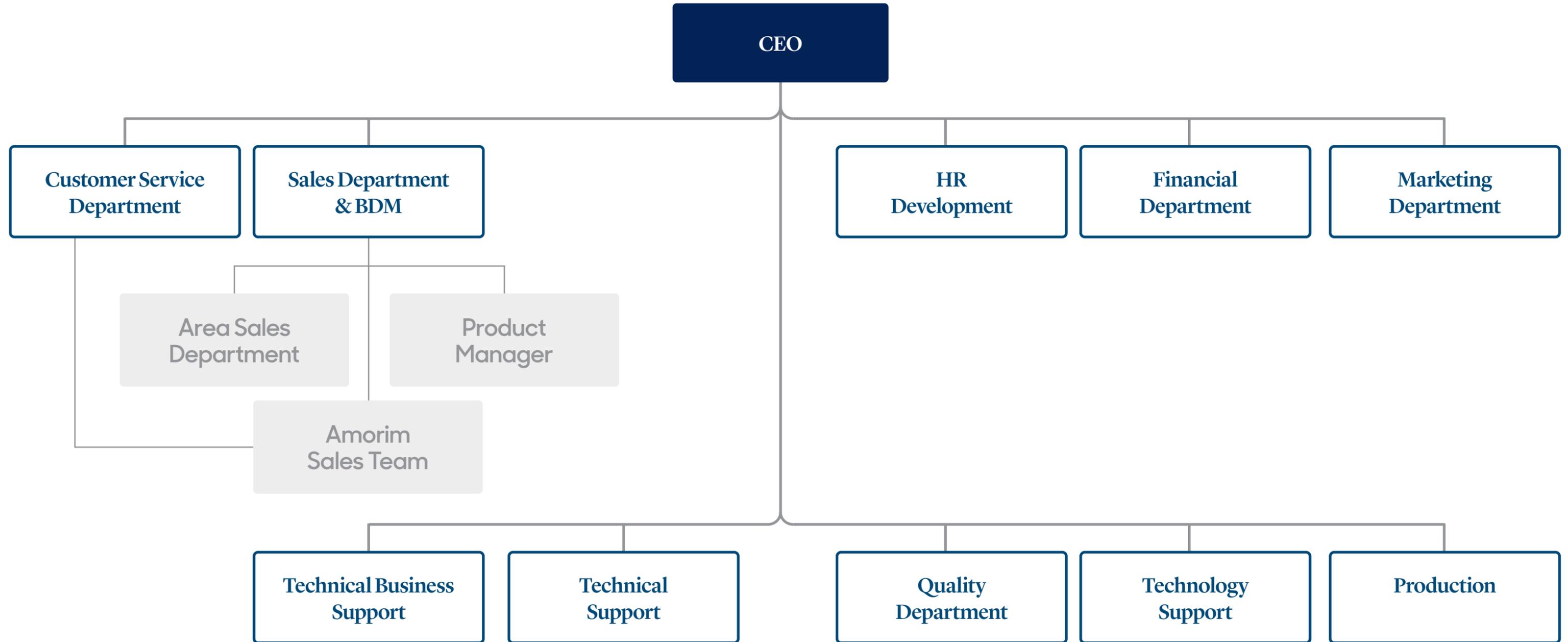
www.preciosa.com

AMORIM

About Amorim

Corticeira Amorim is the world's largest player in the cork industry, with a history of more than 150 years. With a multi-million Euro R&D investment per year, Corticeira Amorim has fostered unprecedented industry innovation, contributing to making cork truly global. Company is vertically integrated with a global reach of more than 100 countries through a network of dozens of fully owned subsidiaries. In year 2022 the sales exceeded €1 bilion.

www.amorim.com





Employees in the Czech Republic

180

66 million closures produced per year

4 Glasswork furnaces

Printing lines

5

1800 Tonnes of glass produced per year

Export countries

6

Distribution partners

47

Closure shapes

24

Individual decorations

22

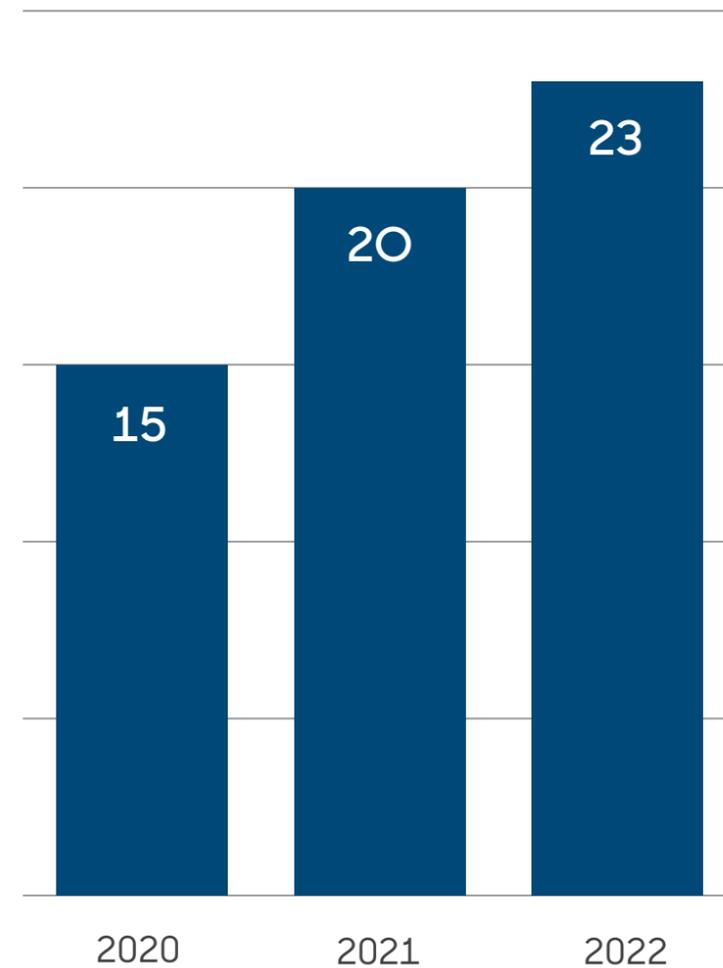
Daniela Horejsova

Position: Financial Director

At Vinolok since: 2012

Planning & reporting: Today's turbulent times place high demands on the analysis of company performance. And for management and positive development, it is crucial to clarify the sources of fluctuations, whether compared to a plan or to the reality of previous periods, in order to take advantage of the benefits that come our way or to avoid unplanned and unnecessary expenses. Excellent teamwork with colleagues in other departments helps us to achieve this.

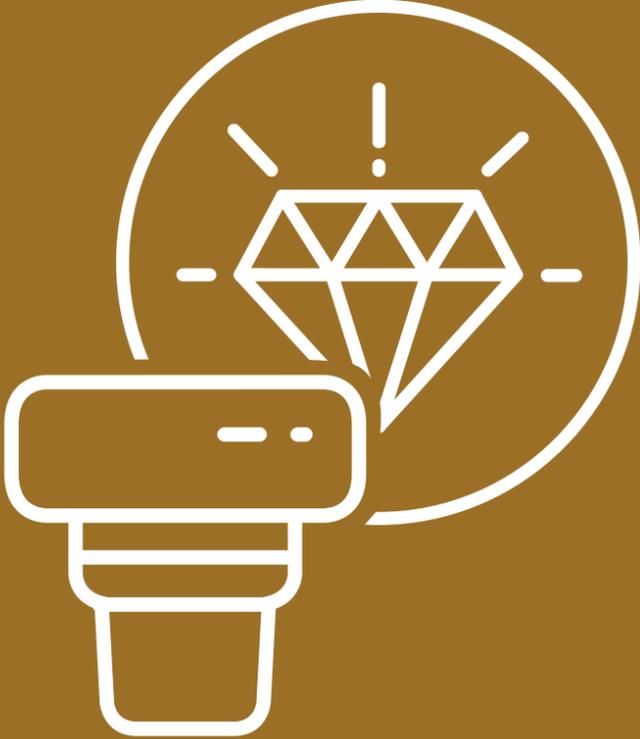
Revenue (Mio €)



Vinolok has changed the accounting period (from fiscal year April-March to a calendar Y-Y) as of 31.12.2021 and therefore the figures do not correspond with the annual financial report.

Value

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The implementation of Vinolok's strategic plan should trigger positive emotional associations with our brand among customers. To achieve this, the brand and product strategy should be consistent with the core values and mission of the company, easily adaptable to different business and economic conditions, and have clear meaning and relevance to our target consumer group.

The integration of brand and product strategy is a pivotal element within our overarching business plan. Our brand strategy serves as the cornerstone, guiding the development of our pricing, sales, marketing, and corporate mission strategies. These interrelated components are intricately woven, with the brand strategy serving as the driving force.

As we align our brand strategy with other facets of the business plan, we witness its transformative influence across various dimensions. From shaping advertising campaigns and corporate literature to molding public perception and fostering customer engagement, the brand and product strategy stands as the linchpin of our strategic initiatives.

At Vinolok we follow crucial steps to build an effective product strategy

- Deeply understand and describe our customers
- Ensure we have a well-defined product vision
- Find our product's unique distribution network
- Collaborate with different stakeholders
- Innovate, test and adjust
- Make a plan to execute

Target groups



Wine producers

Most of our closures are sold to the wine segment. This is the segment for which Vinolok™ was originally invented and why it was named Vinolok™. The existing standard assortment is widely sufficient and offers a good solution in terms of added value, i.e. price vs. quality.

Due to the fact that this segment is price sensitive, winemakers usually look for more cost-effective alternatives, the most common options being smaller sizes (17.5, 18.2, 18.5 mm) in the Low Top version from the Classic Collection.

Vinolok™ can be well used for all different types of wines: white, rose and red. It can be used for fresh, fast-moving wines as well as for wines intended for longer aging.

Vinolok™ has also proven itself wherever a winemaker is looking for attractive packaging, therefore it is quite successful with rose wines, where the packaging is aimed at younger and female populations.

Key sales messages:

- Vinolok™ contributes to packaging, increases value of the product
- Inert closure, no impact on aroma or flavour
- Consistent OTR performance and wine development

Spirits producers

From the very beginning, spirits producers have started using our closure for some of their products. But with the development of new shapes and design possibilities, Vinolok™ has become highly competitive in this segment and our sales and marketing activities started to focus more on spirits makers.

In this segment, packaging budgets are bigger than in the wine segment and the attractiveness of the packaging is a priority for many producers. Vinolok™ is highly successful with white spirits such as gin, tequila or vodka, but there is no reason not to use Vinolok™ for brown spirits.

Today, we can offer a wide range from the Classic Collection, where the most popular choices are the High Top and wooden closures. In addition, the Edge and Premium Collections offer interesting new designs for the high-end products. For some of the most demanding customers, we can offer their own, exclusive, custom-made solution (Ego Collection).

Key sales messages:

- Vinolok™ complements design-oriented packaging, increasing the value of the product
- Clean look, no impacts such as liquid contamination or dust problems

Vinolok™ Collections

Vinolok™ Classic

The original version of the glass closure.



Vinolok™ Edge

The Vinolok™ closure in a variety of creative shapes.



Vinolok™ Premium

The crème de la crème of the Vinolok™ closures.



Bottles



Service is an important part of our product and business strategy. It covers all important technology areas such as bottles, bottling and more.

At Vinolok, we never sell closures without being 100% sure that the customer is using the correct bottle. Every sales representative in our team must fully understand the problem, consider the options and propose the right solution to the customer.

Compatible bottles are a very important element for Vinolok™ closures. Today, Vinolok™ is offered for various standard sizes of the bottle neck bore, but these bottles for Vinolok™ need to be specially controlled. Vinolok™ sealing ring holds the closure inside the bottle neck between 3 and 6 mm down from the top of the bottle neck. That is where the bottle needs to be checked by the producer during the production to comply with the technical specification.

Catalogue of Vinolok™ compatible bottles

Vinolok company is in close contact with various bottle manufacturers to ensure a wide range of bottles that are compatible with Vinolok™ closures and inspected according to Vinolok's technical specification. All bottles, which are confirmed and guaranteed by the manufacturer, are then listed on the special Vinolok website vinolokbottles.com.

Capping

Vinolok™ is in a way easy to fix in a bottle. This means inserting the closure into the bottle, pressing it down and covering it with a capsule.



There are many options available to ensure this process:

- **Manually** - this is recommended for smaller batches or sample tests.
- **Semi-manually** - the closure can be inserted into the bottle by hand and then pressed down in the bottling line by a cork/screw cap head, or various applicators can be used
- **Automatically, with free standing machines** - there are various solutions available that can be used as flexible solution for one-time or repeated bottling.
- **Automatically, with stationary machines/modules** - all main bottling line producers are offering the capping solution for Vinolok™.



Edina Kiss

Position: Technical Project Manager

At Vinolok since: 2020

Vinolok™ glass closures require specific bottleneck tolerances, therefore we emphasize the cooperation with glass container manufacturers worldwide to ensure the compatibility of bottles. Our goal is to provide assistance and support to our customers when identifying the best options for their packaging. Today, you will find over 850 bottles in our catalogue at vinolokbottles.com, and beyond standard items there are many customized projects with great design options. Because we believe in “matchmaking” between glass closures and bottles.

Glass sustainability There is no doubt glass is one of the most sustainable materials used for packaging. It can be endlessly recycled and is a great example of the circular economy. We still have a long way to go when it comes to glass recycling and innovation, and decarbonisation in the industry, but we are willing to go the extra mile. And it seems we are heading in the right direction, since 68% of consumers want more glass container options on the store shelves because they believe that food and beverages taste better in glass (source: Glass Packaging Institute, Hart Research Consumer Survey, 2023).





To be able to give the utmost attention and flexible service to our customers in different regions, we are partnering with local distributors that are in daily touch with existing and potential users of the Vinolok™ closures. Presently we are supplying to more than 60 countries. Most of these distributors keep stock on hand to provide flexible deliveries without shipping them individually from the factory. Being part of the beverage industry, providing a particularly important part of the packaging, Vinolok tries to be as effective and flexible as possible.

It all starts in our warehouse located in the Czech Republic, where we keep reasonable levels of stock. This helps to produce the optimum production batches in terms of best production efficiency, minimizing energy consumption and waste. In this way, we can supply customers with the required quantities on time and give them the opportunity to decide the most efficient mode of transport. In Europe by trucks, overseas by ocean to minimize the need for air freight.

At Vinolok we have a team of qualified area sales managers that provide daily operational support to our business partners whenever they need any information about the business conditions, products, and other services the company provides. The cooperating Customer Service Department then takes care of the order execution, shipments, and related sales documents.

The support to our business partners is not only in the form of providing them with the necessary information, support, and sales documents, but it also involves a constant update on the product availability, innovations, technical support, and other interesting topics related to our closures and its use for beverage products. This is done in different form as for example by:

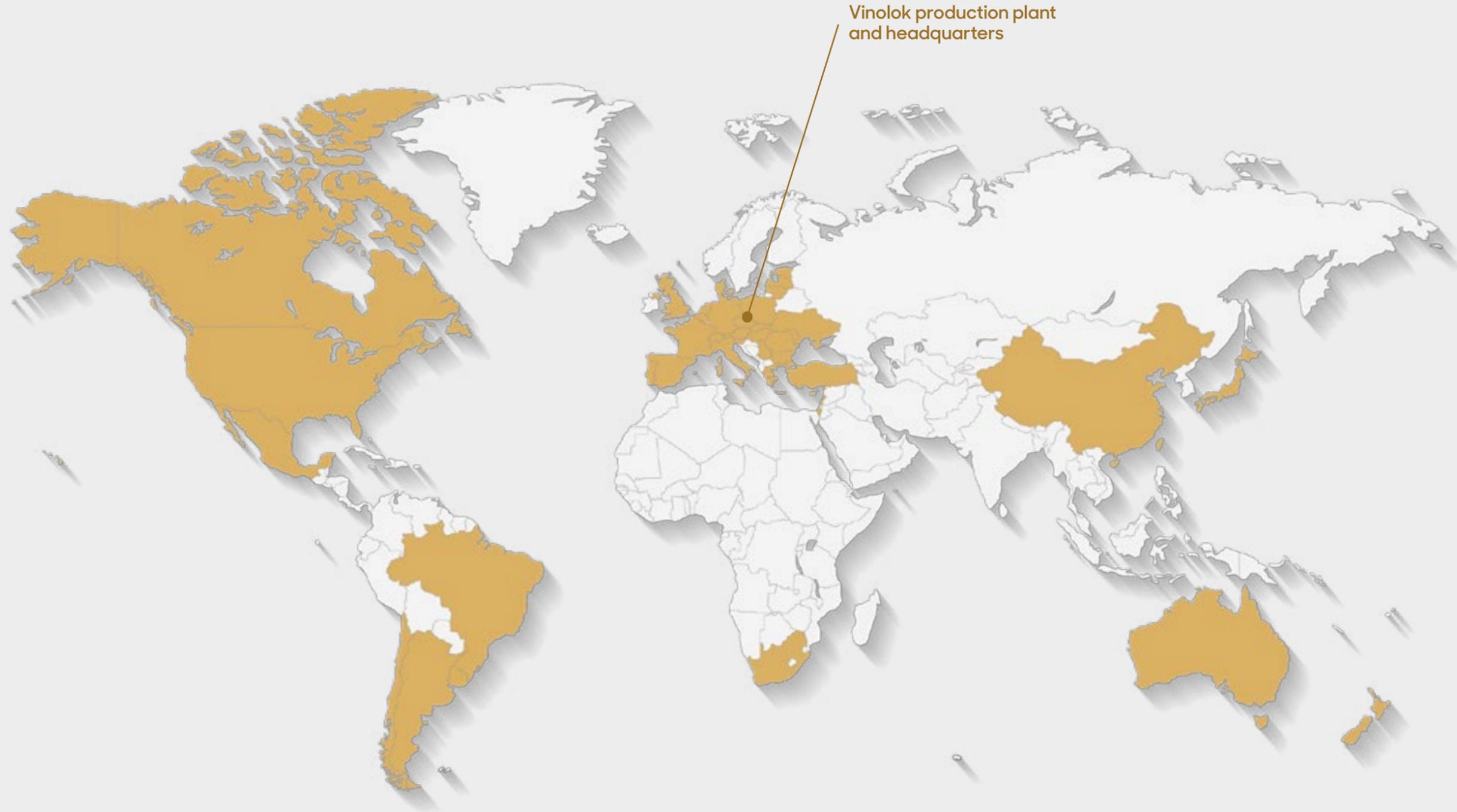
- Periodical sales updates, seminars, and meetings
- Shared database with the most updated documents
- Vinolok Handbook
- Webinars

One of the ways to present the products and the most recent innovations is the trade shows. These are organized either locally by our business partners, or jointly with our distributors, or in case of international exhibitions exclusively by the Vinolok company. These include the suppliers' trade shows or packaging exhibitions.

Worldwide presence

Distribution
47
partners

Active sales
60
countries



Radan Haiblik

Position: Sales Director

At Vinolok since: 2012

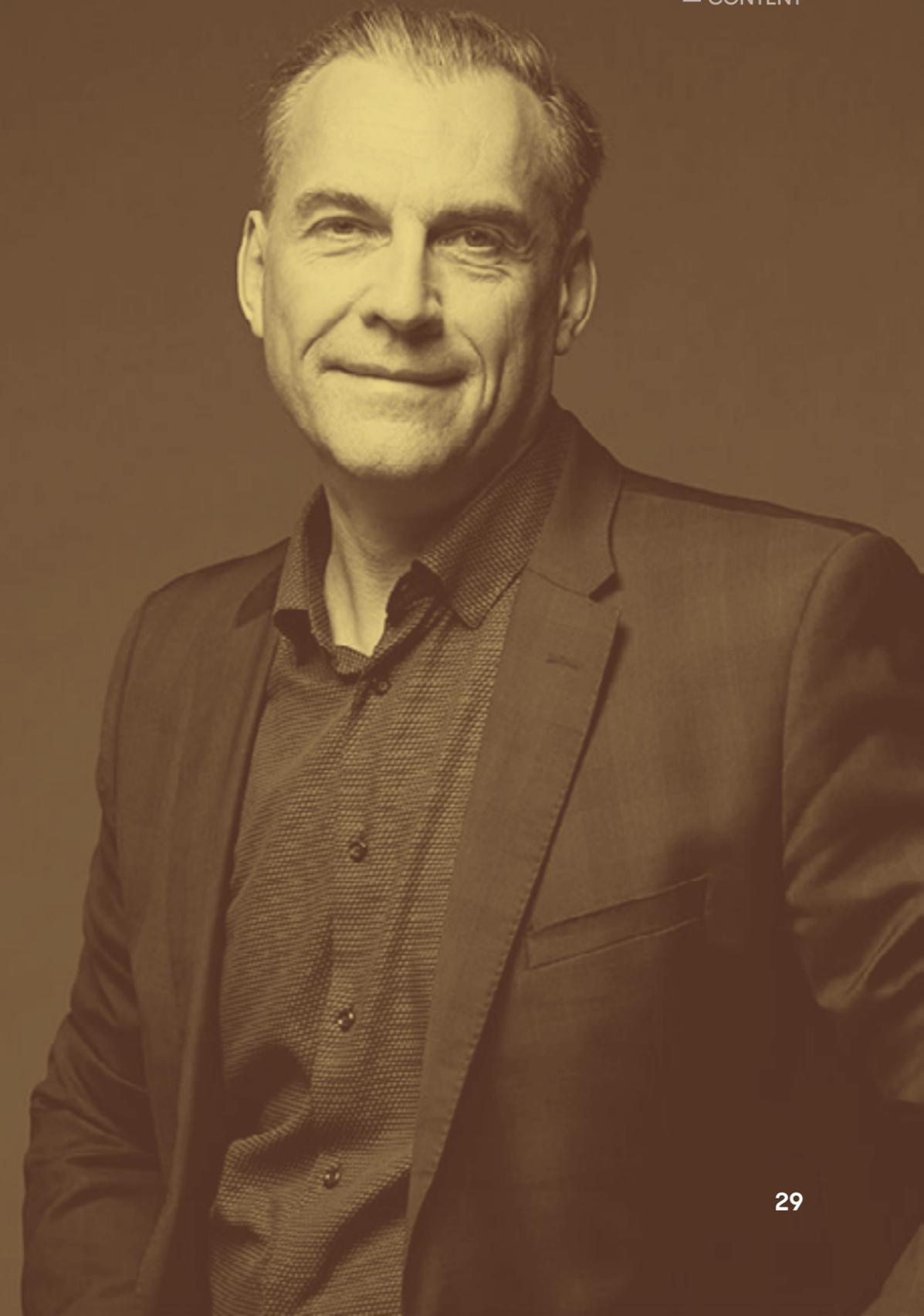
Being close to the customers with a timely and professional service is crucial. It is therefore important for us to work with reliable distributors and business partners who share our passion for these exceptional glass closures. All with the support and help of our internal Vinolok sales team and customer service department. Our highly qualified and dedicated sales teams strive to offer locally close and flexible services that include fast and exact communication, and expert support to our valued customers.

Although wine has always been our main focus, our continuous process

of innovation and range expansion, including decoration techniques, has accelerated our expansion into other market sectors, particularly spirits packaging.

Our ample production capacities and extensive stock of the wide range of products, both in our factory and with our distribution partners, enable us to offer fast and flexible deliveries.

If there were only three key words, how we could be of assistance with our products to the end customers, these would be: packaging, premiumisation and differentiation.



Production

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4



Natural materials



Glass is made from natural materials and is a sustainable choice for food and beverage packaging. Glass packaging is inert: does not react with the contents, it is gas-tight and taste-neutral.

Glass is made from natural materials. The main component is quartz sand (70%). At Vinolok, we source quartz sand of outstanding quality in the North Bohemia region.

Soda (14%) lowers the melting point of the quartz sand (from 2000°C), while lime and dolomite (14%) give the glass hardness, shine, and durability. It also contains refining agents.



CHAPTER 4: PRODUCTION

About glass

It is endlessly and fully recyclable without loss of quality, thus supporting the circular economy concept by reducing waste and keeping materials in use.

The use of recycled glass can significantly reduce energy consumption compared to the production of new glass from raw materials, thus having a positive impact on carbon emissions.

These properties make glass an ideal material for closures which are designed for closing and preserving wine and spirit bottles.

Preparation of batch

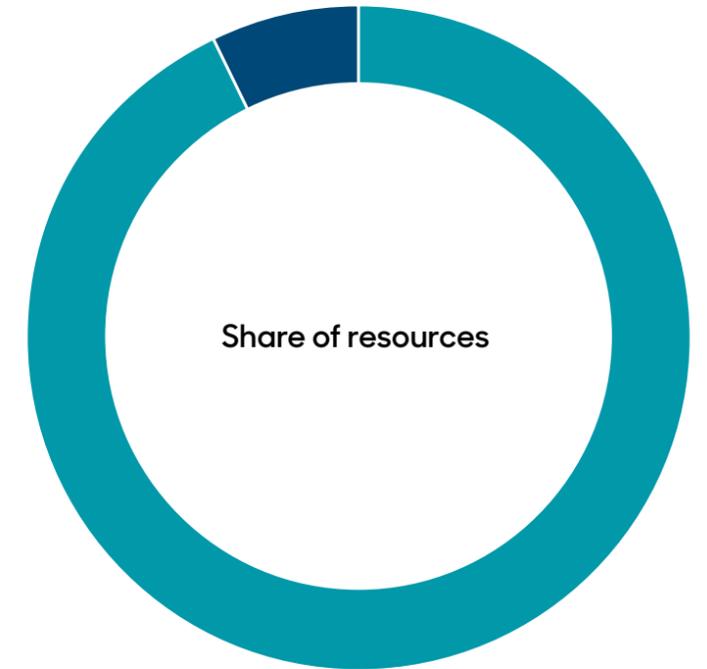


Over 70% of the materials for the batch comes from within 40 km of the glass furnace.

Preparing the right mixture is essential to maintain 100 % glass quality.

At Vinolok, we only buy certified materials and verify their quality. That is why we regularly perform chemical analysis of our glass. There are automatic mixers in our plant that ensure accurate dosing of each component, and help us prepare a batch with minimal variation of the components of the mixture.

The whole batch is completed by adding cullets to the mixture which facilitates the melting process, is less energy intensive and chemically more stable. The amount of cullet is constantly checked and optimized by our technologists. We also have a sophisticated system for marking individual containers using codes and colours in order to deliver the right batch to the right furnace.

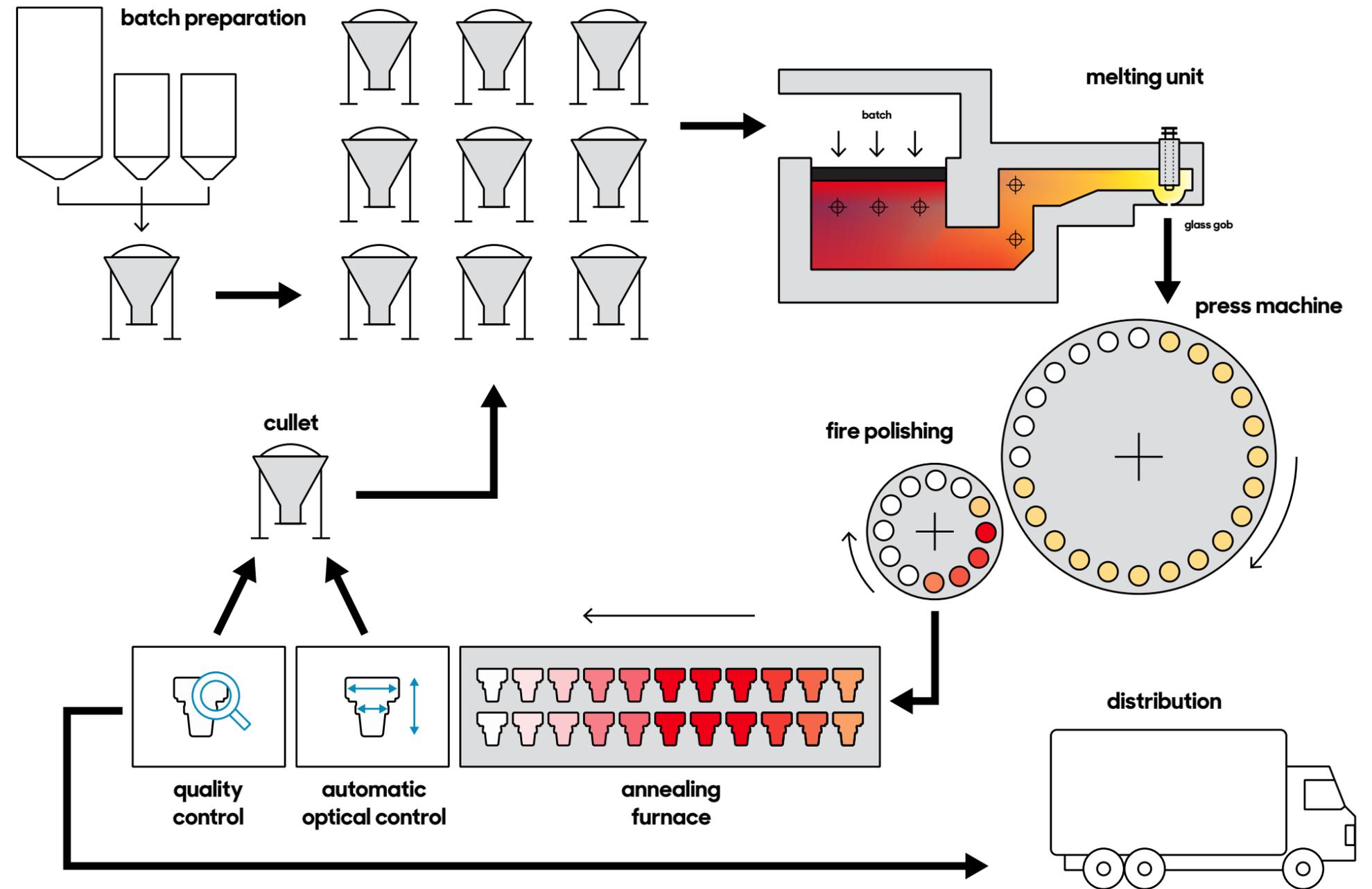


■ Local sources (Czech Republic) - 93%
■ External sources (outside EU) - 7%

Melting and pressing

Melting of batches takes place in continuous electric melting units (furnaces). The melting process takes place inside the melting unit. We melt using electricity, the glass stays in the melting unit for many hours and is being prepared for further processing. The highest temperature of 1450° C helps to clean the molten glass from bubbles.

The glass must travel to the place of processing (feeder). The temperature gradually decreases to approx. 1000 °C. Then the glass melt is pushed by a plunger through a bowl which forms a glass gob. The glass gob is cut with shear blades and falls on the slide and then into the mould where it is pressed.



Sorting, quality check and packaging



After melting process, the closures pass through an automatic machine with an optical inspection point which checks all the dimensions (pict. 1) of the final closure with an impact on the four essential dimensions. Every single glass closure is checked and controlled by an automatic optical system for glass imperfections (pict. 2). After this operation, the glass closure is ready for finishing operations, such as completing with a sealing ring or customising with design options (printing, colour coating, metal coating, etc.)

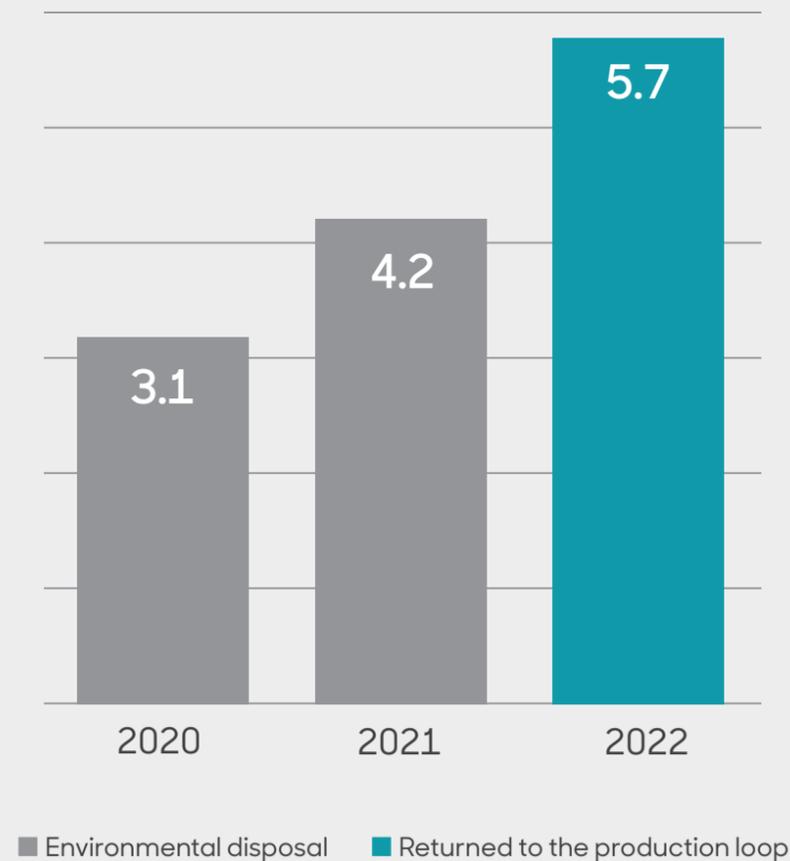
Important in a process

HACCP is a management system in which food safety is addressed through the analysis and control of biological, chemical, and physical hazards from raw material production, procurement and handling, to manufacturing, distribution and consumption of the finished product.



Internal recycling

Amount of defective pieces produced during customisation process (in tonnes)



99% of the glass cullet from the Vinolok production is used again for production of the closures. Glass recycling has a direct impact on climate change. The use of recycled glass reduces emissions (carbon dioxide) and saves energy. Recycled glass melts at a lower temperature than virgin materials. The use of recycled glass instead of virgin materials helps conserve natural resources.

As part of our **long-term planning**, we will prepare a major study on innovations in the production of glass closures, in particular on the proportion of higher recycled glass content (external) by year 2030.

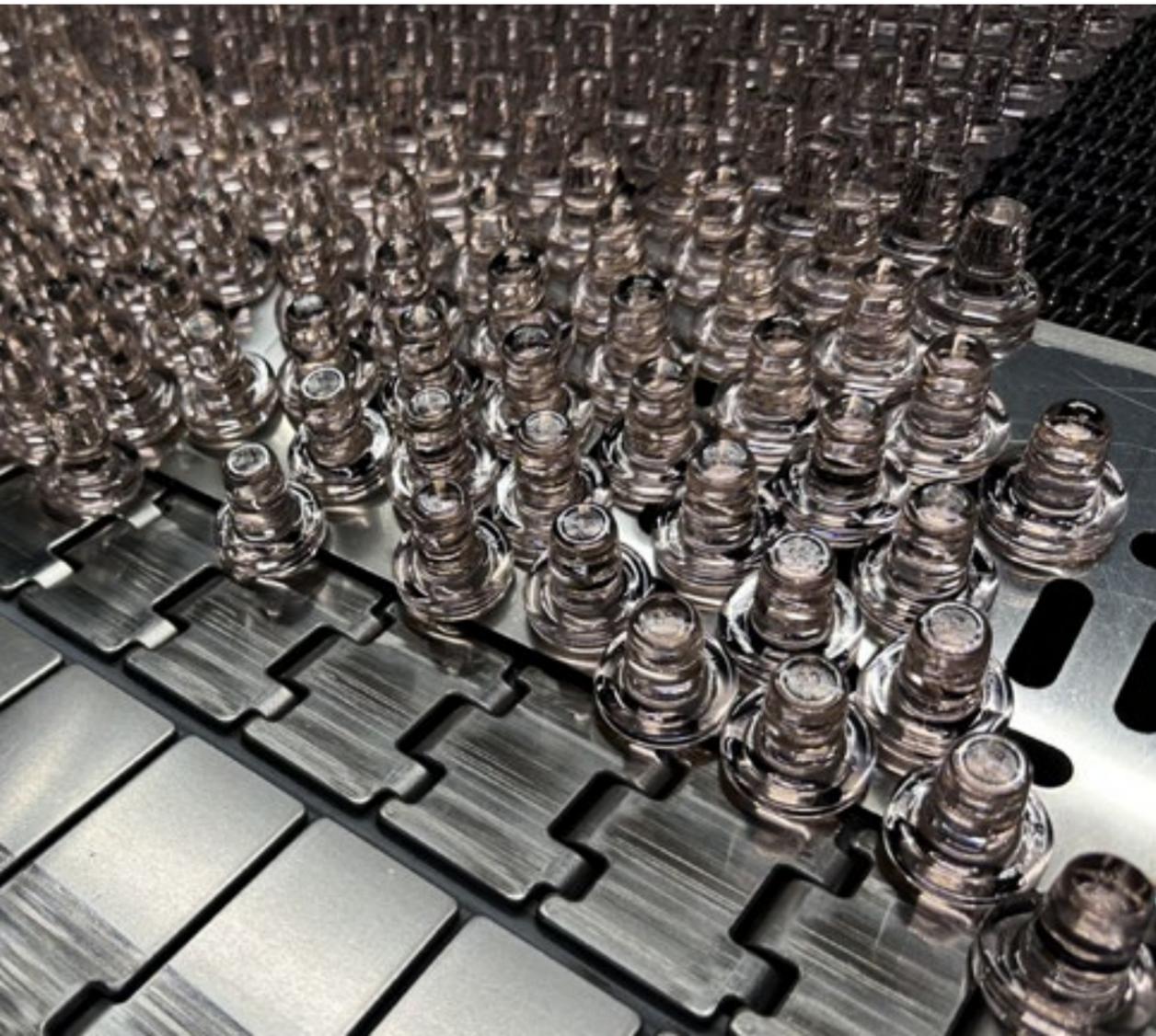
During the closure customisation process, a certain number of defective pieces are produced. This number was 3 tonnes in 2020 and 4.2 tonnes in 2021. These defective pieces had to be environmentally disposed of.

In 2022, a special project was developed (‘trial melting’, including measurement of emissions) and glass quality and a quantity of **5.7 tonnes of glass cullet was recirculated in production process** and did not have to be environmentally disposed of.

Target: using 99.9% of internal glass cullet by

2030 ↑

Business units



Furnaces (2022)

4

Customisation units (2022)

5 printing lines

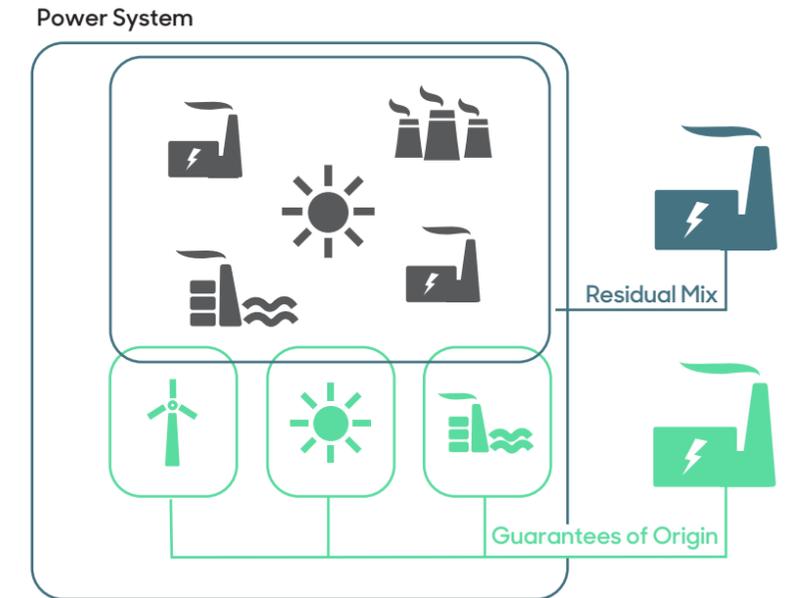
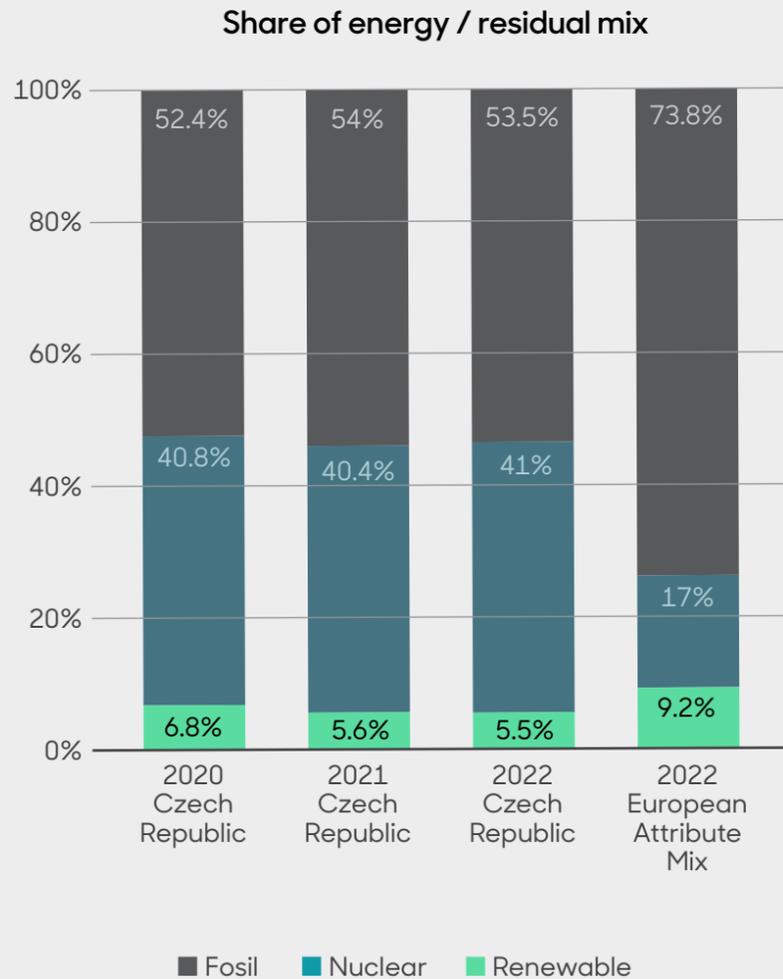
2 colour coating units

Targets

- new workplaces and facilities with high standard (new changing room, central snack room)
- technology development and automation to make our employees' work simpler and more efficient e.g. we will be completing another fully automatic sorting equipment, our technology and development department is working on a closure loading device for printing technology, which will reduce the strain on the mobility system of line operators
- reduction of the lead time for the production of the final closure without customisation



Energy



The Guarantee of Origin - GO (RED II, Directive 2018/2001, Art. 19) provide a way to reliably track the origin of energy from production to consumption within the context of the international and complex power markets.

GOs are used (cancelled) by electricity suppliers, who must disclose the origin and environmental attributes of sold electricity (IEM Directive (EU) 2019/944, Annex 1 (5)). This process is called electricity disclosure.

A country's residual mix represents the shares of electricity generation attributes available for disclosure, after the use of explicit tracking systems, such as GO, have been accounted for.

Source: www.aib-net.org

Acquire up to 53% of renewable energy with a zero CO₂ emission factor and the rest of electricity from clean sources by

2030 ↓

Certifications and audits



In order to implement CSR in the supply chain, companies should emphasize having procedures in place to assure health and safe working conditions for their workers and suppliers. These include offering health and safety training to everyone, providing legal rights so they can speak up in case any injustice is observed.

Social responsibility in production process take place both in forward and reverse supply chain management activities. In general terms, CSR in production includes the design of the product taking into consideration CSR principles and the production without giving any damage or hazard to the environment.

All the suppliers meet our standards, we require certification and attestation of all supplied materials, such as certification of sources, fulfillment of standards, documentation of sources.

Sealing ring producer - regular audit

Raw materials - certification, inspection of incoming raw materials

Packaging materials - regular audit

Significant impact of materials used

Product packaging and shipping is an integral part of a reliable and safe product for Vinolok. The 100% safe and hygienic product delivered to the customer is our priority at all times. We pay also great attention to packaging materials and their sustainability. We regularly innovate the packaging and test the functionality with usability for transport and protection of the closures in line with the development of new, environmentally friendly materials.

Pallets

The pallets used to transport Vinolok™ closures are 100% reusable. A new stretch wrap is used for the final packaging of pallets: MimaLite wrap has the same material composition as the previous one, with the advantage of 34% lower weight compared to the previous wrap and offers smaller volume (2022).

19%

reduction in material for shipping boxes



To date, we have achieved significant savings by changing materials. And we are continuing to evolve. We are working hard to develop new packaging methods to minimise the use of plastic, and the aim is to eliminate the use of plastic trays altogether.

Trays

The efficient design of the trays allows them to be stacked tightly on top of each other and wrapped into a sturdy package. Smaller quantities can be thrown into the recycle bin for plastic. Larger quantities can be provided directly to a PET recycling company. We help our customers find the nearest PET recycling company.

Cardboard boxes

The cardboard box in which closures are supplied is made of recycled material (68%) and is suitable for further recycling after use. The surface is made of primary fibre to ensure the hygiene of the packaging.

New design of the Vinolok cardboard boxes, introduced in 2022, reduced the consumption of used material by 19% compared to the previous box. The new design is the result of a process that strives for cost savings and material consumption. Developed together with SmurfitKappa.

The entire tray is completely recyclable

The trays that hold the closures in place during transport are made of PET three layer foil. The inner layer, which represents 80% of the total trays thickness, is made of already recycled PET material. Both outer layers are made of virgin PET material and thus meet the hygienic specifications for the material coming into contact with food.

Significant impact of materials used



Sealing rings

It is made of EVA (Ethylene Vinyl Acetate Copolymer) manufactured by DOW. It is PVC, phthalates and bisphenol A free. It complies with European regulations for materials intended to come into contact with food and beverages.

Recycling is easy - you can remove it by hand and recycle in the same way as low density polyethylene (used in juice and milk cartons).

The recycling process for EVA is straightforward and involves grinding the material into small pieces, which can then be used to make new products. Recycled EVA can be used to make new footwear, sports equipment, packaging materials, automotive parts, and construction materials.

About EVA

ELVAX™ EVAs is a certified food contact material and liners made with ELVAX™ also deliver:

- Consistent hermetic seals / leak protection
- Better flavour / carbonation preservation
- Tamper-evident protection
- Easy opening / reduced removal torque
- Easy low-temperature processing

Jiri Bocek

Position: Production Manager

At Vinolok since: 2018

What are the key factors for us:

Resource efficiency and waste reduction: We prioritise the sustainable use of resources such as raw materials, energy and water. We implement processes that minimize waste and promote recycling and reuse of materials.

Health and Safety: We ensure the safety and well-being of our employees by adhering to strict health and safety regulations. We provide proper training, personal protective equipment (PPE) and maintain a hazard-free work environment.

Ethical Work Practices: We uphold fair labor practices by providing safe working conditions, fair wages and opportunities for professional growth.

Supplier Responsibility: We work with suppliers who share similar CSR values. We encourage them to adhere to ethical and environmental standards and consider the sustainability of their supply chain.

Energy efficiency: We focus energy efficient technologies and practices to reduce energy consumption and related environmental impacts. We are considering the use of renewable energy sources to power our operations.





Process and solutions

At the Vinolok company innovation is a constant process. We are always looking for new technical solutions, better materials and cost-saving opportunities that are in line with more sustainable practices.

196 decorative concepts were created

93 presentation of packaging concepts are featured to the customers worldwide

Vinolok™ is an elegant and original high-end closure. It is a natural extension to the glass bottle, the entrance to the bottle content, and the part of the packaging the customer is engaging with the most. Therefore, it requires the utmost attention.

Being part of the historical heritage of the world-renowned Crystal Valley in the Bohemian region, we have the highest commitment to continue developing glass making techniques and technical properties. Being part of Preciosa Group, we have easy access to many decoration techniques and jewellery components.

Our product innovation activities go in three integral directions:

- Shapes
- Decorations
- Technical properties

Shapes Same as there are endless shapes and sizes of glass bottles, being constantly innovated Vinolok™ has a wide range of varied sizes and shapes. For different industries and products, we are offering the best solutions to supplement the bottles with the most fitting size and shape. The solution is segmented as per the price category that reflects the quality of the final product. For the premium and ultra-premium categories, the option is available with personalized bespoke solutions.

Decorations We can say that there is no other closure that would have so many possibilities for different decorations and customisations. This enables us to promote the brand as well as to match the look of the closure to the design of the complete packaging. The goal is to have standard decoration solutions which offer flexible combinations and fast execution.

In general, the procedure is that based on the customer's specifications we prepare the electronic preview in a few days, once it is approved by the customer, the physical samples are made for next approval, and only then the order quantity is produced. This way there are no surprises or misunderstandings.

Our Goal

Our goal and commitment is to introduce to our business partners and packaging designers new product collections, design decorations or technical solutions at least once a year. In 2021, at the packaging trade show LuxePack in Monaco, we introduced a very innovative family of contemporary shapes that was named Edge Collection. Starting with bigger sizes of 21.5 mm aimed for bottles of spirits, we are now bringing smaller versions in the size 18.5 mm to be used also for bottles with such diameter.

Technical properties



Independent tests available online:

PERFORMANCE BENCHMARKING

by: **The Australian Wine Research Institute**

Report on comparative analysis of wines sealed with Vinolok™ and alternative closures.

RISK ANALYSIS

by: **Versuchs und Lehranstalt für Brauerei in Berlin**

Reference document for the HACCP risk analysis for bottles sealed with Vinolok™.

PERFORMANCE STUDY - 36 MONTHS

by **Geisenheim University**

Summary of the bottling trial performed by Geisenheim University.

The sealing ring plays a key role and keeps the closure in the bottle. An important condition is that on the one hand the closure needs to be held firmly in the bottle and on the other hand must be easily openable.

Also, for the wine industry it is not enough that the sealing ring holds the closure, but it needs to have good OTR (Oxygen Transmission Rate) properties that keep the primary aromas of the wine for longer time but also ensure a good aging potential. Some winemakers also appreciate that due to the quality of Vinolok™ they can use less sulphur dioxide to preserve their wines.

These are the main reasons why the Vinolok company pays so much attention to this part of the closure, to make sure that we use as many sustainable materials as possible and provide an optimal locking system.

Research

With over ten years on the market, the performance of Vinolok™ has been thoroughly tested by research institutions and leading universities.

When we first launched Vinolok™ in 2003, we had to demonstrate the technical and oenological capabilities of the glass closure, which didn't exist before. We started research programs with Hochschule Geiseinheim University and the AWRI Commercial Services to have this evidence.

Today, with 20 years on the market and numerous public tastings of older vintages, we have a proven track record that Vinolok™ can preserve wines for a long-term. But we want to understand better and deeper what happens behind the scenes, thus we will initiate a new research program with the University of Udine, and will study high-end Italian Pinot Grigio and Pinot Noir wines over a period of 5 years.

More info: vinolok.com/technical/#tests

Zdenek Silhan

Position: Technology Manager

At Vinolok since: 2012

The R&D process behind developing a new closure involves several stages. It starts with ideation and concept development, followed by prototyping and testing. We conduct extensive lab testing to ensure the closure's functionality, durability, and compatibility with various beverage types. This is followed by pilot-scale production and further testing in real-world conditions. Sometimes, developing a new product requires us to explore and develop new technologies to meet specific requirements, or solve unique challenges.

Testing in case of new product development (new innovation):

This is a sequence of tests that simulate the environment to which the product may be exposed by the end customer.

1. Cold
2. Dry heat
3. ColdVibration I
4. Humid heat cyclic
5. Rapid temperature variations I
6. Rapid temperature variations II

All test reports are archived only in electronic form on the R&D department's SharePoint for reasons of increased environmental efficiency and productivity.



Quality

Company policy	46
Management system	47
Quality control	52
Work safety	54

5



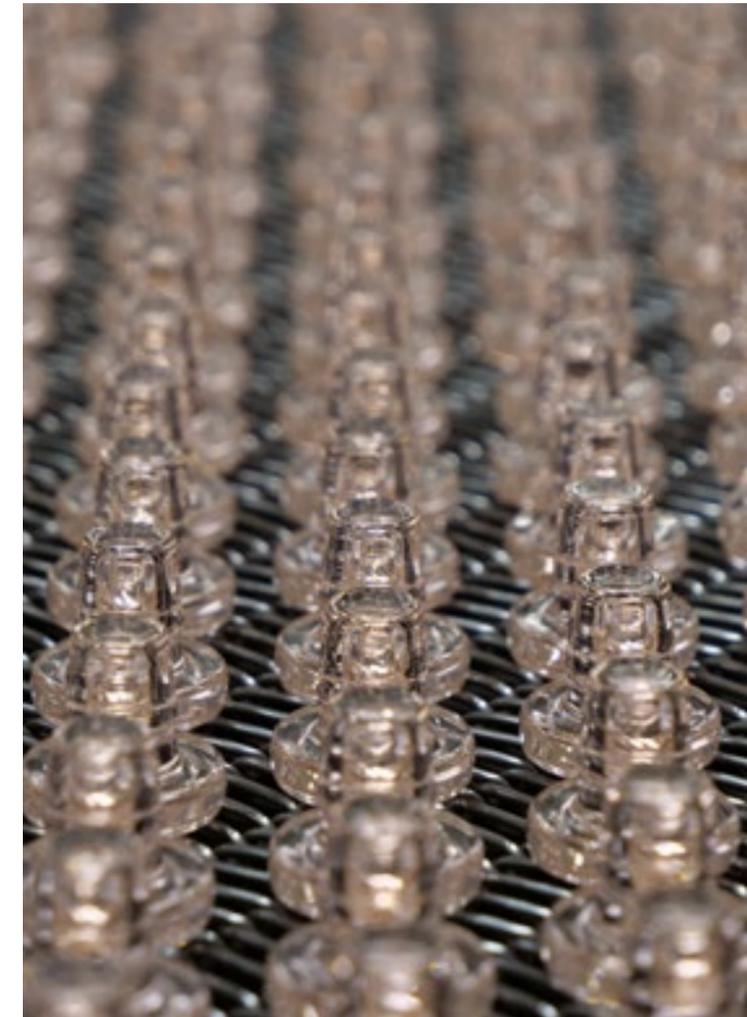
Quality is our core principle



The technical and design unique and exclusive Vinolok™ glass closure guarantees high-quality, securely and reliably sealed beverage. The glass closure is entirely recyclable.

Quality first

One of the main goals of the Vinolok company is to provide customers with high quality products and services. In order to satisfy current and future customer requirements for product quality and safety, we have established an Integrated Management System with the application of modern management principles and international standards of ISO.



Management system



ISO 14001

In the context of our production, we only introduce technologies with the lowest possible environmental impact, and we evaluate the impacts of new technologies before deciding to implement them. We only introduce products to the market and for further processing, for which environmentally friendly use is solved - during storage, use and disposal. We are constantly looking for ways to reduce the consumption of energy and input materials. We manage the number of hazardous substances and deal with the amount and types of waste. By thorough prevention of risks and pollution, we prevent the possibility of emergencies, the consequences of which could have a negative impact on the environment.

The integrated management system set up by the company applies to all its internal activities related to the production of closures as well as external activities. In relation to the subject of the company's activities and customer requirements, the system is developed in accordance with the ISO 9001, ISO 22000 and ISO 14001 standards.

ISO 9001

The quality management system is an organic part of the overall management of the company - in the management system we apply the principle of continuous improvement. We consider the quality of delivery not only the technical quality of our products, but also the quality of compliance with the agreed delivery conditions and the quality of the accompanying administration. We also carefully select our business partners and employees who have a clear idea of what they are responsible for in the company.

ISO 22000

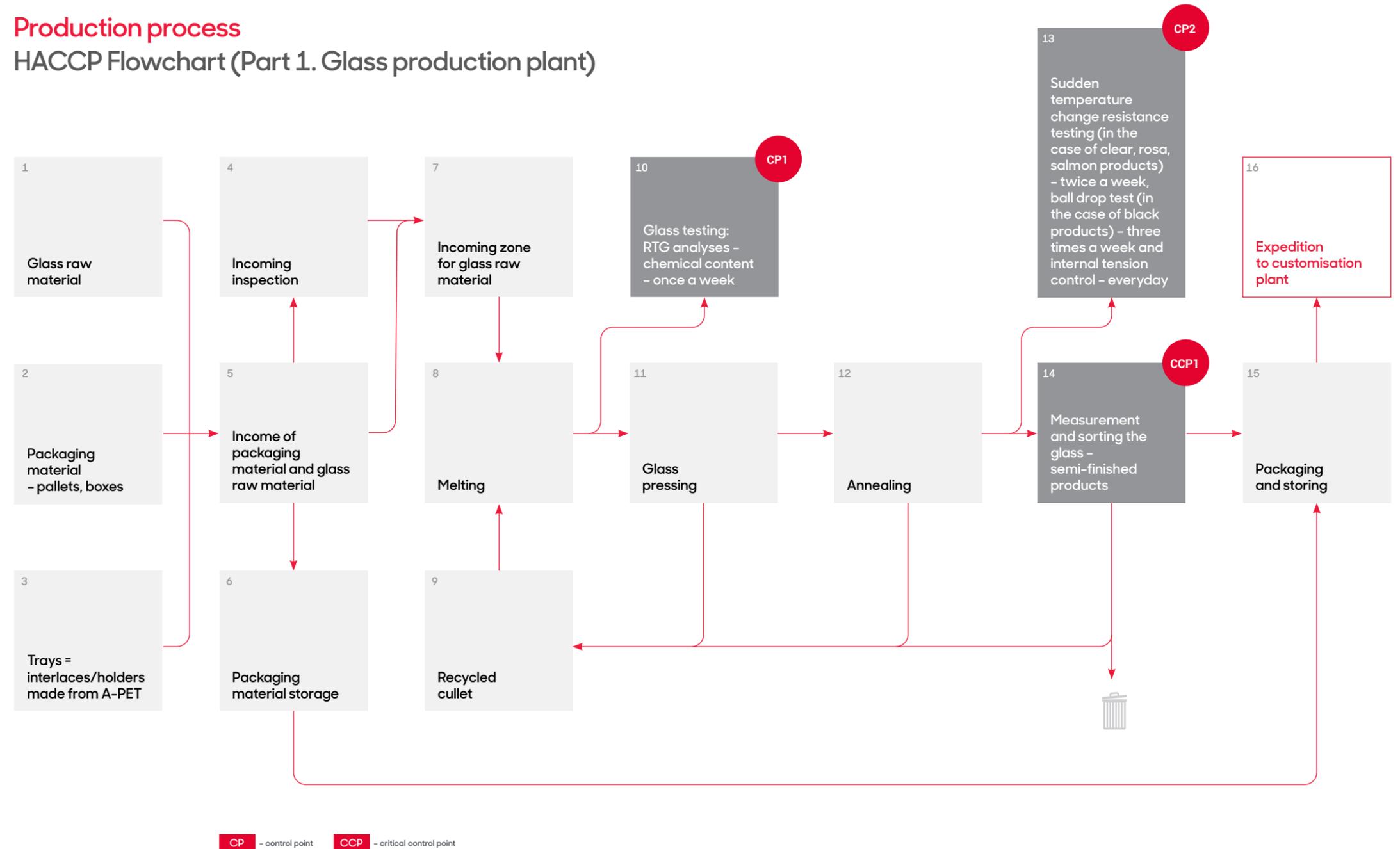
The food safety management system is based on compliance with HACCP principles, risk assessment in order to reduce them, management and prevention of non-conformities and adverse events. The company carries out its activities in accordance with the requirements of valid legal regulations and based on mutually agreed customer requirements for food safety. All employees behave responsibly in relation to hygiene standards and regulations and observe the quality and safety of the product for the final consumer.

The system is regularly inspected by a third party, SGS. In the financial year 2022, we successfully completed a supervisory audit. Furthermore, the company is regularly subject to audits by customers and government agencies, which are always satisfied with the setup and operation of the system.

Risk Management

HACCP is a management system in which food safety is addressed through the analysis and control of biological, chemical, and physical hazards from raw material production, procurement, and handling, to manufacturing, distribution and consumption of the finished product.

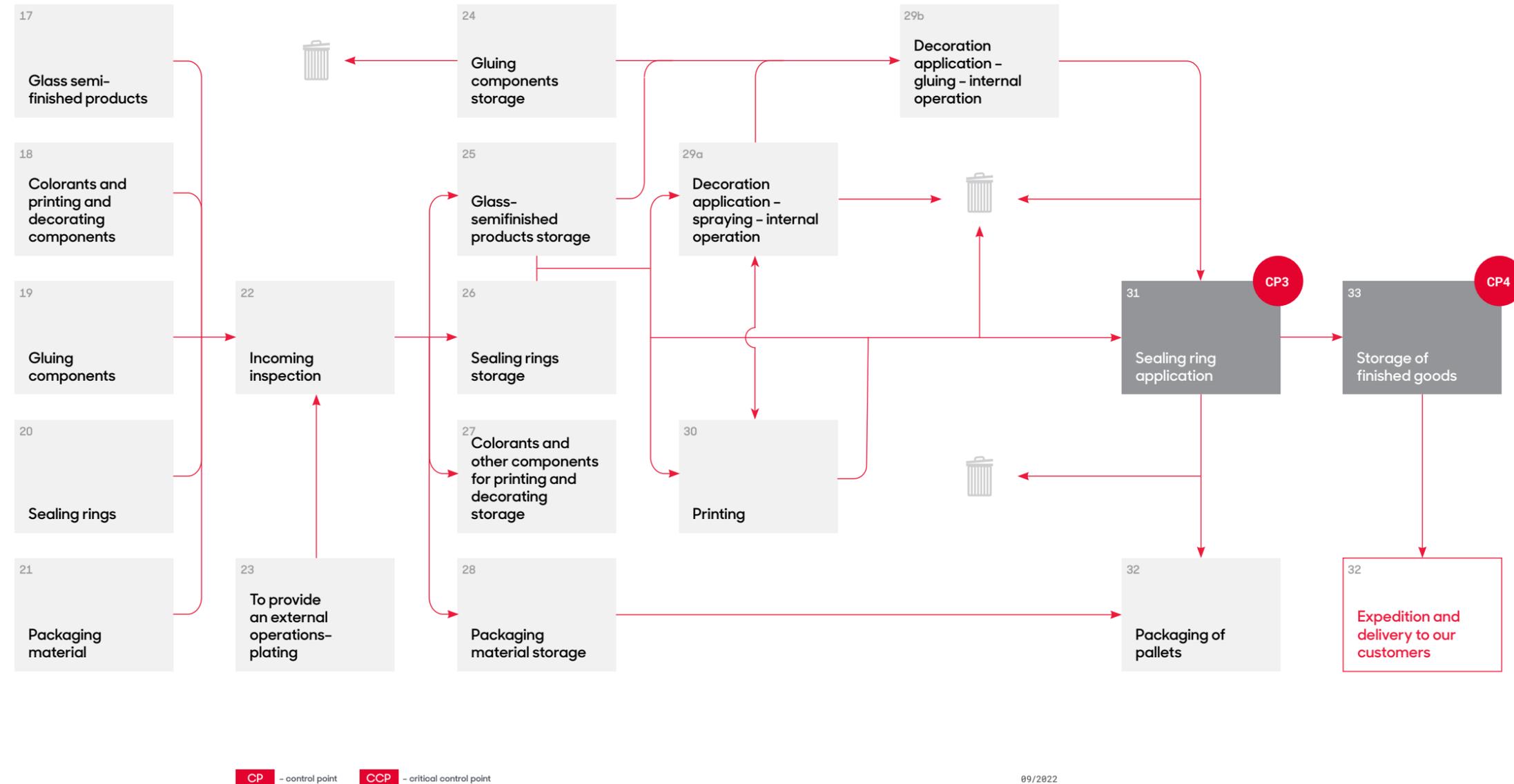
Production process HACCP Flowchart (Part 1. Glass production plant)



Risk Management

One of the main objectives of the Vinolok company is to provide customers with high-quality products and services. Every single glass closure passes 100% quality check four times during the production process and therefore, Vinolok™ is a guarantee of securely sealed beverage.

Production process HACCP Flowchart (Part 2. Customisation plant)



Hana Gaborova

Position: Quality Manager

At Vinolok since: 2016

The quality of the product and of our services, as well as customer satisfaction, is crucial for us. The key is not only the quality of the final product, but also the quality of all inputs and raw materials. We work intensively with all external suppliers that we most often look for in our region. An important part of controlling any inter-operational quality is the maximum responsible attitude of each employee. Legislation and ISO standards are the company's current rules that help to keep the complete production process under control; and a commitment we fulfill.

We are certified to international standards by independent third party audits:

- ISO 9001 (first certification in 2012)
 - ISO 22000 (first certification in 2012)
 - ISO 14001 (first certification in 2020)
- All these certificates are done in 3-year cycles (audited every year).

Target by 2023

The company's management is trying to develop the system in the long term and adapt it primarily to the customers' requirements, which is why it is currently preparing the certification according to the ISO 45001 standard - occupational health and safety management system.

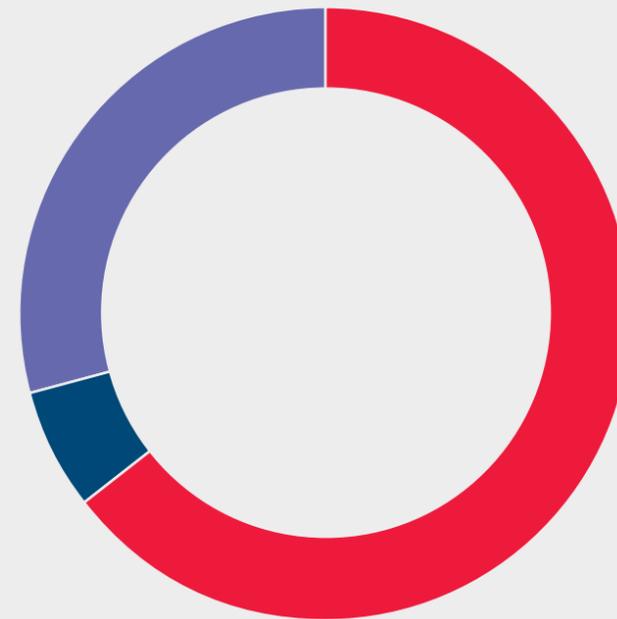


Our goals

Until 2020, we cooperated with the Institute for Testing and Certification in Zlin (Czech Republic), which also provided us with migration tests of sealing rings and other testing. In 2020, we switched to the internationally recognised SGS.

Goals in 2022 31 targets in total

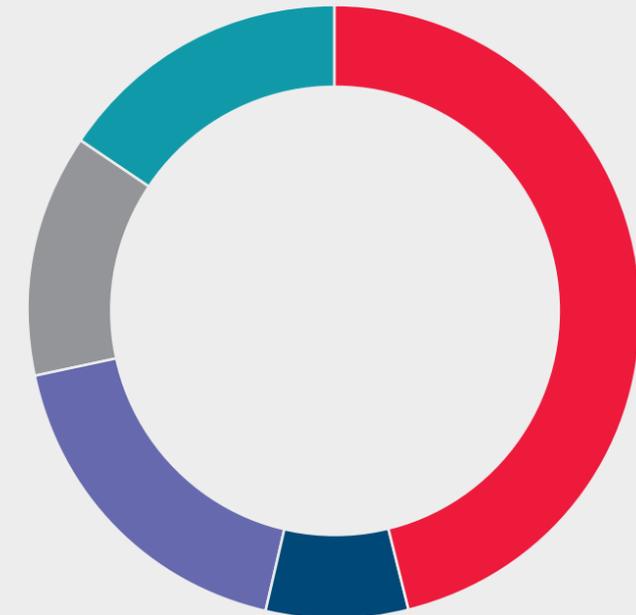
Quality Management - 20 targets
Food Safety Management - 2 targets
Environmental management - 9 targets



■ Quality Management
■ Food Safety Management
■ Environmental management

Goals in 2023 39 targets in total

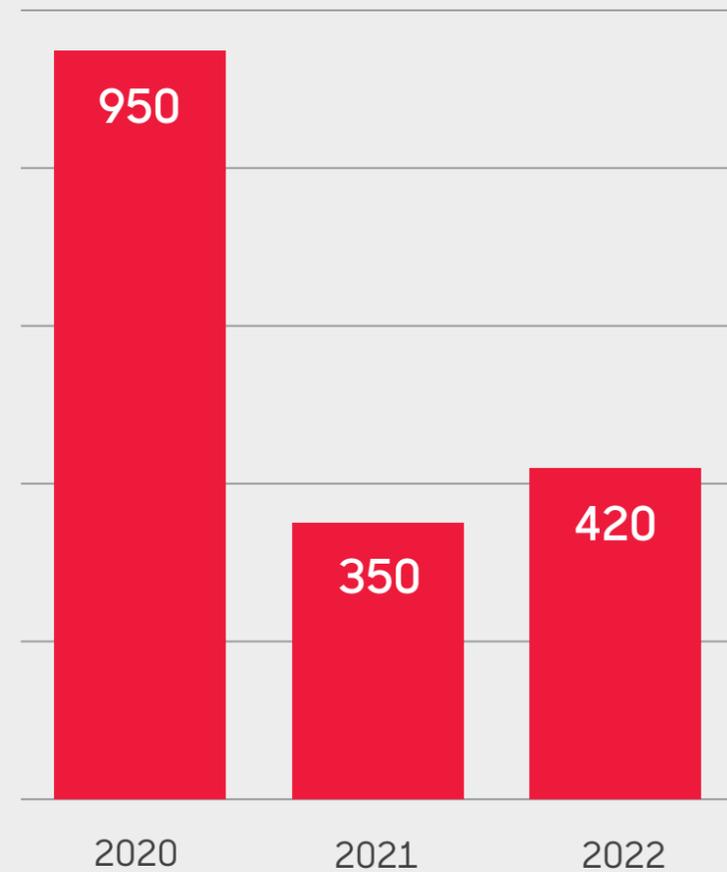
Quality Management - 18 targets
Food Safety Management - 3 targets
Environmental management - 7 targets
CSR - 5 targets = **new**
Occupational Health and Safety Management - 6 targets = **new**



■ Quality Management
■ Food Safety Management
■ Environmental management
■ CSR
■ Occupational Health and Safety Management

Inspection

The total volume of validated customer claims in PPM (pieces per million sold)



Inspections are carried out internally once a month (checking operations for compliance with established rules, food safety, occupational health and safety and environmental protection).

1st party audits - internal audits

We perform these audits once a year in cooperation with external auditors. During internal audits, all internal processes are examined - from purchasing, through production to sales.

2020 - 6 internal audits with external auditor + 21 regular inspections

2021 - 6 internal audits with external auditor + 21 regular inspections

2022 - 8 internal audits with external auditor + 23 regular inspections

Claims

The total volume of validated customer claims in relation to the number of sold units:

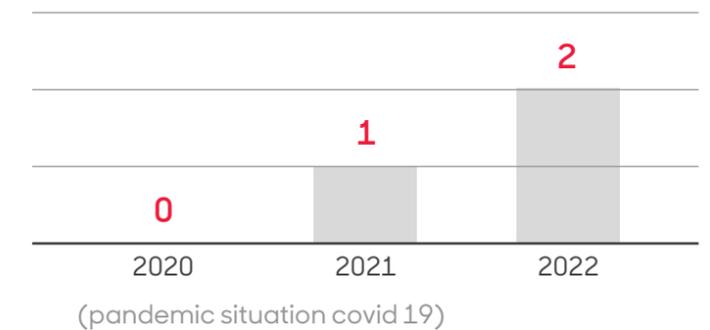
2020 - 0.095%

2021 - 0.035%

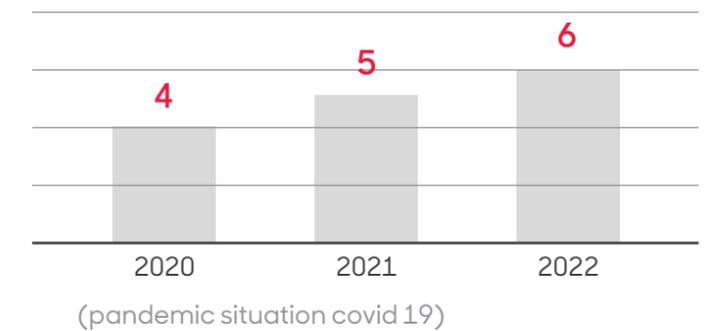
2022 - 0.042%

2nd party audits - supplier audits, customer audits

Customer audits (in case of customer interest)



Supplier audits (we set up a program of audits each year)



Safety policy

In addition to regularly updating our facilities, our safety policy focuses on individual behavior and team-based vigilance.

Number of accidents at work according to the ESAW methodology (European Statistics on Accidents at Work)

2021: 3 accidents (288 000 working hours)

2022: 4 accidents (316 000 working hours)

Since 2020, we have seen zero hospital admissions due to work-related injuries.

We have adopted a safety policy with the motto: Protecting the health and lives of our internal and external employees is clearly our top priority. We will fulfill this basic motto by focusing on the following principles:

Responsible attitude to life and health of employees and visitors	Increase the focus on sustainability in the company
We monitor and consistently comply with legal and other requirements relating to the working environment and occupational safety.	We communicate and consult with employees and other interested parties on critical health and safety issues. We motivate all employees to strengthen their responsibility for their own safety, health and company assets.
We improve the working environment and hygiene at work. We assess the safety risks of all activities and workplaces and eliminate problems according to their urgency.	
We introduce technologies with minimal impact on the health of employees and outsiders.	
We monitor possible sources of health damage. We systematically monitor and evaluate potential and actual accidents and take safety measures.	We require documented assurances from our partners that they will not endanger the lives and health of our employees during their activities on and off our premises.
The occupational health and safety management system includes all entities affected by the business activities (suppliers, customers, the public, etc.).	
We systematically document, assess, control and evaluate the status, results and system of occupational safety management and ensure that any deficiencies identified are immediately corrected.	

Nicol Budinska

Position: Product Quality Specialist
At Vinolok since: 2020

The safety of our employees in our various departments and production facilities is one of our highest priorities. We ensure a safe working environment for our employees and provide our employees with the necessary work equipment. Safety regulations are unconditionally enforced, and their effectiveness is regularly checked. Improper conditions must be reported and corrected immediately.

WORK SAFETY

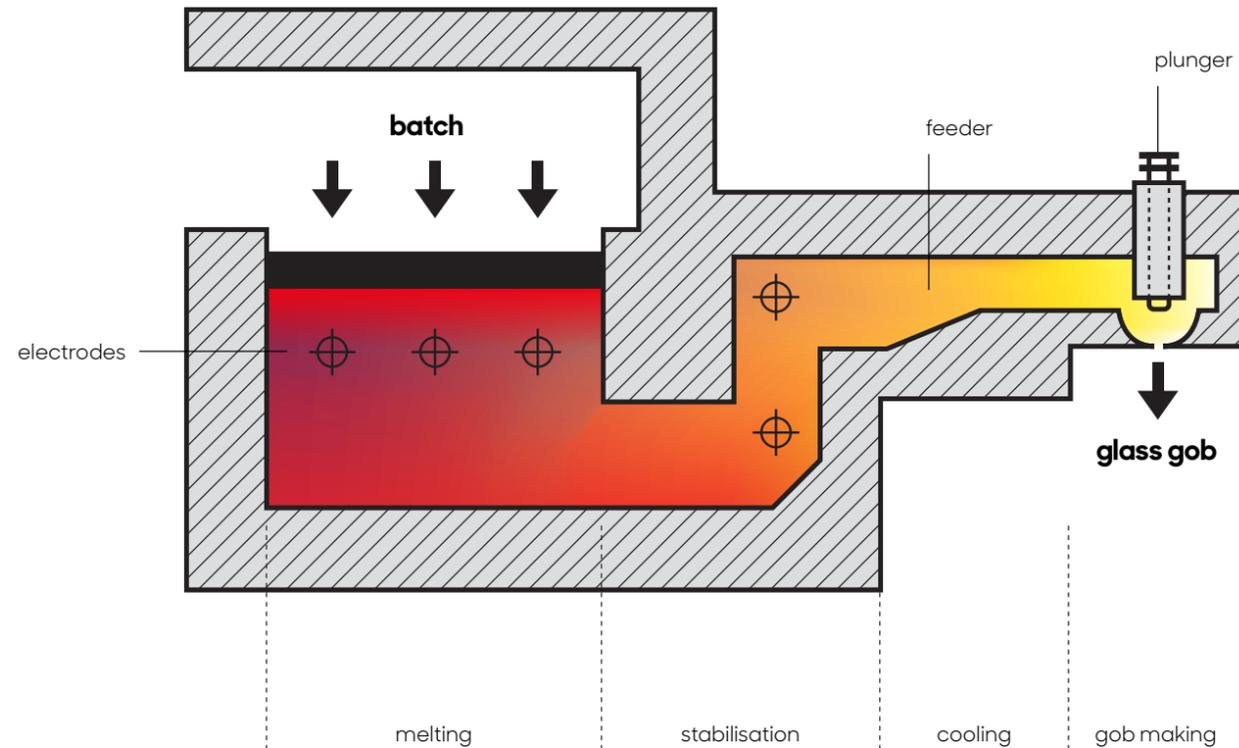


Sustainability

Production process	56
Carbon Footprint	57
Glass circularity	62
Water conservation & Waste management	63
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Targets	65



Electric glass melting



Compared to glass melting based on gas combustion, we have implemented a technology that is 3 times more energy efficient. Compared to gas melting, electric glass melting reduces direct energy consumption by 2/3, thus protecting the environment, reducing fossil fuel combustion, and directly using emission-free energy sources for glass melting.

At Vinolok we use the most efficient electric glass melting. This method does not pollute the immediate surroundings of the production plant with fumes, as there is very little direct emission of combustion products and dust. The melting process takes place inside the melting unit, which has a capacity for 4 tons of glass melt.

Also, the preparation of the right mixture for melting is essential to maintain 100 % glass quality. We purchase only certified materials, verify their quality and regularly perform chemical analyses of our glass. There are automatic mixers in our plant that ensure accurate dosing of each component and help us prepare a batch with minimal variation of the components of the mixture. The whole batch is completed by adding cullet to the mixture, which facilitates the melting process, is less energy intensive and more chemically stable. The amount of cullet is constantly checked and optimized by our technologists.

Importance of Carbon Footprint data and evaluation

The carbon footprint provides a measure of a product's environmental impact. By quantifying the greenhouse gas emissions associated with a product, we can understand its contribution to climate change and environmental degradation. This information is essential for identifying products with high emissions and for implementing strategies to reduce their impact.

Carbon footprint data is valuable not only for individual products but also for managing entire supply chains. By assessing and comparing the carbon footprint of different components or processes within a supply chain, we can identify areas of high emissions and implement measures to reduce them. This approach promotes efficiency, innovation and collaboration between suppliers, ultimately leading to more sustainable operations.

Measuring and reporting on carbon footprint demonstrates a commitment to reducing greenhouse gas emissions and mitigating environmental impacts. It also helps us set targets, track progress and hold ourselves accountable for our sustainability initiatives. By incorporating carbon footprint considerations, we can move towards a more sustainable and environmentally conscious future.

Glass

Our company therefore conducted an assessment to quantify the greenhouse gas (GHG) emissions associated with the life cycle of our Classic Low-Top Clear Glass Closure in order to:

1

Understand the contribution of each production phase, wherever possible, against the overall carbon footprint, to identify most important areas;

2

Identify opportunities to improve the environmental performance of our glass closure;

3

Enable future measurements and quantifications resulting from changes and improvements

Our commitment to sustainability drives all parts of the glass production and delivery. We are aware of the impact our operations have on the planet and are committed to be an environmentally responsible company.

As a glass company, we are focused on ensuring the sustainable production of glass closures and engaging end users in sustainable behaviour and recycling. To achieve this, we need to mobilize everyone in our company and continuously innovate.

We strictly adhere to a comprehensive program of environmentally responsible business practices and manufacturing procedures that comply not only with all major EU standards and legislation. Technologies are regularly submitted for voluntary audit to accredited laboratories and organizations to ensure an adequate compliance level and to guarantee safe working conditions for our employees worldwide.



GHG Emissions



Scope 1 GHG emissions are direct emissions controlled by an organisation as a result of its activities.

Vinolok: Emissions from fuel consumption (natural gas)



Scope 2 GHG emissions are indirect emissions not controlled by the organisation. Emissions are related to the acquisition of indirect energy (e.g. electricity, annealing/heating).

Vinolok: Emissions from the generation of purchased electricity



Scope 3 GHG emissions are other indirect emissions and are generated in the value chain (upstream and downstream).

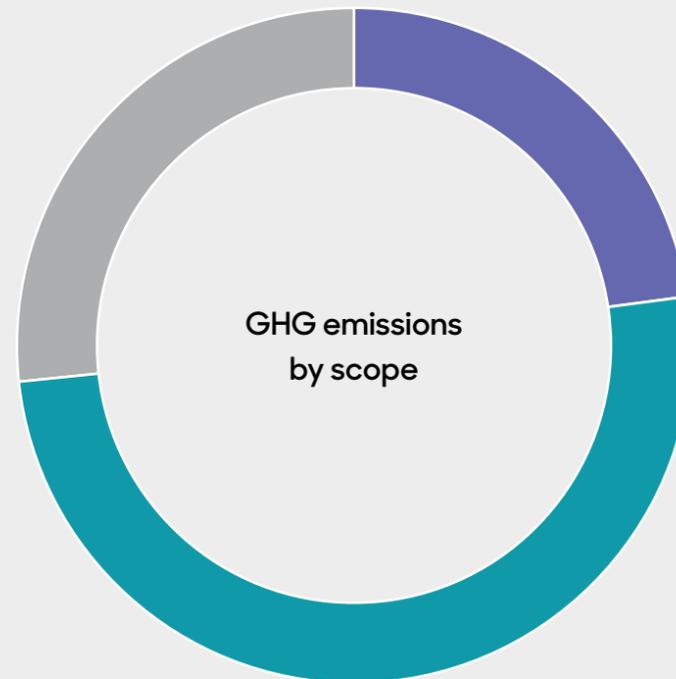
Vinolok: Emissions associated with purchased raw materials, raw materials transportation, waste transportation and waste generated during operations.

GHG Emissions

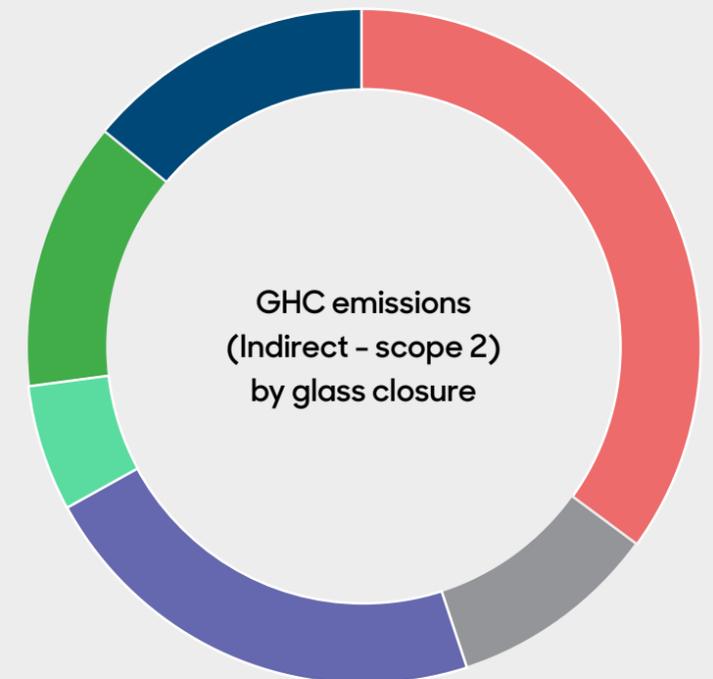
Our commitment to sustainability is to reduce our carbon footprint by 50% by the end of

2030 ↓

50% of GHG emissions are associated with Scope 2 (Indirect emissions) from electricity acquired and consumed, followed by Scope 3 (Other Indirect GHG emissions) and Scope 1 (Direct GHG emissions). The melting process has the most significant impact on the glass closure carbon footprint.

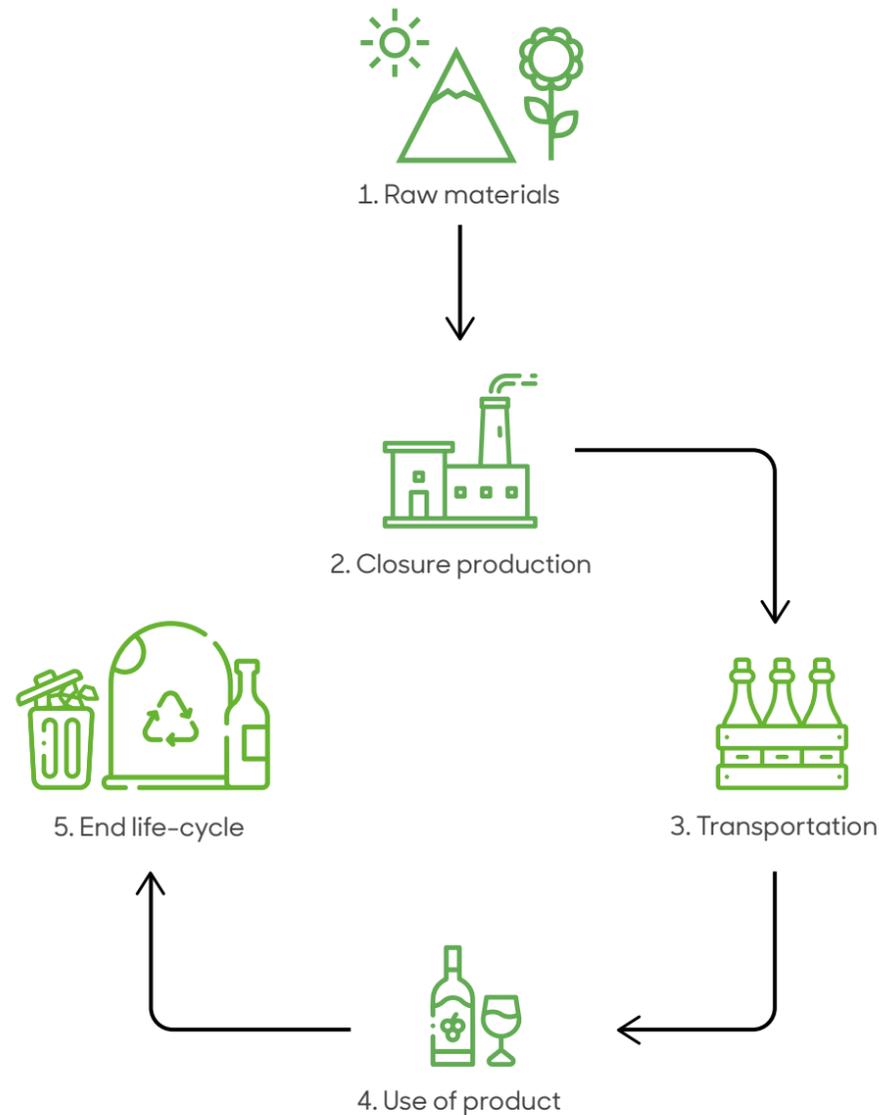


- Direct (23%)
- Indirect (50%)
- Other (27%)



- Melting (35%)
- Pressing (10%)
- Annealing (22%)
- Sorting (6%)
- Sealing rings (13%)
- Distribution (14%)

Methodology



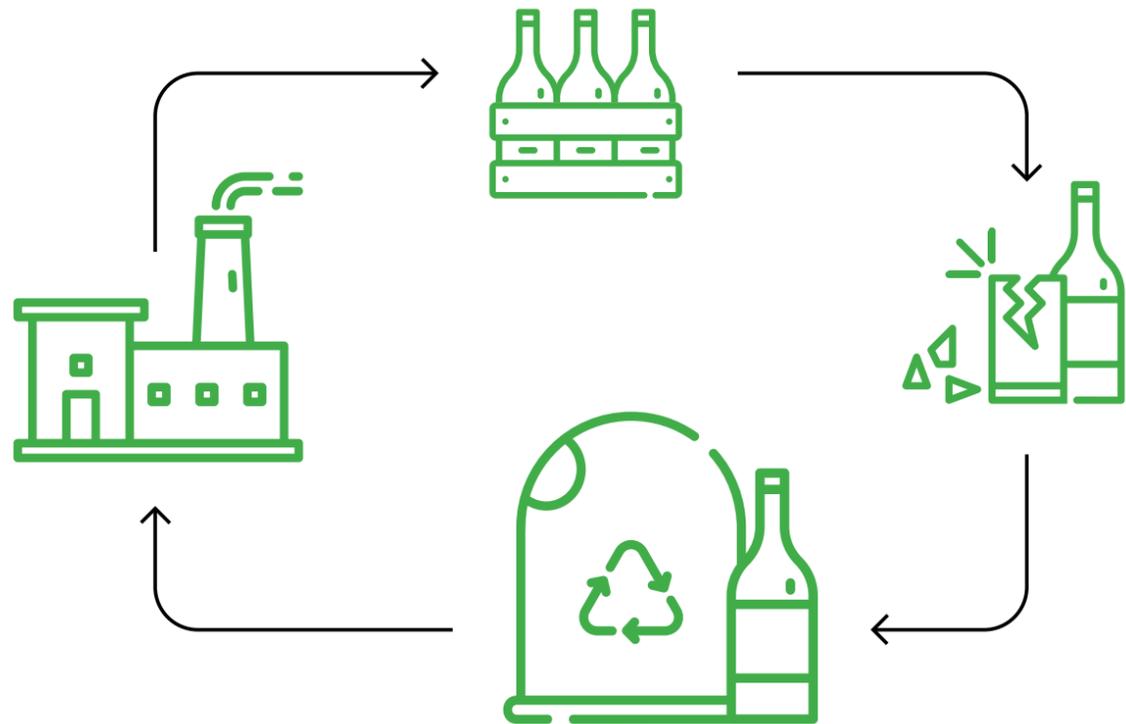
The carbon footprint information is essential for identifying products with high emissions and for implementing strategies to reduce their impact.

At Vinolok we have decided to calculate our carbon footprint. A cradle-to-grave approach was adopted, which means that the carbon footprint was calculated based on the entire life cycle of the product, from the raw materials purchased, through the production process, distribution and consumption to the end of life, supported by data collected from operational units and from bibliographic sources. This is a standard method for assessing the environmental impact of a product or service at all stages of its life, from the extraction of natural resources to the final disposal of waste.

As part of this study, we also looked at how increasing the use of renewable energy would impact on reducing our carbon footprint, and how increasing production efficiency would impact on our carbon footprint. We are determined to turn this valuable insight from the study into action for a better future for our planet. It also helps us set targets, track progress and hold ourselves accountable for our sustainability initiatives.



Glass recycling



We support the global ecological process of recycling more glass than we do now - recycling glass closure means giving a new life to another product while reducing the resource and energy consumption. Glass produced from recycled glass lowers related air pollution by 20% and related water pollution by 50%. At the same time, it diminishes the space taken up in landfills. Circular economy practices offer the potential to capture the lost value from recycling of glass, creating opportunities for the reuse of materials and saving of raw materials, energy, and carbon emissions.

As part of our long-term planning, we will prepare a major study on innovations in the production of glass closures, in particular on the proportion of higher recycled glass content (external) by 2030.



How the Vinolok™ recycling works

When you decide not to keep and use Vinolok™ further, you can easily recycle it. We all know that glass bottle goes in the recycle bin. With Vinolok™ we do the same.

- 1) At the end of its use you can separate the sealing ring simply by hand from the glass.
- 2) Throw the sealing ring into the recycle bin for plastic and the glass part into the recycle bin for glass.
- 3) If you are not able or willing to separate the sealing ring from Vinolok™, throw it at least together with the empty bottle into the glass recycle bin. On the sorting line in the modern recycling plant, the glass is crushed and other materials (sealing ring, label, capsules) are automatically separated.
- 4) The remaining pieces of glass (cullet) are used again as part of the glass batch for melting and producing new glass products. Even Vinolok™.



Water conservation

Closed loop cooling system

At Vinolok, we adhere to strict emission limits of pollutants set for water discharged into sewage systems. A closed loop of cooling water has reduced water consumption in our glass melting process to a minimum.

Nano washer

A nano washer with nanotechnology for washing printing inks was installed in place of the existing washer with distillation equipment.

Glass melting VOC (volatile organic compound) emissions into the air have been reduced by 15%. The consumption of washing solvents has been reduced by 23%.

At the same time, this has led to a reduction in hazardous waste from filters from the distillation equipment.

Waste management

From factories to offices, we seek to reduce waste through the following initiatives:

- production (glass) waste is recycled to become a new, usable material
- recycling bins are placed in each production plant, office and common area
- waste from the employee canteens is transported to a biogas plant for energy production
- drinking tap water is available in all manufacturing plants and office buildings, as well as Soda Streams and water barrels to reduce the number of disposable plastic bottles
- only at the production site, we save 8760 bottles/year



Heating

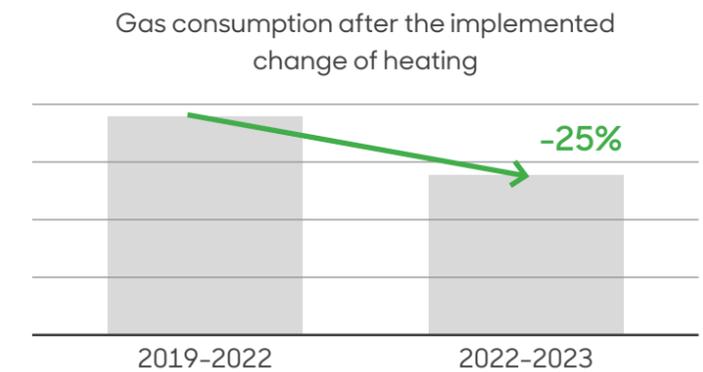
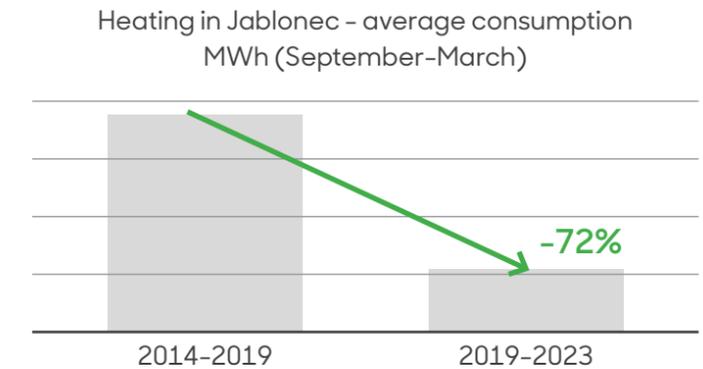
Target: We are committed to reduce heating energy consumption from 225 MWh to 45 MWh by

2030 ↓

After decentralizing the heating system in 2019 in our HQ and production plant, we reduced the incoming energy consumption (kWh) by 70% during the first heating season compared to the same period of the previous years.

Heating in Jablonec plant

- in 2019, a project of decentralised heating system was realized at Vinolok's headquarters
- reduction of energy consumption from average 3 730 MWh (2014-2019) to 1 045 MWh (2019-2023) which results in a **72% reduction**
- the target for 2023 is a reduction -20% (reduction of temperature -3°C)
- in the heating season 2022/2023, by lowering the indoor temperature and better temperature management, **savings of 25%** were achieved compared to the average of previous years
- savings of 280MWh represent 4% of total gas consumption in 2022, we will compare the overall result at the end of 2023



The heating season 22/23 compared to 21/22 was two weeks longer and the winter was 3% colder.

Everything comes from the people

As of 2019, there is a dedicated team in the company that focuses on promoting environmental issues to propose and promote steps towards sustainability in glass production and recycling. The commitment to sustainability nowadays runs through all parts of our glass production and supply. The natural outcome of this process is to make sustainable production a priority for consumers.

Target	Increase the focus on sustainability in the company	Transparent information on sustainability topics on the website	Waste management on site plant for energy production.	New stretch wrap for shipping	New cartons	Minimise the use of single-use plastic bottles	Preparation of data for carbon footprint study
Status	Completed - with the successful acquisition of ISO 14001 in 2022 - Environmental Management System, the initiative is ongoing.	Completed - launch of a new website with a section dedicated to sustainability in 2020.	Completed - recycling bins placed in each production facility, office and communal areas, regular training and education introduced. Waste from employee canteens is taken to a biogas	Completed - new MimaLite stretch wrap for shipping is 34% lighter (0.5 kg less per pallet wrap). Final wrapping has been improved with a reusable liner to cover cartons on pallet (November 2020).	Completed - design change reduced paper consumption by 19% (March 2021).	Completed - in all manufacturing plants and office buildings, drinking water is available from the tap in refillable glass bottles as well as in soda streams and water barrels. As a result, we have saved 8760 plastic bottles/year in the manufacturing plant alone.	Completed - complete report is available online

Celebrating our people

7

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Social benefits



We also think about situations where help is needed. Together with the Preciosa Foundation, Vinolok quickly and effectively provides assistance to employees and their families in various life situations. Sport activities, relaxation and time spent together are also important to us. That is why we regularly organise popular informal meetings, trips and teambuilding activities. Vinolok is characterised by an open and positive atmosphere and cooperation across the company. We are careful to maintain equal opportunities for people, from the first interview with candidates to relationships with long-term employees.

Quality. Innovation. Ecology. Inspiration. Creativity. Experience. Stories. Recommendations. People. All this is behind Vinolok. We are aware that work-life balance is essential for stable performance and a good working atmosphere. We provide all our employees not only fair working conditions in accordance with the laws and regulations of the Czech Republic and the EU, but also access to an ever-expanding range of company benefits.

Hiring Equal recruitment criteria are applied, ensuring that only the professional competence of a candidate is judged.

Collective agreements In the Czech Republic, 100% of employees are covered by collective agreements by law, which form part of the company's terms and conditions of employment and cover aspects such as working hours, remuneration, access to training, etc. Collective bargaining takes place every year.

Company benefits (health, social):

Pension contribution

Recreation allowance for employees and their children up to 18 years of age

Possibility of recreation at the Preciosa's facilities at discounted prices

Allowance for summer and winter children's camps

Multisport card – possibility to visit sports facilities every day for a reduced monthly price

Contribution to company meals, lump sum for meals in shifts

Rewards for blood donors

Discounted mobile phone tariffs

Discount on cultural performances

Training

We provide accessible trainings and development opportunities for our employees and build an environment that fosters creativity and personal success. Through regular testing at least once a year, we make sure that our people are trained and know the processes and rules necessary for a smooth and safe operation. Evidence of all mandatory trainings is available in SAP.

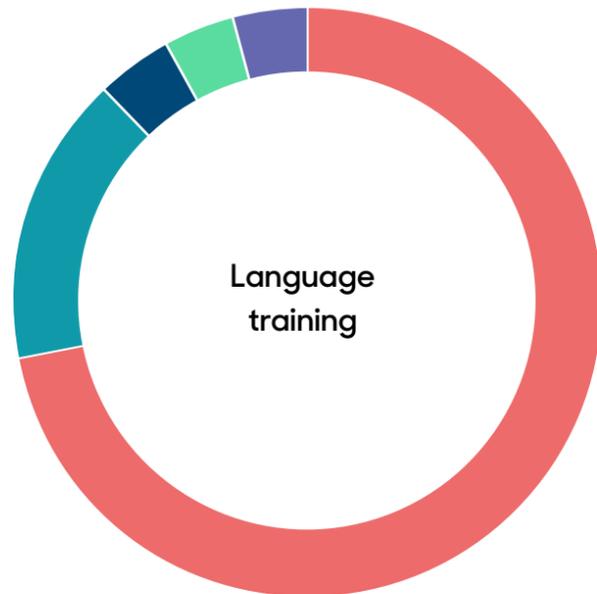
Areas of provided trainings:

- Professional development training
- Training on legislative changes (mainly technical training resulting from the law)
- Foreign languages training
- Participation in professional conferences and trade fairs
- Exchange and close cooperation with partner organisations

Specialized vocational courses This area covers the maintenance and improvement of the professional competence of administrative staff. It often concerns changes in legislation (e.g. in the HR, economic and accounting areas) or changes in technology. People participate on an ad hoc basis as required.

Training within the integrated management system This area of training includes quality, environmental and food safety training. Courses take place at regular intervals and, if necessary, on an ad hoc basis (e.g. changes in production, or as a reaction to possible complaints). This part of trainings is strictly observed by the top management. As part of our effort in being sustainable company, 100% of our employees attend a training on waste sorting.

Soft skills training The courses take place either within the Vinolok company or in cooperation with The Preciosa Group. It results either from regular employee evaluations or based on the need to strengthen and improve teamwork. Our employees take place in the “Talent” project organized by Preciosa aimed at improving group cooperation, presentation and professional skills. At Vinolok, we held a series of joint seminars for foremen and quality control in the metallurgical department.



Language training

- English (72%)
- Spanish (16%)
- French (4%)
- German (4%)
- Russian (4%)

25 people attend the language training of their choice. Lessons are either individual or organized in groups of up to four participants.

Other trainings for selected groups of employees are organized regularly.

- Car drivers
- Forklift driver
- First aid
- Freight lift operator
- Lifting equipment operator
- Gas equipment operator
- Gas equipment operator – oxygen pipelines
- Professional competence in electrical engineering
- Pressure vessel operator
- Welding
- Chemical substances – transport (ADR)
- Work at heights and above free depth

Online seminars



Due to the pandemic situation and the limited ability to travel and meet people, we have introduced a new online training format for the entire sales network worldwide.

Vinolok seminars began broadcasting in January 2021 with a biweekly frequency. Topics ranged from basic product information, production processes, raw materials, availability, compatible bottles, sustainability to new campaign launches and marketing topics.

Attendees include distributors, retailers, and collaborating partners who need shared information to properly and competently sell Vinolok™ closures.

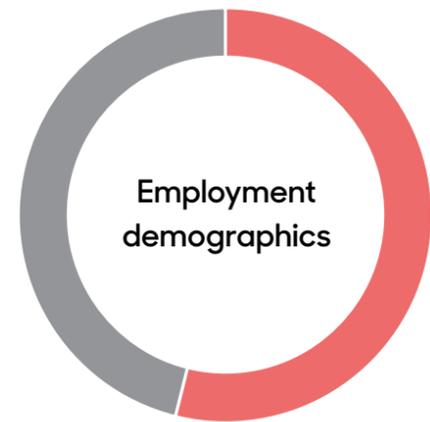
We held 16 webinars in 2021. 680 registrants and 450 attendees accounted for 66% of participants in this period.

In 2022, we held 12 webinars. This period included 775 registrants, 339 attendees, representing a 44% online webinar participation rate.

The webinars were well received by all partners. All sessions are recorded with the option to replay the requested session at any time. With this option, webinars brought additional 262 separate views in 2022. Links to all webinars are available via Sharepoint for all authorised users.

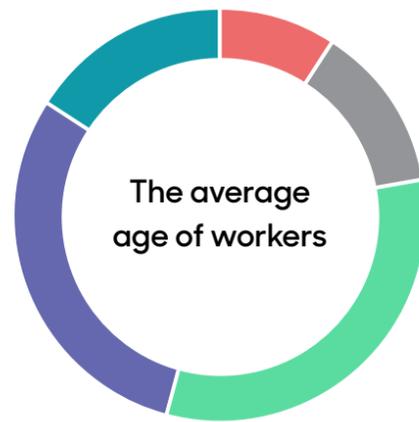


Diversity



As of 31 December 2022, Vinolok had 180 employees in the following structure:

- Women (54%)
- Men (46%)



The average age of workers in our company was 43.5 years (age median 44 years)

- 19-25 years (9%)
- 26-35 years (13%)
- 36-45 years (32%)
- 46-55 years (30%)
- 56-65 years (16%)



Structure of the employees regarding the length of employment

- Up to 1 year (14%)
- 1-2 years (20%)
- 3-5 years (37%)
- 6-10 years (18%)
- 11-15 years (2%)
- 16-20 years (4%)
- 21 and more (5%*)

At the Vinolok company, we have adopted a corporate social responsibility policy with the motto: People are our greatest asset – our employees and external collaborators.

Since representatives of different generations or nationalities have different characteristics, approaches and perspectives, they can complement each other, enriching the work environment with new stimuli or tools and creating a diverse team that can adapt to any challenge.

At Vinolok, we believe that the diversity of the team increases the efficiency, innovation and creativity of its individual members. Diversification is also one of the key HR factors for the stability of our company.

Length of employment relationship

Vinolok prefers stability and medium- and long-term commitments to its employees. The retention of experienced and loyal employees is supported by fair working and wage conditions, the distribution of working hours, support for professional development, training related to the activities performed and motivation for further career development. Consideration for the personal lives of our employees is also essential for their long-term satisfaction. In 2022, the average length of employment was 5 years.

39 years

The longest employment relationship (*including former organisations of the Preciosa Group).

Support

Whenever it is possible, we support employees with reduced working capacity. Six of such employees worked for Vinolok in 2022.

23,3%

The turnover employee rate in 2022.

Target: By 2024 lower the turnover employee rate to

15% ↓

Daniela Buriankova

Position: HR Specialist

At Vinolok since: 2018

I am very pleased that this year we are publishing our first comprehensive CSR report, which focuses on, among other things, the promotion of equal opportunities and activities to maintain diversity and work-life balance. At Vinolok we have long strived to create a positive working environment and place great emphasis on friendly and open relationships. I believe these activities are behind the strong, competent and friendly team at Vinolok. We are currently in the process of building one production plant in Jablonec nad Nisou, where

we have renovated the assembly hall and subsequently the employee facilities in 2019. New changing rooms, a central refreshment area and a canteen were also renovated. Our future plans focus on technology development and automation to make our employees' jobs easier and more efficient - we will be completing more fully automatic sorting equipment. Our R&D department is working on a print loading device to reduce the strain on the line operator's musculoskeletal system, and much more.



Ethics and anti-corruption

We have long adhered to a common code of ethics within the Preciosa Group and have also adopted an anti-corruption programme at Vinolok, the standards of which all employees and stakeholders are required to comply with.

This programme is designed to prevent and detect unethical or corrupt behavior in the company, as well as to promote transparency and accountability in all business practices. It is guided by a robust code of conduct that outlines the company's values and principles and provides clear guidelines for ethical decision making.

Vinolok's ethics and anti-corruption programme includes regular training and education to ensure that employees understand their responsibilities and obligations under the Code of Conduct.

In addition, Vinolok has established control and monitoring procedures to ensure compliance with applicable laws and regulations, including those relating to anti-bribery and anti-corruption. These controls include processes to review new business partners and suppliers, as well as regular risk assessments and audits to identify and mitigate any potential risks.



Vinolok is committed to conducting its business in accordance with the highest standards of ethics and integrity. Our goal is to maintain our reputation as a responsible and trustworthy business partner. We will continue to monitor and update our ethics and anti-corruption program to ensure its effectiveness and compliance with industry best practices.

Basic general rules to reduce the risk of corruption include:

- Verifying the credibility of employees by reviewing the applicant's CV with verification of information where appropriate,
- management review,
- conscientious investigation of all allegations.

The Binding Anti-Corruption Rules go into further detail on the areas of:

- signing and powers of attorney,
- purchasing rules (covering all forms of purchasing, whether for production or auxiliary materials, goods or services). We follow set approval scenarios for purchasing processes with records kept in the SAP system,
- sales rules (apply to sales of own products and services. We consider any employee who negotiates a deal at any stage to be a salesperson),

- rules in warehousing, production and preparation,
- rules of financial operations resulting from the Accounting Act and related regulations in force in the Czech Republic and the EU. Other rules are part of internal regulations.

At present, the rules for information and communication technologies are a crucial area. Thanks to close cooperation with the ICT supplier, we are constantly strengthening cyber security, employees are regularly trained in this area and they commit to responsible behaviour on the computer network.

The anti-corruption committee meets at least once a year.

Conclusions of the Corporate Social Responsibility Audit

Vinolok, as an internationally operating company, demonstrates the level of various aspects of its operations based on international standards. This requires the company to present itself to the market as a socially responsible entity. That is why we decided to implement ISO 26000 CSR - Corporate Social Responsibility.

The first verification of being prepared for its implementation was an audit carried out in November 2022. Its aim was to check to what extent the company had already implemented the standard and could therefore be considered a socially responsible company.

The audit was divided according to external consultant company methodology as follows:

- 1) Management audit
- 2) Audit of randomly chosen or otherwise selected employees (plants: Jablonec nad Nisou/Desna)

Audit interviews were conducted at both plants and subsequently combined into a questionnaire. The knowledge survey covered the following areas:

- Equal opportunities for all employees with regard to their education, experience, work commitment
- Proper employment relations, fair and transparent wage system
- Schedule of working time, planning of holidays
- Respect for employees' privacy
- Training in occupational safety and fire protection
- Perceived danger in the company in relation to the health of employees and its protection
- Employees' views on environmental protection in terms of company operations
- The position of trade unions
- Training opportunities
- Relationships with senior staff
- Corruption and other negative phenomena
- Knowledge of the concepts of corporate social responsibility, including knowledge of the Corporate Social Responsibility Policy

Management audit

The audit showed that the company's management is aware of the importance of social responsibility and has prepared the relevant documents with the help of a consulting firm. It also showed that even without the introduction of ISO 26000, the company has been socially responsible since its foundation and has not neglected social issues. Legal awareness and ethical responsibility have also made a significant contribution.

Employees audit

The interviews with employees showed a high level of knowledge of the issues at both plants, while at the same time there were no issues that needed to be addressed. Overall, the knowledge score was higher among employees in Jablonec n. N. (by 8.6%). According to the auditors, this does not mean that the company has a higher level of social responsibility towards employees in Jablonec, but rather that there are more employees in administration who are better informed.

Results of the audit

The audit showed a real commitment of the management to social consensus with the employees. As a result, relations within the company are at a very good level. It has also shown that everyone is relatively well informed even on matters that are not directly related to their work and remuneration.

Thus, to fully meet the requirements of ISO 26000, it is sufficient to issue all documents and inform employees and business partners. These steps are planned for the subsequent period.

Foundation



Since the establishment of Vinolok, we have been part of the Preciosa Group and as such we play an active part of the activities of the Preciosa Foundation. Vinolok, like all Preciosa Group companies, is based in the Crystal Valley, where it prides itself on loyalty and humility to the region from which it comes. We do not forget our responsibility to the people and the region and try to give back to them as much as we can.

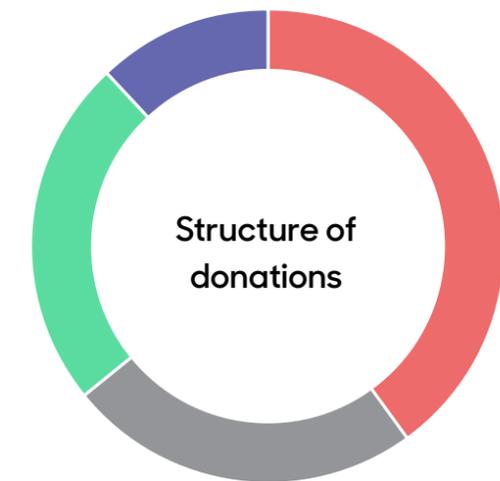
That is why we participate in the activities of the Preciosa Foundation, not only at the level of governance and running the Foundation. Our employees are taking part in fundraising events and volunteer.

Together with all people at the Foundation, we believe that the philosophies and values we hold can contribute to a better life, not only in the Crystal Valley, but beyond. For 30 years of its existence, the Preciosa Foundation has helped many non-profit projects in the Liberec Region and throughout the Czech Republic.

Activities are divided into seven basic areas at two levels:

- regional level – the Foundation operates primarily the Health and Prevention Fund, the Ecology and Environment Fund, the Culture and Arts Fund and the Physical Education and Sports Fund.
- national level – the Foundation contributes to society from the Science and Research Fund, the Education Fund and the Social and Humanitarian Fund.

In this way, the Foundation has distributed more than 10 million EUR to organisations, institutions, and individuals since 1999.



- Social and Humanitarian Aid (40%)
- Arts and Culture, Education Fund (24%)
- Health and Prevention, Fund for Exercise and Sport (24%)
- Research and Development, Environmental Fund (12%)

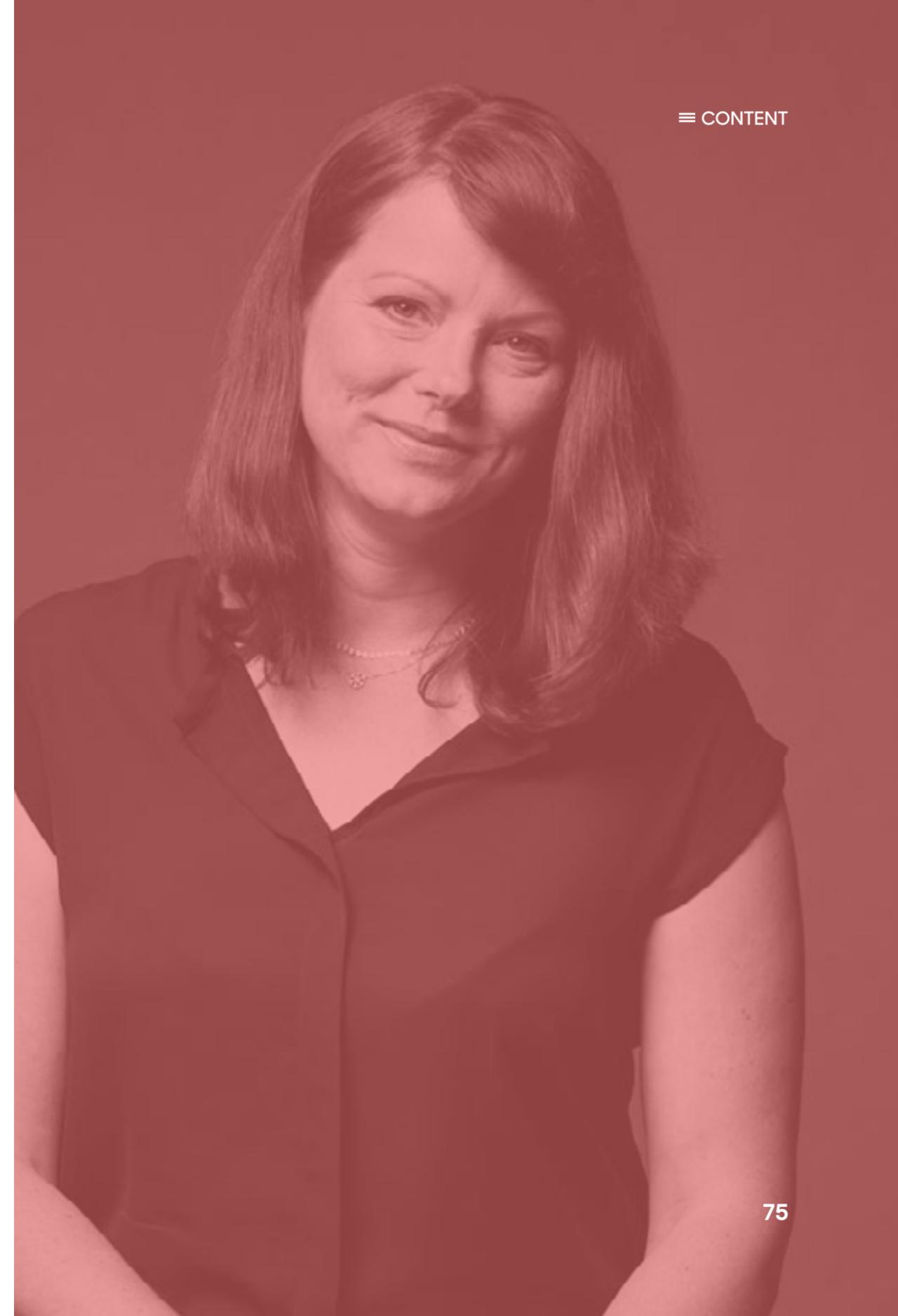
Klara Kasparova

Position: Marketing Specialist

At Vinolok since: 2019

We are fortunate to live and work in the Crystal Valley, which is famous for glass production. Generations of families of those who work in glass companies today, including Vinolok, have built a tradition that we can build on today. Thanks to nature and the place where we live, and thanks to the people who have shaped this place, we are now famous all over the world. We are aware of this legacy, and so helping, restoring and respecting the place and the people is an integral part of our corporate culture. The Preciosa Foundation is a concentration

of these values. Through them, we want to contribute together to the overall well-being and development of our region and the people who live there.



Building upon 470 Year-old Glassmaking Tradition

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Find out more at vinolok.com